

Riverview Community School District

Financial Statements

June 30, 2024



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**BUSINESS SUCCESS
PARTNERS**

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Riverview Community School District
Members of the Board of Education and Administration
June 30, 2024

Members Of the Board Of Education

Timothy Bohr, President

Matt Dominski, Vice President

Sheila Walker, Secretary

Andy Davis, Treasurer

Sandy Meeks, Trustee

Gary O'Brien, Trustee

Matthew Toth, Trustee

Administration

Joseph J. Hatzl, Superintendent

Lonnie Draper, Director of Business and Finance

Independent Auditors' Report

Management and the Board of Education
Riverview Community School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverview Community School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Riverview Community School District's basic financial statements as listed in the table of contents.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverview Community School District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Riverview Community School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverview Community School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Riverview Community School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Riverview Community School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the school district's proportionate share of the net pension liability, and schedule of the school district's pension contributions, schedule of the school district's proportionate share of the net OPEB liability (asset), and schedule of the school district's OPEB contributions identified in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Riverview Community School District's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The other supplementary information, as identified in the table of contents, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as identified in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2024 on our consideration of Riverview Community School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Riverview Community School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Riverview Community School District's internal control over financial reporting and compliance.

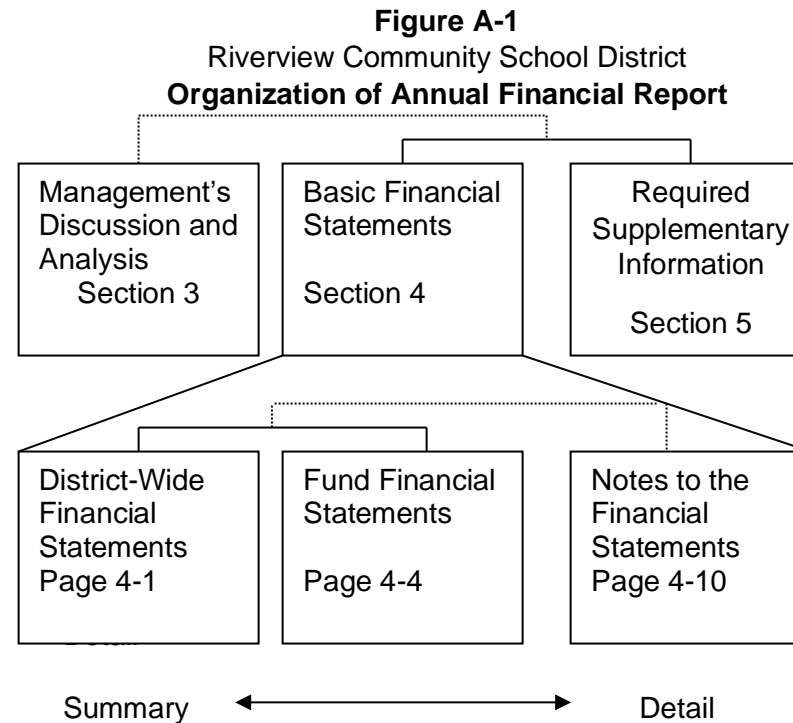
Yeo & Yeo, P.C.

Ann Arbor, MI
October 15, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

Riverview Community School District (the "District") is a K-12 school district located in Wayne County, Michigan. The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board Statement 34 (GASB 34) and are prepared in conformity with accounting principles generally accepted in the United States of America. The Management's Discussion and Analysis, a requirement of GASB 34, is intended to be the District's Management's Discussion and Analysis of the financial results for the fiscal year ended June 30, 2024.

Generally accepted accounting principles (GAAP), according to GASB 34, require the reporting of two types of financial statements: District-Wide Financial Statements and Fund Financial Statements. The overall organization of this report is shown in Figure A-1.



Fund Financial Statements:

The fund level financial statements are reported on a modified accrual basis. Only those assets that are “measurable” and “currently available” are reported. Liabilities are recognized to the extent that they are normally expected to be paid with current financial resources.

The fund statements are formatted to comply with the legal requirements of the Michigan Department of Education’s “Accounting Manual”. In the State of Michigan, the District’s major instructional, instructional support, and athletic activities are reported in the General Fund. Additional activities are reported in their relevant funds including: Debt Fund, Capital Project Funds and Special Revenue Funds which are comprised of Cafeteria and Student Activities.

In the fund financial statements, purchased capital assets are reported as expenditures in the year of acquisition. No fixed asset is reported. The issuance of debt is recorded as a financial resource. The current year’s payments of principal and interest on long-term obligations are recorded as expenditures. Future years’ debt obligations are not recorded.

District-Wide Financial Statements:

The District-Wide Financial Statements are full accrual basis statements. They report all of the District’s assets and liabilities, both short and long-term, whether they are “currently available” or not. For example, assets that are restricted for use in the Debt Fund solely for the payment of long-term principal and interest are grouped with unrestricted assets of the General Fund. Capital assets and long-term obligations of the District are reported in the Statement of Net Position of the District-Wide financial statements.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

Summary of Net Position:

The following summarizes the net position at June 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Assets and Deferred Outflows		
Current assets	\$ 21,561,752	\$ 14,367,545
Capital assets, net book value	28,798,444	29,492,523
Deferred outflows of resources	<u>16,671,094</u>	<u>19,563,537</u>
Total assets and deferred outflows	67,031,290	63,423,605
Liabilities and Deferred Inflows		
Current liabilities	7,576,398	6,802,804
Long-term liabilities	60,364,890	73,586,046
Deferred inflows of resources	<u>15,244,185</u>	<u>9,855,679</u>
Total liabilities and deferred inflows	83,185,473	90,244,529
Net Position		
Net investment in capital assets	15,199,628	14,576,387
Restricted for food service	622,284	608,873
Restricted for debt services	503,207	316,161
Restricted for investment in capital assets	324,137	48,693
Net OPEB asset	829,269	-
Unrestricted (deficit)	<u>(33,632,708)</u>	<u>(42,371,038)</u>
Total net position	<u>\$ (16,154,183)</u>	<u>\$ (26,820,924)</u>

The *Summary of Net Position* and the *Statement of Net Position from Operating Results* on the next page show the changes in the District's net position. Unrestricted net position is similar but not identical to fund balance. Other assets are restricted for capital projects and food service operations. A reconciliation of the difference between changes in net position and changes in fund balance is on page 4-6. In 2023/24 there is an improvement in net position. The district continues to grow its various fund balances, particularly the general operating fund. This allows for an increase in its cash and investment assets. With no new debt being accumulated this year and the continued retirement of bonded debt the district is also seeing a decrease in its liabilities.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024****Results of Operations:**

For the fiscal years ended June 30, 2024 and 2023, the District-Wide results of operation were:

	<u>2024</u>	<u>2023</u>
Revenues:		
Program revenue		
Operating grants and contributions	9,995,400	8,929,866
Charges for services	238,261	388,632
General revenue		
Property taxes	4,453,700	4,140,853
State school aid	28,628,077	28,590,100
Other general revenues	<u>2,358,321</u>	<u>279,223</u>
Total revenue	<u>45,673,759</u>	<u>42,328,674</u>
Expenses:		
Instruction and instructional support	19,584,240	21,973,727
Support services	13,694,504	14,942,401
Cafeteria	1,433,197	1,357,619
Community services	14,675	37,263
Interest on long-term debt	<u>280,402</u>	<u>338,236</u>
Total expenses	<u>35,007,018</u>	<u>38,649,246</u>
Change in net position	10,666,741	3,679,428
Beginning net position	<u>(26,820,924)</u>	<u>(30,500,352)</u>
Ending net position	<u>\$ (16,154,183)</u>	<u>\$ (26,820,924)</u>

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024****Analysis of Financial Position:**

During the fiscal year ended June 30, 2024, the District's net position increased by \$10,666,741. A few of the significant factors affecting net position during the year are discussed below:

A. General Fund Operations

The District's revenue from General Fund operations was greater than expenditures before transfers by \$5,053,356 for the fiscal year ended June 30, 2024. See the section entitled Results of Operations, below for further discussion of General Fund operations.

B. Debt, Principal Payments

The District reduced long term-debt including leases and other non-voted bonds/financing.

C. Capital Assets

The District's capital assets decreased by \$804,615 during the fiscal year. This is summarized as follows:

Major capital improvements have slowed as the district is now intentionally focused exclusively on its sinking fund revenue to fund capital projects. Some HVAC projects expenses funded by federal money were incurred during the fiscal year along with the acquisition of new district vehicles and a bus. In addition, the district recognized some adjustments to assets due to age and relevance.

	<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance June 30, 2024</u>
Capital assets	61,582,252	1,695,091	3,859,814	59,417,529
Less: Accumulated depreciation	(31,979,193)	2,499,706	3,859,814	(33,339,301)
Net investment in capital assets	29,603,059	(804,615)	-	28,798,444

D. Debt Service Fund

Debt service revenues exceeded expenses by \$179,518.

E. Cafeteria Fund

Expenditures exceeded revenues in the cafeteria fund by \$469 before transfers.

F. State of Michigan Unrestricted Aid

The State of Michigan's Foundation Payment to school districts is determined with the following variables:

- a. State of Michigan State Aid Act student foundation allowance.
- b. Student Enrollment – The Michigan State Legislature is responsible for determining the membership blending formula as part of the State Aid Act on an annual basis. For 2023-2024, the State returned to its previous method of calculation of pupil count blend which is 90% current year fall count and 10% of prior fiscal year winter count.
- c. The District's non-homestead tax levy.

Per Student, Foundation Allowance:

Annually, the State of Michigan establishes the per student foundation allowance. Riverview Community School District's foundation allowance was \$9,608 per student for the 2023-2024 school year.

Student Enrollment:

The District’s student enrollment for the fall count of 2023-2024 was 2,823 students. The following summarizes fall student enrollments for the past five years:

		<u>Student FTE</u>	<u>FTE Change From Prior Year</u>
Fall	2024	2823	-7
	2023	2830	-17
	2022	2847	-81
	2021	2928	-30
	2020	2958	48

The district is projecting a continued decrease of enrollment for the upcoming 2024-2025 fiscal year. The school of choice enrollment population remains strong. However, as the total statewide pupil population continues to decrease the district will inevitably feel the effects.

G. Property Taxes Levied for General Operations (General Fund Non-Homestead Taxes)

For General Fund operations, the district levies 18 mills of property taxes on Non-Homestead Properties and 6 mills on commercial personal property. Under Michigan law, the taxable levy is based on the taxable valuation of properties. Annually, the taxable valuation increase in property values is capped at the rate of the prior year’s CPI increase or 5 percent, whichever is less. At the time of sale, a property’s taxable valuation is readjusted to the State Equalized Value, which is theoretically, 50 percent of the market value.

The district’s non-homestead property tax levy collection for the 2023-2024 fiscal year was \$2,233,938. This represents about a 6.83% increase from the prior year.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The following summarizes the district's non-homestead levy for the past five years:

<u>Fiscal Year</u>	<u>Non-Homestead Tax Levy</u>	<u>% Increase (Decrease) From Prior Year</u>
2023-2024	\$ 2,233,938	6.83%
2022-2023	\$ 2,091,085	6.96%
2021-2022	\$ 1,955,043	3.11%
2020-2021	\$ 1,896,024	2.63%
2019-2020	\$ 1,847,477	4.81%

H. Debt Fund Property Taxes

The district's debt fund levy, which is used to pay the principal and interest on bond obligations, is based on the taxable valuation of all properties: homestead and non-homestead.

For 2023-2024, the district's debt millage levy was 3.36 mills, which generated revenue of \$1,350,177.

I. Food Sales (School Lunch Program)

The Cafeteria Fund's revenue increased by approximately \$280,000 (to approximately \$1,655,000) as compared to the prior school year. The district continued with a Food Service Management Company (Chartwells) to manage and facilitate the food service operations in 2023-2024. Chartwells continues to try new menu items and emphasizes promotional media as an effort to attract student participation in the breakfast and lunch program. The Food Service fund balance had a balance of \$622,284 for the year, including transfers. The Michigan legislature approved the Michigan School Meals program which allows free breakfast and lunch for students. As a result, the number of meals served, and revenue increased compared to the prior year. The State of Michigan legislators also passed a continuation of the free meal program for fiscal '24-'25 and it is projected that the district and students will continue to benefit from the opportunity to participate in free meal service.

GENERAL FUND BUDGET - ACTUAL REVENUES AND EXPENDITURES

General Fund Revenue – Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Revenues Original Budget</u>	<u>Revenues Final Budget</u>	<u>Revenues Actual</u>	<u>Variance Revenues Final vs. Original Budget</u>	<u>Variance Revenues Actual vs. Final Budget</u>
2023-2024	37,690,150	40,390,282	41,345,305	7.16%	2.36%

General Fund Expenditures – Comparison of Budget to Actual Results

<u>Fiscal Year</u>	<u>Expenditures Original Budget</u>	<u>Expenditures Final Budget</u>	<u>Expenditures Actual</u>	<u>Variance Expenditures Final vs. Original Budget</u>	<u>Variance Expenditures Actual vs. Final Budget</u>
2023-2024	37,503,672	37,073,916	36,264,189	-1.15%	-2.18%

Original vs. Final Budget

The Uniform Budget Act of the State of Michigan requires that the local Board of Education approve the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year.

The Riverview Community School District amends its budget as necessary during the school year. For the fiscal year June 30, 2024, the budget was amended in January 2024 and June 2024. The June 2024 budget amendment was the final budget for the fiscal year.

General Fund Revenues:

The Final revenue budget reflects the following significant changes from the Original budget:

- Increase in State Revenue attributed to a new categorical 27I to assist districts with increased educator expenditures
- Increase in State Revenue for new categorical 22I that pays a portion of the district's regular transportation costs
- Additional funding to help stabilize revenue for districts with declining enrollment
- Recognition of the MPSERS retirement cost revenue as the State recalculates its obligation to the district
- Strong interest and investment income increases related to higher interest rates

General Fund Expenditures:

The Final expenditure budget reflects the following significant changes from the Original budget:

- A decrease in virtual program expenditures
- A reduction in building improvement expenses as the district focused on utilizing sinking fund money
- Increased contractual speech and psychological services
- Contractual decrease in Technology outsourced services
- Transportation expense increases related contractual wage and retention incentives

Significant variances for the year included:

- Capital expenses for furniture and equipment are lower than budgeted
- Late grant approval allowing for funding of some social worker wage and benefits
- Contract services under budget-Substitutes, paraprofessionals, IT services
- Building supply and curriculum expenses lower than anticipated
- Strong interest/investment rate earnings continued well above expectations

Significant Factors Affecting Future Years:

State funding has stagnated as the legislature decided to not increase per pupil funding in '24-'25 and keep the current level at \$9608 per pupil. Additionally, categorical funds to assist with school safety and emotional support decreased significantly. However, the State has shown an effort to continue to improve funding for At-Risk students, special education, and transportation. The state school aid fund still shows relative health but the economy and its future impact on the school aid fund along school district funding is always in question. We have seen economic recessions reveal a delayed impact on school funding in years past.

Federal funding associated with the pandemic response will be exhausted and the district will rely on its various funds and strong fund balance to maintain services and operations. The State has continued a free meal program for students and has increased funding for preschool programs, revealing an emphasis on nutrition and early childhood education.

Student enrollment is the significant revenue source for the district. Enrollment is projected to decline, but student count can fluctuate dramatically from year to year. The district has a remote learning presence with a Virtual Academy and has been able to retain students using this learning environment. However, as the number of students in the State continues to decline, we expect to inevitably be affected as well.

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024**

The retirement rate paid to the Michigan Public School Employees Retirement System (MPERS) now varies depending on the employees' contribution choices and status within the retirement system. The retirement costs have stabilized recently due in part to the State contribution to the retirement system on behalf of districts. Although we expect the State to continue this contribution, there is no guarantee the State will continue their contribution in future years. MPERS has revealed that the health component of the retirement system is fully funded at the state level and expected to maintain full funding for future years. Consequently, Michigan school districts will see a reduction in that portion of their contribution rates by 5.75%.

The district will continue to rely on its sinking fund millage to fund most of the building improvements and capital projects. The district's sinking fund millage renewal was approved by the voters and the district will have those funds available through 2034.

The district has utilized revenue generated from a county-wide enhancement millage tax levy to fund special projects and operating expenses. The enhancement millage funds are unrestricted, and the district will continue to evaluate the use of these funds annually. The enhancement millage is on the ballot to ask voters for renewal in November 2024.

Contacting the District's Financial Management

This financial report is intended to provide our citizens and taxpayers with a general overview of the district's finances. If you have questions about this report or would like additional information, contact the Business Office at Riverview Community School District, 13425 Colvin, Riverview, MI 48193 or by phone at 734-285-9660.

BASIC FINANCIAL STATEMENTS

Riverview Community School District
Statement of Net Position
June 30, 2024

	Governmental Activities
Assets	
Cash	\$ 1,347,322
Accounts receivable	131,333
Due from other governmental units	6,849,525
Inventory	24,344
Investments	12,325,950
Prepaid items	54,009
Capital assets not being depreciated	852,127
Capital assets - net of accumulated depreciation	27,946,317
Net OPEB asset	<u>829,269</u>
 Total assets	 <u>50,360,196</u>
 Deferred Outflows of Resources	
Deferred amount relating to the net pension liability	13,756,174
Deferred amount relating to the net OPEB asset	<u>2,914,920</u>
 Total deferred outflows of resources	 <u>16,671,094</u>
 Liabilities	
Accounts payable	452,313
Due to other governmental units	1,092,028
Accrued expenditures	1,122,767
Accrued salaries payable	1,745,659
Unearned revenue	1,800,535
Long-term liabilities	
Net pension liability	47,960,811
Due within one year	1,363,096
Due in more than one year	<u>12,404,079</u>
 Total liabilities	 <u>67,941,288</u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Statement of Net Position
June 30, 2024

	<u>Governmental Activities</u>
Deferred Inflows of Resources	
Deferred amount relating to the net pension liability	\$ 8,513,699
Deferred amount relating to the net OPEB asset	<u>6,730,486</u>
 Total deferred inflows of resources	 <u>15,244,185</u>
 Net Position	
Net investment in capital assets	15,199,628
Restricted for:	
Food service	622,284
Debt service	503,207
Capital projects	324,137
Net OPEB asset	829,269
Unrestricted	<u>(33,632,708)</u>
 Total net position	 <u><u>\$ (16,154,183)</u></u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Functions/Programs				
Governmental activities				
Instruction	\$ 19,584,240	\$ 11,180	\$ 5,700,163	\$ (13,872,897)
Supporting services	13,694,504	115,920	2,769,620	(10,808,964)
Food services	1,433,197	111,161	1,525,617	203,581
Community services	14,675	-	-	(14,675)
Interest and fiscal charges on long-term debt	<u>280,402</u>	<u>-</u>	<u>-</u>	<u>(280,402)</u>
Total governmental activities	<u>\$ 35,007,018</u>	<u>\$ 238,261</u>	<u>\$ 9,995,400</u>	<u>\$ (24,773,357)</u>
General revenues				
Property taxes, levied for general purposes				2,234,358
Property taxes, levied for debt service				1,421,443
Property taxes, levied for sinking fund				797,899
State aid - unrestricted				28,628,077
Interest and investment earnings				502,646
Other				<u>1,855,675</u>
Total general revenues				<u>35,440,098</u>
Change in net position				10,666,741
Net position - beginning				<u>(26,820,924)</u>
Net position - ending				<u>\$ (16,154,183)</u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 638,763	\$ 708,559	\$ 1,347,322
Accounts receivable	131,225	108	131,333
Due from other funds	-	400,401	400,401
Due from other governmental units	6,803,346	46,179	6,849,525
Inventory	-	24,344	24,344
Investments	11,468,345	857,605	12,325,950
Prepaid items	<u>48,815</u>	<u>5,194</u>	<u>54,009</u>
 Total assets	 <u>\$ 19,090,494</u>	 <u>\$ 2,042,390</u>	 <u>\$ 21,132,884</u>
Liabilities			
Accounts payable	\$ 405,775	\$ 46,538	\$ 452,313
Due to other funds	292,901	107,500	400,401
Due to other governmental units	1,092,028	-	1,092,028
Accrued expenditures	1,054,553	-	1,054,553
Accrued salaries payable	1,745,659	-	1,745,659
Unearned revenue	<u>1,780,873</u>	<u>19,662</u>	<u>1,800,535</u>
 Total liabilities	 <u>6,371,789</u>	 <u>173,700</u>	 <u>6,545,489</u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances			
Non-spendable			
Inventory	\$ -	\$ 24,344	\$ 24,344
Prepaid items	48,815	5,194	54,009
Restricted for			
Food service	-	592,746	592,746
Debt service	-	571,421	571,421
Capital projects	-	324,137	324,137
Committed for			
Student activities	-	350,848	350,848
Turf replacement	20,000	-	20,000
Assigned for			
Athletics and recreation	1,000,000	-	1,000,000
Transportation	300,000	-	300,000
Curriculum	500,000	-	500,000
Infrastructure and technology	200,000	-	200,000
Roofing projects	1,000,000	-	1,000,000
HVAC projects	1,000,000	-	1,000,000
Student count loss	960,000	-	960,000
Federal funding loss	1,540,000	-	1,540,000
Mental health and safety	300,000	-	300,000
Unassigned	5,849,890	-	5,849,890
 Total fund balances	 <u>12,718,705</u>	 <u>1,868,690</u>	 <u>14,587,395</u>
 Total liabilities and fund balances	 <u>\$ 19,090,494</u>	 <u>\$ 2,042,390</u>	 <u>\$ 21,132,884</u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Total fund balances for governmental funds \$ 14,587,395

Total net position for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Capital assets not being depreciated 852,127

Capital assets - net of accumulated depreciation 27,946,317

Net OPEB asset is not recorded as an asset in the governmental funds 829,269

Deferred outflows (inflows) of resources

Deferred outflows of resources resulting from the net pension liability 13,756,174

Deferred outflows of resources resulting from the net OPEB asset 2,914,920

Deferred inflows of resources resulting from the net pension liability (8,513,699)

Deferred inflows of resources resulting from the net OPEB asset (6,730,486)

Certain liabilities are not due and payable in the current period and are not reported in the funds.

Accrued interest (68,214)

Long-term liabilities applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.

Net pension liability (47,960,811)

Compensated absences (168,359)

Bonds payable (13,560,595)

Other loans payable and liabilities (38,221)

Net position of governmental activities **\$ (16,154,183)**

Riverview Community School District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Local sources	\$ 3,035,594	\$ 2,765,946	\$ 5,801,540
State sources	33,182,105	493,554	33,675,659
Federal sources	3,290,233	1,103,329	4,393,562
Interdistrict sources	<u>1,802,998</u>	<u>-</u>	<u>1,802,998</u>
 Total revenues	 <u>41,310,930</u>	 <u>4,362,829</u>	 <u>45,673,759</u>
Expenditures			
Current			
Education			
Instruction	20,593,999	-	20,593,999
Supporting services	13,962,581	437,380	14,399,961
Food services	-	1,655,035	1,655,035
Community services	14,675	-	14,675
Intergovernmental payments	7,400	-	7,400
Facilities acquisition	-	500,969	500,969
Capital outlay	1,212,078	-	1,212,078
Debt service			
Principal	484,893	880,000	1,364,893
Interest and other expenditures	<u>2,443</u>	<u>382,825</u>	<u>385,268</u>
 Total expenditures	 <u>36,278,069</u>	 <u>3,856,209</u>	 <u>40,134,278</u>
 Excess (deficiency) of revenues over expenditures	 <u>5,032,861</u>	 <u>506,620</u>	 <u>5,539,481</u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Other Financing Sources (Uses)			
Proceeds from issuance of leases	\$ 34,375	\$ -	\$ 34,375
Transfers in	-	13,880	13,880
Transfers out	<u>(13,880)</u>	<u>-</u>	<u>(13,880)</u>
Total other financing sources (uses)	<u>20,495</u>	<u>13,880</u>	<u>34,375</u>
Net change in fund balances	5,053,356	520,500	5,573,856
Fund balances - beginning	<u>7,665,349</u>	<u>1,348,190</u>	<u>9,013,539</u>
Fund balances - ending	<u><u>\$ 12,718,705</u></u>	<u><u>\$ 1,868,690</u></u>	<u><u>\$ 14,587,395</u></u>

See Accompanying Notes to the Financial Statements

Riverview Community School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - Total governmental funds	\$ 5,573,856
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Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation and amortization expense	(2,499,706)
Capital outlay	1,695,091

Expenses are recorded when incurred in the statement of activities.

Interest	7,528
Special termination benefits	109,081
Compensated absences	(11,983)

The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.

Net change in net pension liability	8,656,818
Net change in deferrals of resources related to the net pension liability	(6,997,623)

The statement of net position reports the net OPEB asset and deferred outflows of resources and deferred inflows related to the net OPEB asset and OPEB changes. However, the amount recorded on the governmental funds equals actual OPEB contributions.

Net change in net OPEB asset	3,989,149
Net change in deferrals of resources related to the net OPEB asset	(1,283,326)

Bond and note proceeds and capital leases are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are recorded as liabilities and amortized in the statement of activities.

Debt issued	(34,375)
Repayments of long-term debt	1,364,893
Amortization of premiums	97,338

Change in net position of governmental activities	\$ 10,666,741
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See Accompanying Notes to the Financial Statements

Riverview Community School District

Notes to the Financial Statements

June 30, 2024

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Riverview Community School District (School District) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the School District's significant accounting policies:

Reporting Entity

The School District is governed by an elected seven-member Board of Education. The accompanying financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. These criteria include significant operational financial relationships that determine which of the governmental organizations are a part of the School District's reporting entity, and which organizations are legally separate component units of the School District. The School District has no component units.

District-wide Financial Statements

The School District's basic financial statements include both district-wide (reporting for the School District as a whole) and fund financial statements (reporting the School District's major funds). The district-wide financial statements categorize all nonfiduciary activities as either governmental or business type. All of the School District's activities are classified as governmental activities.

The statement of net position presents governmental activities on a consolidated basis, using the economic resources measurement focus and accrual basis of accounting. This method recognizes all long-term assets and receivables as well as long-term debt and obligations. The School District's net position is reported in three parts (1) net investment in capital assets, (2) restricted net position, and (3) unrestricted net position.

The statement of activities reports both the gross and net cost of each of the School District's functions. The functions are also supported by general government revenues (property taxes and certain intergovernmental revenues). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources and federal sources, interest income, etc.). The school district does not allocate indirect costs. In creating the district-wide financial statements the School District has eliminated interfund transactions.

The district-wide focus is on the sustainability of the School District as an entity and the change in the School District's net position resulting from current year activities.

Fund Financial Statements

Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, unrestricted state aid, intergovernmental grants, and interest associated with the current fiscal period are all considered to be

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the government.

The School District reports the following major governmental fund:

General Fund – The General Fund is used to record the general operations of the School District pertaining to education and those operations not required to be provided for in other funds.

Additionally, the School District reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The School District's Special Revenue Funds include the Cafeteria Fund and Student Activities Fund. Operating deficits generated by these activities are generally transferred from the General Fund.

Debt Service Funds – Debt Service Funds are used to record tax, interest, and other revenue and the payment of interest, principal, and other expenditures on long-term debt.

Capital Projects Funds – The Sinking Fund is used to record the sinking fund property tax levy and other revenue and the disbursement of invoices specifically for acquiring new school sites, construction, or repair of school buildings. The fund is kept open until the purpose for which the funds was created has been accomplished.

Assets, Liabilities and Net Position or Equity

Receivables and Payables – Generally, outstanding amounts owed between funds are classified as "due from/to other funds." These amounts are caused by transferring revenues and expenses between funds to get them into the proper reporting fund. These balances are paid back as cash flow permits.

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. The School District considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property taxes collected are based upon the approved tax rate for the year of levy. For the fiscal year ended June 30, 2024, the rates are as follows per \$1,000 of assessed value:

General Fund	
Non-principal residence exemption	18.00000
Commercial personal property	6.00000
Debt Service Funds	3.36000
Sinking Fund	1.97900

School property taxes are assessed and collected in accordance with enabling state legislation by cities and townships within the School District's boundaries. Approximately 94% of the School District's tax roll lies within the City of Riverview.

The property tax levy runs from July 1 to June 30. Property taxes become a lien on the first day of the levy year and are due on or before September 14 or February 14. Collections are forwarded to the School District as collected by the assessing municipalities. Real property taxes uncollected as of March 1 are purchased by the County of Wayne and remitted to the School District.

Investments – Investments are stated at fair value. Certificates of deposit are stated at cost which approximates fair value.

Inventories and Prepaid Items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Riverview Community School District

Notes to the Financial Statements

June 30, 2024

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the School District follows the consumption method, and they therefore are capitalized as prepaid items in both district-wide and fund financial statements.

Capital Assets – Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair market value at the date of donation. The School District defines capital assets as assets with an initial individual cost in excess of \$5,000. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized. The School District does not have infrastructure assets. Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20 - 50 years
Site improvements	10 - 20 years
Equipment and furniture	5 - 20 years
Buses and other vehicles	5 - 15 years

Deferred Outflows of Resources – A deferred outflow of resources is a consumption of net position by the government that is applicable to a future reporting period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred outflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. The School District also reported deferred outflows of resources for pension and OPEB contributions made after the measurement date. This amount will reduce the net pension and OPEB liabilities (assets) in the following year.

Deferred Inflows of Resources – A deferred inflow of resources is an acquisition of net position by the government that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Deferred amounts on bond refundings are included in the district-wide financials statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt. For district-wide financial statements, the School District reports deferred inflows of resources as a result of pension and OPEB plan earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liabilities (assets) are deferred and amortized over the expected remaining services lives of the employees and retirees in the plans. Deferred inflows of resources also includes revenue received relating to the amounts included in the deferred outflows for payments related to MPERS Unfunded Actuarial Accrued Liabilities (UAAL) Stabilization defined benefit pension statutorily required contributions.

Compensated Absences – The liability for compensated absences reported in the district-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which annual and sick leave amounts for both employees who are currently eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Long-term Obligations – In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method, which is not materially different than the interest rate method. Bonds payable are reported net of the applicable bond premium or

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period.

In the School District's fund financial statements, the face amount of the debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses.

Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions – For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Michigan Public School Employees Retirement System (MPERS) and additions to/deductions from MPERS fiduciary net position have been determined on the same basis as they are reported by MPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance – In the fund financial statements, governmental funds report fund balance in the following categories:

Non-spendable – amounts that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts that have been formally set aside by the Board of Education for specific purposes. A fund balance commitment may be established, modified, or rescinded by a resolution of the Board of Education.

Assigned – amounts intended to be used for specific purposes, as determined by the Board of Education. The Board of Education has granted The Director of Business and Finance the authority to assign funds. Residual amounts in governmental funds other than the General Fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the School District's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the School District's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

In the General Fund, the School District strives to maintain a minimum fund balance of approximately 15% of the General Fund annual operating expenditures. This is deemed to be the prudent amount to maintain the School District's ability to meet obligations as they come due throughout the year.

Riverview Community School District

Notes to the Financial Statements

June 30, 2024

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, as well as deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

Eliminations and Reclassifications

In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the “grossing up” effect on assets and liabilities within the governmental activities column.

Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization’s vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization’s accountability while also addressing certain application issues. This statement includes changes to management’s discussion and analysis, unusual or infrequent items,

presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The School District is evaluating the impact that the above pronouncements will have on its financial reporting.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America and state law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end, thereby canceling all encumbrances. These appropriations are reestablished at the beginning of the year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the function level. State law requires the School District to have its budget in place by July 1. A district is not considered in violation of the law if reasonable procedures are in use by the School District to detect violations.

The Superintendent is authorized to transfer budgeted amounts between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts are as originally adopted or as amended by the Board of Education throughout the year.

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

Excess of Expenditures over Appropriations

The School District had the following budget variances where expenditures exceeded the budget:

Function	Final Budget	Amount of Expenditures	Budget Variances
General Fund			
Basic programs	\$ 16,463,692	\$ 16,606,475	\$ 142,783
Added needs	3,971,802	3,987,524	15,722
Pupil	2,596,186	2,598,239	2,053
Pupil transportation services	1,108,015	1,201,994	93,979
Athletic activities	588,367	724,128	135,761

Compliance - Sinking Funds

The School District's Capital Projects Fund records capital project activities funded with Sinking Fund millage. For this fund, the school district has complied with the applicable provisions of Section 1212 of the Revised School Code.

Note 3 - Deposits and Investments

The breakdown between deposits and investments for the School District is as follows:

Deposits (checking, savings accounts, money markets, certificates of deposit)	\$ 1,347,322
Investments in securities, mutual funds, and similar vehicles	<u>12,325,950</u>
Total	<u>\$ 13,673,272</u>

As of year end, the School District had the following investments:

Investment	Carrying Value	Maturities	Rating	Rating Organization
External investment pools:				
Michigan Liquid Asset Fund (MILAF):				
MILAF + Portfolio				
Cash Management Class	\$ 11,539	6 Month Ave	AAAm	Standard & Poor's
MAX Class	<u>12,314,411</u>	6 Month Ave	AAAm	Standard & Poor's
	<u>\$ 12,325,950</u>			

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is discussed below.

As of June 30, 2024, the net asset value of the School District's investment in MILAF + Portfolio was \$12,325,950. Participation in the investment pool has not resulted in any unfunded commitments. Shares are available to be redeemed upon proper notice without restrictions under normal operating conditions. There are no limits to the number of redemptions that can be made provided the District has sufficient shares to meet the redemption request. In the event of an emergency that would make the determination of net asset value not reasonably practical, the Trust's Board of Trustees may suspend the right of withdrawal or postpone the date of payment. The net asset value ("NAV") per share of the MILAF+ Portfolio is calculated as of the close of business each business day by dividing the net position of that Portfolio by the number of its outstanding shares. It is the MILAF+ Portfolio's objective to maintain a NAV of \$1.00 per share, however, there is no assurance that this objective will be achieved. The exact price for share transactions will be determined based on the NAV next calculated after receipt of a properly executed order. The number of shares purchased or redeemed will be determined by the NAV.

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

Interest rate risk – The School District does not have a formal investment policy to manage its exposure to fair value losses arising from changes in interest rates.

Credit risk – State statutes and the School District's investment policy authorize the School District to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the School District is allowed to invest in U.S. Treasury or Agency obligations, U.S. government repurchase agreements, bankers' acceptances, commercial paper rated prime at the time of purchase that matures not more than 270 days after the date of purchase, mutual funds, and investment pools that are composed of authorized investment vehicles.

Concentration of credit risk – The School District's investment policy does not allow for an investment in any one issuer that is in excess of five percent of the School District's total investments.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the School District's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. As of year-end, \$1,171,290 of the School District's bank balance of \$1,421,557 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Custodial credit risk – investments – For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of year-end, none of the School District's investments were exposed to custodial credit risk.

Note 4 - Capital Assets

A summary of the changes in governmental capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 852,127	\$ -	\$ -	\$ 852,127
Capital assets being depreciated				
Buildings and additions	45,768,255	233,858	37,688	45,964,425
Site improvements	4,616,783	100,793	406,361	4,311,215
Equipment and furniture	8,283,650	1,066,196	3,209,359	6,140,487
Buses and other vehicles	1,567,505	259,869	-	1,827,374
Right to use asset - buildings and additions	322,943	34,375	35,417	321,901
Right to use asset - equipment and furniture	170,989	-	170,989	-
Total capital assets being depreciated	60,730,125	1,695,091	3,859,814	58,565,402
Less accumulated depreciation for				
Buildings and additions	22,448,311	1,238,088	37,688	23,648,711
Site improvements	1,301,965	204,485	406,361	1,100,089
Equipment and furniture	6,625,672	840,004	3,209,359	4,256,317
Buses and other vehicles	1,219,849	109,612	-	1,329,461
Right to use asset - buildings and additions	215,540	104,384	35,417	284,507
Right to use asset - equipment and furniture	167,856	3,133	170,989	-
Total accumulated depreciation	31,979,193	2,499,706	3,859,814	30,619,085
Net capital assets being depreciated	28,750,932	(804,615)	-	27,946,317
Net capital assets	\$ 29,603,059	\$ (804,615)	\$ -	\$ 28,798,444

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

Depreciation and amortization of right to use assets expenses were charged to activities of the School District as follows:

Governmental activities

Instruction	\$ 1,474,827
Supporting services	<u>1,024,879</u>
Total governmental activities	<u>\$ 2,499,706</u>

Note 5 - Interfund Receivable and Payable and Transfers

Individual interfund receivable and payable balances at year end were:

Payable Fund	Receivable Fund	Amount
Nonmajor governmental funds	Nonmajor governmental funds	\$ 107,500
General Fund	Nonmajor governmental funds	<u>292,901</u>
		<u>\$ 400,401</u>

The outstanding balances between funds result mainly from the time lag between the dates that transactions are recorded in the accounting system and payments between funds are made.

Management does not anticipate individual interfund balances to remain outstanding for periods in excess of one year.

Interfund transfers consist of the following:

	<u>Transfers Out</u>
	General Fund
	<u> </u>
<u>Transfers in</u>	
Nonmajor governmental funds	<u>\$ 13,880</u>

These transfers were made from a 31a-At Risk allocation to help facilitate school breakfast operations and from the General Fund to cover negative student meal balances uncollected at year end.

Note 6 - Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the components of unearned revenue are as follows:

Grant and categorical aid payments received prior to meeting all eligibility requirements	\$ 1,646,573
Other payments received prior to meeting all eligibility requirements	134,300
Student meals	<u>19,662</u>
Total	<u>\$ 1,800,535</u>

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

Note 7 - Leases

Lease agreements are summarized as follows:

Lease	Commencement Date	Termination Date	Payment Frequency	Payment Amount	Interest Rate	Total Lease Liability	Balance at June 30, 2024
Building	April 1, 2020	March 31, 2025	Monthly	\$ 2,000	2.05%	\$ 113,962	\$ 17,847
Building	September 1, 2023	August 31, 2025	Monthly	1,500	4.87%	34,375	20,374
							<u>\$ 38,221</u>

Annual requirements to amortize long-term obligations and related interest are as follows:

Year ending June 30,	Principal	Interest
2025	\$ 35,240	\$ 760
2026	<u>2,981</u>	<u>18</u>
Total	<u>\$ 38,221</u>	<u>\$ 778</u>

Note 8 - Long-Term Debt

The School District issues bonds, notes, and other contractual commitments to provide for the acquisition and construction of major capital facilities and the acquisition of certain equipment. General obligation bonds are direct obligations and pledge the full faith and credit of the School District. The State can withhold state aid if it has to make a bond payment on behalf of the School District related to qualified bonds. Other long-term obligations include compensated absences and termination benefits.

Long-term obligation activity is summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Bonds and notes payable					
General obligation bonds	\$ 13,560,000	\$ -	\$ 1,250,000	\$ 12,310,000	\$ 1,300,000
Premium on bonds	<u>1,347,933</u>	<u>-</u>	<u>97,338</u>	<u>1,250,595</u>	<u>-</u>
Total bonds payable	<u>14,907,933</u>	<u>-</u>	<u>1,347,338</u>	<u>13,560,595</u>	<u>1,300,000</u>
Other liabilities					
Leases	118,739	34,375	114,893	38,221	35,240
Compensated absences	156,376	77,508	65,525	168,359	27,856
Retirement incentives	<u>109,081</u>	<u>-</u>	<u>109,081</u>	<u>-</u>	<u>-</u>
Total other liabilities	<u>384,196</u>	<u>111,883</u>	<u>289,499</u>	<u>206,580</u>	<u>63,096</u>
Total	<u>\$ 15,292,129</u>	<u>\$ 111,883</u>	<u>\$ 1,636,837</u>	<u>\$ 13,767,175</u>	<u>\$ 1,363,096</u>

For governmental activities, compensated absences, retirement incentives and leases are primarily liquidated by the General Fund. General obligation bonds payable at year end, consist of the following:

\$2,000,000 Energy Bond due in annual installments of \$170,000-\$340,000 through 2028, interest at 2.59%	\$ 875,000
\$6,775,000 Capital Projects Bond due in annual installments of \$555,000-\$570,000 through 2033, interest at 2.00% - 4.00%	5,040,000
\$4,790,000 Capital Projects Bond due in annual installments of \$315,000-\$605,000 through 2033, interest at 4.00%	3,990,000
\$2,555,000 School Improvement Bond due in annual installments of \$40,000-\$205,000 through 2040, interest at 2.00% - 5.00%	<u>2,405,000</u>
Total general obligation bonded debt	<u>\$ 12,310,000</u>

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Future principal and interest requirements for bonded debt and direct borrowings are as follows:

Year Ending June 30,	Bonds	
	Principal	Interest
2025	\$ 1,300,000	\$ 418,190
2026	1,225,000	370,461
2027	1,105,000	334,697
2028	1,155,000	292,484
2029	1,125,000	258,200
2030-2034	5,230,000	623,500
2035-2039	965,000	86,113
2040-2044	205,000	4,612
Total	<u>\$ 12,310,000</u>	<u>\$ 2,388,257</u>

The general obligation bonds are payable from the Debt Service Funds. As of year-end, the fund had a balance of \$571,421 to pay this debt. Future debt and interest will be payable from future tax levies.

Compensated Absences

Accrued compensated absences at year end, consist of \$168,359 that is almost entirely composed of vacation hours earned and vested and of an immaterial amount of accrued sick time benefits. The entire vested amount is considered long-term as the amount expended each year is expected to be offset by vacation and sick time earned for the year.

Interest Expenditures

Interest expenditures for the fiscal year in the Debt Service Fund and the general fund were \$382,825 and \$2,443, respectively.

Note 9 - Risk Management

The School District is exposed to various risks of loss related to property loss, torts, errors and omissions, employee injuries (workers' compensation) and certain medical benefits provided to employees. The School District has purchased commercial insurance for general liability, property and casualty and health and vision claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in the past three fiscal years.

The SET-SEG and MAISL shared-risk pool programs operate as risk-sharing management programs for school districts in Michigan. Under MAISL, member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The School District is subject to the Michigan Employment Security Act and has elected to pay unemployment claims on a direct self-insured basis. Under this method, the School District must reimburse the Employment Commission for all benefits charged against the School District. The School District had no unemployment compensation expense for the year. No provision has been made for possible future claims.

Note 10 - Pension Plan

Plan Description

The Michigan Public School Employees' Retirement System (System or MPERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

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The System's pension plan was established by the State to provide retirement, survivor, and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Depending on the plan option selected, member retirement benefits are determined by final average compensation, years of service, and a pension factor ranging from 1.25 percent to 1.50 percent. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB plan member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account if applicable. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes pension contribution rates in effect for plan year ended September 30, 2023.

Pension Contribution Rates		
Benefit Structure	Member	Employer
Basic	0.0 - 4.0%	20.16%
Member Investment Plan	3.0 - 7.0%	20.16%
Pension Plus	3.0 - 6.4%	17.24%
Pension Plus 2	6.2%	19.95%
Defined Contribution	0.0%	13.75%

Required contributions to the pension plan from the School District were \$5,340,658 for the year ending September 30, 2023.

Riverview Community School District
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the School District reported a liability of \$47,960,811 for its proportionate share of the MPSERS net pension liability. The net pension liability was measured as of September 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net pension liability was determined by dividing each employer's statutorily required pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was .1482 percent, which was a decrease of .0024 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized pension expense of \$5,564,271 for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total pension contribution expense of \$6,072,576.

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ 1,513,976	\$ (73,468)	\$ 1,440,508
Changes of assumptions	6,498,908	(3,747,123)	2,751,785
Net difference between projected and actual earnings on pension plan investments	-	(981,433)	(981,433)
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>709</u>	<u>(814,921)</u>	<u>(814,212)</u>
Total to be recognized in future	8,013,593	(5,616,945)	2,396,648
School District contributions subsequent to the measurement date	<u>5,742,581</u>	<u>(2,896,754)</u>	<u>2,845,827</u>
Total	<u>\$ 13,756,174</u>	<u>\$ (8,513,699)</u>	<u>\$ 5,242,475</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. The District will offset the contribution expense in the year ended June 30, 2025 with the 147c supplemental income received subsequent to the measurement date which is included in the deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be

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recognized in pension expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future Pension Expenses)	
2024	\$ 705,551
2025	530,212
2026	1,930,040
2027	<u>(769,155)</u>
	<u>\$ 2,396,648</u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%
- Investment Rate of Return:
 - MIP and Basic Plans: 6.00% net of investment expenses
 - Pension Plus Plan: 6.00% net of investment expenses
 - Pension Plus 2 Plan: 6.00% net of investment expenses

- Projected Salary Increases: 2.75 - 11.55%, including wage inflation at 2.75%
- Cost-of-Living Pension Adjustments: 3% Annual Non-Compounded for MIP Members
- Mortality:
 - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total pension liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees is 4.4406 years.

Recognition period for assets is 5 years.

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each

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major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2022, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.7% inflation.

Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 8.29%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total pension liability (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2, hybrid plans provided through non-university employers only). This discount

rate was based on the long-term expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus plan, 6.00% for the Pension Plus 2 plan). The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School District's proportionate share of the net pension liability calculated using the discount rate of 6.00% (6.00% for the Pension plus plan, 6.00% for the Pension Plus 2 plan), as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

	Current Single Discount Rate Assumption	
1% Decrease		1% Increase
5.00%	6.00%	7.00%
\$ 64,794,915	\$ 47,960,811	\$ 33,945,810

Michigan Public School Employees' Retirement System (MPERS) Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

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Payables to the Michigan Public School Employees' Retirement System (MPSERS)

There were no significant payables to the pension plan that are not ordinary accruals to the School District.

Note 11 - Postemployment Benefits Other Than Pensions (OPEB)

Plan Description

The Michigan Public School Employees' Retirement System (System or MPSERS) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan governed by the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members - eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member.

The System's health plan provides all eligible retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act (1980 PA 300 as amended).

The System is administered by the Office of Retirement Services (ORS) within the Michigan Department of Technology, Management & Budget. The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State Treasurer serves as the investment officer and custodian for the System.

The System's financial statements are available on the ORS website at www.michigan.gov/orsschools.

Benefits Provided

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions.

Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning with fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008 (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date. Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012 or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date,

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earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Contributions

Employers are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of active and retired members. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer OPEB contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The portion of this cost allocated to the current valuation year is called the normal cost. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis. The unfunded (overfunded) actuarial accrued liability as of the September 30, 2022 valuation will be amortized over a 16-year period beginning October 1, 2022 and ending September 30, 2038.

The schedule below summarizes OPEB contribution rates in effect for plan year 2023.

OPEB Contribution Rates		
Benefit Structure	Member	Employer
Premium Subsidy	3.0%	8.07%
Personal Healthcare Fund (PHF)	0.0%	7.21%

Required contributions to the OPEB plan from the School District were \$1,141,946 for the year ended September 30, 2023.

OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the School District reported an asset of \$829,269 for its proportionate share of the MPSERS net OPEB asset. The net OPEB asset was measured as of September 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from September 2022. The School District's proportion of the net OPEB asset was determined by dividing each employer's statutorily required OPEB contributions to the system during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At September 30, 2023, the School District's proportion was .1466 percent, which was a decrease of .0026 percent from its proportion measured as of September 30, 2022.

For the plan year ending September 30, 2023, the School District recognized OPEB expense of \$(1,513,977) for the measurement period. For the reporting period ending June 30, 2024, the School District recognized total OPEB contribution expense of \$1,193,940.

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At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Difference between expected and actual experience	\$ -	\$(6,266,386)	\$(6,266,386)
Changes of assumptions	1,846,099	(222,305)	1,623,794
Net difference between projected and actual earnings on OPEB plan investments	2,528	-	2,528
Changes in proportion and differences between the School District contributions and proportionate share of contributions	<u>11,538</u>	<u>(241,795)</u>	<u>(230,257)</u>
Total to be recognized in future	1,860,165	(6,730,486)	(4,870,321)
School District contributions subsequent to the measurement date	<u>1,054,755</u>	<u>-</u>	<u>1,054,755</u>
Total	<u>\$ 2,914,920</u>	<u>\$(6,730,486)</u>	<u>\$(3,815,566)</u>

Contributions subsequent to the measurement date reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as an addition to the OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows during the following plan years:

Deferred (Inflow) and Deferred Outflow of Resources by Year (To Be Recognized in Future OPEB Expenses)	
2024	\$(1,609,624)
2025	(1,476,515)
2026	(580,154)
2027	(554,802)
2028	(430,204)
Thereafter	<u>(219,022)</u>
	<u><u>\$(4,870,321)</u></u>

Actuarial Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions:

- Valuation Date: September 30, 2022
- Actuarial Cost Method: Entry Age, Normal
- Wage inflation rate: 2.75%

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- Investment Rate of Return: 6.00% net of investment expenses
- Projected Salary Increases: 2.75 – 11.55%, including wage inflation of 2.75%
- Healthcare Cost Trend Rate: Pre-65: 7.50% Year 1 graded to 3.5% Year 15; Post-65: 6.25% Year 1 graded to 3.5% Year 15
- Mortality:
 - Retirees: PubT-2010 Male and Female Mortality Tables, scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
 - Active: PubT-2010 Male and Female Mortality Tables, scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.

Other Assumptions:

- Opt Out Assumption: 21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
- Survivor Coverage: 80% of male retirees and 67% of female retirees are assumed to have coverages continuing after the retiree's death.
- Coverage Election at Retirement: 75% of male and 60% of female future retirees are assumed to elect coverage for 1 or more dependents.

Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the annual pension valuations beginning with the September 30, 2023 valuation. The total OPEB liability as of September 30, 2023, is based on the results of an actuarial valuation date of September 30, 2022, and rolled forward using generally accepted actuarial procedures, including the experience study.

Recognition period for liabilities is the average of the expected remaining service lives of all employees in years is 6.5099.

Recognition period for assets is 5.0000 years.

Full actuarial assumptions are available in the 2023 MPSERS Annual Comprehensive Financial Report found on the ORS website at www.michigan.gov/orsschools.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long Term Expected Real
		Rate of Return*
Domestic Equity Pools	25.0 %	5.8%
Private Equity Pools	16.0	9.6%
International Equity	15.0	6.8%
Fixed Income Pools	13.0	1.3%
Real Estate and Infrastructure Pools	10.0	6.4%
Absolute Return Pools	9.0	4.8%
Real Return/Opportunistic Pools	10.0	7.3%
Short Term Investment Pools	2.0	0.3%
	<u>100.0%</u>	

*Long-term rates of return are net of administrative expenses and 2.7% inflation.

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Rate of Return

For the plan year ended September 30, 2023, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 7.94%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A discount rate of 6.00% was used to measure the total OPEB liability. This discount rate was based on the long-term expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Changes in the Discount Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using the discount rate of 6.00%, as well as what the School District's proportionate share of the net OPEB liability or asset would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage higher:

1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
<u>\$ 859,704</u>	<u>\$ (829,269)</u>	<u>\$ (2,280,776)</u>

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability or Asset to Healthcare Cost Trend Rate

The following presents the School District's proportionate share of the net OPEB liability or asset calculated using assumed trend rates, as well as what the School District's proportionate share of net OPEB liability or asset would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
<u>\$ (2,284,395)</u>	<u>\$ (829,269)</u>	<u>\$ 745,653</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued 2023 MPSERS Annual Comprehensive Financial Report, available on the ORS website at www.michigan.gov/orsschools.

Payables to the OPEB Plan

There were no significant payables to the OPEB plan that are not ordinary accruals to the School District.

Note 12 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subjected to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial. A separate report on federal compliance has been issued for the year June 30, 2024.

Riverview Community School District
Notes to the Financial Statements
June 30, 2024

Note 13 - Tax Abatements

The School District receives reduced property tax revenues as a result of Industrial Facilities Tax exemptions and Brownfield Redevelopment Agreements granted by the City of Trenton. Industrial facility exemptions are intended to promote construction of new industrial facilities, or to rehabilitate historical facilities; Brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended June 30, 2024, the School District's property tax revenues were reduced by \$13,963 under these programs.

REQUIRED SUPPLEMENTARY INFORMATION

Riverview Community School District
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts			Over (Under) Budget
	Original	Final	Actual	
Revenues				
Local sources	\$ 2,470,706	\$ 2,697,093	\$ 3,035,594	\$ 338,501
State sources	31,082,295	32,399,722	33,182,105	782,383
Federal sources	2,800,440	3,507,707	3,290,233	(217,474)
Interdistrict sources	1,298,232	1,785,760	1,802,998	17,238
	<u>37,651,673</u>	<u>40,390,282</u>	<u>41,310,930</u>	<u>920,648</u>
Total revenues				
Expenditures				
Instruction				
Basic programs	16,977,933	16,463,692	16,606,475	142,783
Added needs	3,757,804	3,971,802	3,987,524	15,722
Supporting services				
Pupil	2,578,853	2,596,186	2,598,239	2,053
Instructional staff	1,515,649	1,434,002	1,209,746	(224,256)
General administration	544,527	592,356	562,459	(29,897)
School administration	2,166,755	2,197,292	2,065,393	(131,899)
Business	714,092	732,185	706,531	(25,654)
Operations and maintenance	4,109,003	4,386,994	4,091,460	(295,534)
Pupil transportation services	1,016,358	1,108,015	1,201,994	93,979
Central	1,039,468	922,408	802,631	(119,777)
Athletic activities	588,367	588,367	724,128	135,761
Community services	37,271	29,254	14,675	(14,579)
Intergovernmental payments	6,000	7,500	7,400	(100)
Capital outlay	1,947,813	1,516,543	1,212,078	(304,465)

Riverview Community School District
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			Over (Under) Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Debt service				
Principal	\$ 495,291	\$ 495,291	\$ 484,893	\$ (10,398)
Interest and fiscal charges	<u>8,500</u>	<u>8,500</u>	<u>2,443</u>	<u>(6,057)</u>
Total expenditures	<u>37,503,684</u>	<u>37,050,387</u>	<u>36,278,069</u>	<u>(772,318)</u>
Excess (deficiency) of revenues over expenditures	<u>147,989</u>	<u>3,339,895</u>	<u>5,032,861</u>	<u>1,692,966</u>
Other Financing Sources (Uses)				
Proceeds from issuance of leases	38,477	-	34,375	34,375
Transfers out	<u>-</u>	<u>(23,544)</u>	<u>(13,880)</u>	<u>9,664</u>
Total other financing sources (uses)	<u>38,477</u>	<u>(23,544)</u>	<u>20,495</u>	<u>44,039</u>
Net change in fund balances	186,466	3,316,351	5,053,356	1,737,005
Fund balance - beginning	<u>7,665,349</u>	<u>7,665,349</u>	<u>7,665,349</u>	<u>-</u>
Fund balance - ending	<u>\$ 7,851,815</u>	<u>\$ 10,981,700</u>	<u>\$ 12,718,705</u>	<u>\$ 1,737,005</u>

Riverview Community School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of net pension liability (%)	0.14820%	0.15050%	0.15060%	0.15210%	0.15460%	0.15450%	0.15220%	0.15282%	0.15700%	0.15455%
B. School District's proportionate share of net pension liability	\$ 47,960,811	\$ 56,617,629	\$ 35,647,581	\$ 52,245,916	\$ 51,199,524	\$ 46,448,742	\$ 39,429,072	\$ 38,126,479	\$ 38,341,987	\$ 34,041,646
C. School District's covered payroll	\$ 14,638,986	\$ 14,489,176	\$ 13,501,367	\$ 13,261,185	\$ 13,304,641	\$ 13,228,787	\$ 12,740,646	\$ 11,052,826	\$ 13,105,185	\$ 13,257,870
D. School District's proportionate share of net pension liability as a percentage of its covered payroll	327.62%	390.76%	264.03%	393.98%	384.82%	351.12%	309.47%	344.95%	292.57%	256.77%
E. Plan fiduciary net position as a percentage of total pension liability	65.91%	60.77%	72.60%	59.72%	60.31%	62.36%	64.21%	63.27%	63.17%	66.20%

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

Riverview Community School District
Required Supplementary Information
Schedule of the School District's Pension Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 6,072,576	\$ 5,344,988	\$ 5,103,291	\$ 4,518,372	\$ 4,194,737	\$ 4,080,933	\$ 3,939,961	\$ 2,374,676	\$ 2,464,305	\$ 2,917,762
B. Contributions in relation to statutorily required contributions	<u>6,072,576</u>	<u>5,344,988</u>	<u>5,103,291</u>	<u>4,518,372</u>	<u>4,194,737</u>	<u>4,080,933</u>	<u>3,939,961</u>	<u>2,374,676</u>	<u>2,464,305</u>	<u>2,917,762</u>
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
D. School District's covered payroll	\$ 14,980,133	\$ 14,652,501	\$ 14,110,882	\$ 13,178,315	\$ 13,388,285	\$ 13,276,003	\$ 13,150,500	\$ 12,584,165	\$ 12,772,045	\$ 13,227,132
E. Contributions as a percentage of covered payroll	40.54%	36.48%	36.17%	34.29%	31.33%	30.74%	29.96%	18.87%	19.29%	22.06%

Riverview Community School District
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years (Measurement Date September 30th, of Each June Fiscal Year)

	June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. School District's proportion of the net OPEB liability (asset) (%)	0.14660%	0.14920%	0.14970%	0.15000%	0.15260%	0.15570%	0.15170%			
B. School District's proportionate share of the net OPEB liability (asset)	\$ (829,269)	\$ 3,159,880	\$ 2,285,137	\$ 8,035,220	\$ 10,950,760	\$ 12,373,245	\$ 13,438,169			
C. School District's covered payroll	\$ 14,638,986	\$ 14,489,176	\$ 13,501,367	\$ 13,261,185	\$ 13,304,641	\$ 13,228,787	\$ 12,740,646			
D. School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-5.66%	21.81%	16.93%	60.59%	82.31%	93.53%	105.47%			
E. Plan fiduciary net position as a percentage of total OPEB liability	105.04%	83.09%	87.33%	59.44%	36.39%	42.95%	36.39%			

Note Disclosures

Changes of benefit terms: There were no changes of benefit terms in plan fiscal year 2023.

Changes of benefit assumptions: There were no changes of benefit assumptions in plan fiscal year 2023.

Riverview Community School District
Required Supplementary Information
Schedule of the School District's OPEB Contributions
Michigan Public School Employees Retirement Plan
Last 10 Fiscal Years

	For the Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
A. Statutorily required contributions	\$ 1,193,940	\$ 1,143,551	\$ 1,133,719	\$ 1,105,947	\$ 1,070,682	\$ 1,035,165	\$ 981,733			
B. Contributions in relation to statutorily required contributions	<u>1,193,940</u>	<u>1,143,551</u>	<u>1,133,719</u>	<u>1,105,947</u>	<u>1,070,682</u>	<u>1,035,165</u>	<u>981,733</u>			
C. Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			
D. School District's covered payroll	\$ 14,980,133	\$ 14,652,501	\$ 14,110,882	\$ 13,178,315	\$ 13,388,285	\$ 13,276,003	\$ 13,150,500			
E. Contributions as a percentage of covered payroll	7.97%	7.80%	8.03%	8.39%	8.00%	7.80%	7.47%			

OTHER SUPPLEMENTARY INFORMATION

Riverview Community School District
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024

	Special Revenue Funds		Debt Service Fund	Capital Projects Fund	Total Nonmajor Governmental Funds
	Cafeteria	Student Activities	Debt	Sinking Fund	
Assets					
Cash	\$ 708,292	\$ 267	\$ -	\$ -	\$ 708,559
Accounts receivable	108	-	-	-	108
Due from other funds	-	350,581	31,342	18,478	400,401
Due from other governmental units	46,179	-	-	-	46,179
Inventory	24,344	-	-	-	24,344
Investments	-	-	540,079	317,526	857,605
Prepaid items	5,194	-	-	-	5,194
Total assets	<u>\$ 784,117</u>	<u>\$ 350,848</u>	<u>\$ 571,421</u>	<u>\$ 336,004</u>	<u>\$ 2,042,390</u>
Liabilities					
Accounts payable	\$ 34,671	\$ -	\$ -	\$ 11,867	\$ 46,538
Due to other funds	107,500	-	-	-	107,500
Unearned revenue	19,662	-	-	-	19,662
Total liabilities	<u>161,833</u>	<u>-</u>	<u>-</u>	<u>11,867</u>	<u>173,700</u>

Riverview Community School District
Other Supplementary Information
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2024

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Cafeteria</u>	<u>Student Activities</u>	<u>Debt</u>	<u>Sinking Fund</u>	
Fund Balances					
Non-spendable					
Inventory	\$ 24,344	\$ -	\$ -	\$ -	\$ 24,344
Prepaid items	5,194	-	-	-	5,194
Restricted for					
Food service	592,746	-	-	-	592,746
Debt service	-	-	571,421	-	571,421
Capital projects	-	-	-	324,137	324,137
Committed	<u>-</u>	<u>350,848</u>	<u>-</u>	<u>-</u>	<u>350,848</u>
Total fund balances	<u>622,284</u>	<u>350,848</u>	<u>571,421</u>	<u>324,137</u>	<u>1,868,690</u>
Total liabilities and funds balances	<u>\$ 784,117</u>	<u>\$ 350,848</u>	<u>\$ 571,421</u>	<u>\$ 336,004</u>	<u>\$ 2,042,390</u>

Riverview Community School District
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Cafeteria</u>	<u>Student Activities</u>	<u>Debt</u>	<u>Sinking Fund</u>	
Revenues					
Local sources	\$ 128,949	\$ 461,837	\$ 1,371,077	\$ 804,083	\$ 2,765,946
State sources	422,288	-	71,266	-	493,554
Federal sources	<u>1,103,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,103,329</u>
Total revenues	<u>1,654,566</u>	<u>461,837</u>	<u>1,442,343</u>	<u>804,083</u>	<u>4,362,829</u>
Expenditures					
Current					
Education					
Supporting services	-	409,710	-	27,670	437,380
Food services	1,655,035	-	-	-	1,655,035
Facilities acquisition	-	-	-	500,969	500,969
Debt service					
Principal	-	-	880,000	-	880,000
Interest and other expenditures	<u>-</u>	<u>-</u>	<u>382,825</u>	<u>-</u>	<u>382,825</u>
Total expenditures	<u>1,655,035</u>	<u>409,710</u>	<u>1,262,825</u>	<u>528,639</u>	<u>3,856,209</u>
Excess (deficiency) of revenues over expenditures	<u>(469)</u>	<u>52,127</u>	<u>179,518</u>	<u>275,444</u>	<u>506,620</u>

Riverview Community School District
Other Supplementary Information
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	<u>Special Revenue Funds</u>		<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	<u>Cafeteria</u>	<u>Student Activities</u>	<u>Debt</u>	<u>Sinking Fund</u>	
Other Financing Sources (Uses)					
Transfers in	\$ 13,880	\$ -	\$ -	\$ -	\$ 13,880
Net change in fund balances	13,411	52,127	179,518	275,444	520,500
Fund balances - beginning	<u>608,873</u>	<u>298,721</u>	<u>391,903</u>	<u>48,693</u>	<u>1,348,190</u>
Fund balances - ending	<u>\$ 622,284</u>	<u>\$ 350,848</u>	<u>\$ 571,421</u>	<u>\$ 324,137</u>	<u>\$ 1,868,690</u>