

**MOON AREA SCHOOL DISTRICT**

**PITTSBURGH, PENNSYLVANIA**

**FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2022**

MOON AREA SCHOOL DISTRICT  
YEAR ENDED JUNE 30, 2022

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## Independent Auditor's Report

Members of the Board  
Moon Area School District  
Pittsburgh, Pennsylvania

### **Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Moon Area School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Moon Area School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof 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 (GAAS) 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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**

The District's 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 the District's ability to continue as a going concern for one year after the date the financial statements are issued.



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## **Auditor's 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 auditor's 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 GAAS 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 GAAS, 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 the 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 the 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.



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## **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison – General Fund, Schedules of Changes in the Total OPEB Liability and Related Ratios – Retirees Health Plan, Schedule of the District's Proportionate Share of Net OPEB Liability - PSERS Plan, Schedules of the District's OPEB contributions – PSERS Plan, Schedule of the District's Proportionate Share of the Net Pension Liability- Last 10 Years, and Schedule of the District's Contributions- last 10 years information be presented to supplement the basic financial statements. Such information, 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.

## **Supplementary and Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Moon Area School District's financial statements as a whole. The Combining Other Non-Major Governmental Financial Statements are presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining Other Non-Major Governmental Fund Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 February 20, 2023 on our consideration of the Moon Area 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Zelenkofske Axlerod LLC*

ZELENKOFKSKE AXELROD LLC

February 20, 2023  
Pittsburgh, Pennsylvania

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

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Moon Area School District, hereafter referred to as the "School District", is pleased to present its financial statements developed in conformance with Statement of Governmental Accounting Standard Statement No. 34, entitled "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments (hereafter "GASB34"), and related standards. GASB 34 enhances information provided to the users of its financial statements. This section of the financial reporting package presents our discussion and analysis of the School District's financial performance during the year that ended on June 30, 2022. Please read this Management Discussion and Analysis in conjunction with the School District's financial statements that follow this section.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This report consists of the following four parts:

- Management's discussion and analysis (this section)
- Basic financial statements (including notes)
- Required supplementary information
- Other supplementary information

Management's discussion and analysis is a guide to reading the financial statements and provides related information to help the reader to better understand the School District's government. The basic financial statements include notes that provide additional information essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Required supplementary information is provided on the School District's budget to actual figures for the general fund, the School District's retirement plan, and the School District's postemployment benefits other than pensions.

The Basic financial statements present two different views of the School District.

- Government-wide financial statements, the first two statements, provide information about the School District's overall financial status.
- Fund financial statements, the remaining statements, focus on individual parts of the School District's government. They provide more detail than the government-wide statements. There are two types of fund financial statements:
  - Governmental fund statements show how services such as instruction, support services, and non-instructional services are financed in the short term, as well as what remains for future spending.
  - Proprietary fund statements offer short-term and long-term financial information about the activities the School District operated like a business, like the Food Service Fund.

**Table A-1: Organization of the School District's annual financial report**

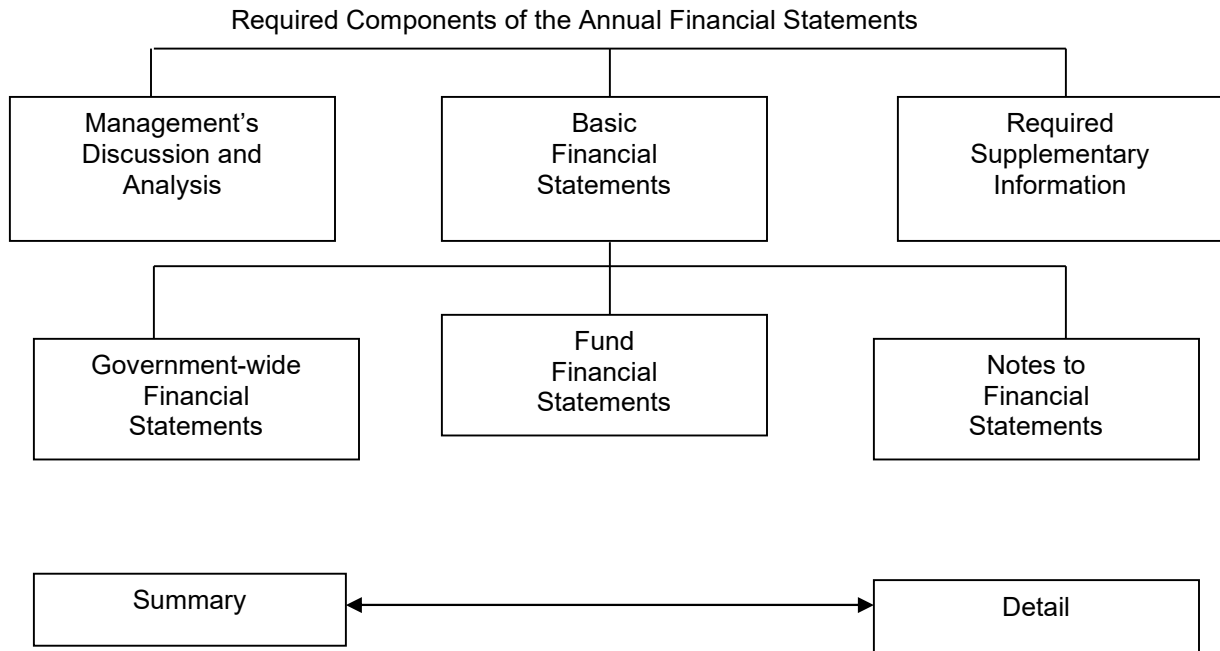


Table A-2 summarizes the major features of the School District's financial statements, including the area of the School District's activities they cover and the types of information they contain.

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**Table A-2: Major features of the government-wide and fund financial statements**

	<b><u>Government-wide Statements</u></b>	<b><u>Fund Financial Statements</u></b>	
		<b><u>Governmental</u></b>	<b><u>Proprietary</u></b>
Scope	Entire entity (except fiduciary funds)	The day-to-day operating activities of the SCHOOL DISTRICT, such as instruction and support services.	The activities of the SCHOOL DISTRICT, such as the Food Service Fund
Required Financial Statements	-Statement of Net Position  -Statement of Activities	-Balance Sheet  -Statement of Revenues, Expenditures and Changes in Fund Balances	-Statement of Net Position -Statement of Revenues, Expenses and Changes in Net Position -Statement of Cash Flows
Accounting basis and measurement focus	Accrual	Modified Accrual	Accrual accounting and economic resources focus
Type of asset and liability information	All assets and liabilities, short-term and long-term	Current assets and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, short-term and long-term
Type of inflow and outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenue for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during year, regardless of when cash is received or paid



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The remainder of the overview explains the structure and contents of the government-wide and fund financial statements.

**Government-wide Financial Statements**

Government-wide financial statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies.

- The Statement of Net Position includes all the School District's assets/deferred outflows of resources and liabilities/deferred inflows of resources with the difference between the two reported as Net Position. This statement serves a purpose similar to that of the balance sheet of a private-sector business.
- The Statement of Activities focuses on how the School District's Net Position changed during the year. Because it separates program revenue (revenue generated by specific programs through charges for services, grants and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on local taxes for funding.

All changes to Net Position are reported using the economic resources measurement focus and the accrual basis of accounting, which requires that revenues be reported when they are earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow.

Net Position is one way to measure the School District's financial position. Over time, increases or decreases in the School District's Net Position are one indicator of whether the School District's financial position is improving or deteriorating. However, other non-financial factors such as changes in the School District's property tax base and general economic conditions must be considered to assess the overall position of the School District.

There are two categories of activities for the primary government:

- *Governmental activities* include the School District's basic services such as instruction, support services, and non-instructional services.
- *Business-type activities* such as the Cafeteria Fund charge a fee to customers to help cover the costs of services.

Net Position of the governmental activities differ from the governmental fund balances because governmental fund level statements only report transactions using or providing current financial resources. Also, capital assets in the fund level statements are reported as expenditures when financial resources (money) are expended to purchase or build assets. Likewise, the financial resources that may have been borrowed are considered revenue when they are received. The principal and interest payments are both considered revenue when they are received. The principal and interest payments are both considered expenditures when paid. Depreciation is not calculated as it does not provide or reduce current financial resources. Finally, capital assets and long-term debt do not affect fund balances.

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Management's Discussion and Analysis  
June 30, 2022**

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Government-wide statements are reported on the accrual basis of accounting that involves the following steps to format the Statement of Net Position:

- Capitalize current outlays for capital assets
- Report long-term debt as a liability
- Depreciate capital assets and allocate the depreciation to the proper program/activities
- Allocate net position balances as follows:
  - Net Investment in Capital Assets
  - Restricted Net Position are those with constraints placed on the use by external sources (creditors, grantors, contributors, or laws or regulations of governments) or imposed by law through constitutional provisions or enabling legislation
  - Unrestricted Net Position is Net Position that does not meet any of the above restrictions

**Fund Financial Statements**

Fund financial statements provide more detailed information on the School District's most significant funds, not the SCHOOL DISTRICT as a whole. Funds are accounting devices, i.e., a group of related accounts, the SCHOOL DISTRICT uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law. Other funds are established to control and manage resources designated for specific purposes. Fund financial statements are reported using the modified accrual basis of accounting.

The SCHOOL DISTRICT has two kinds of funds:

- *Governmental funds* include most of the School District's basic services and focus on: (1) the flow in and out of cash and other financial assets that can readily be converted into cash, and: (2) the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting.

The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in reconciliations that follow the governmental fund financial statements.

The SCHOOL DISTRICT adopts an annual budget for the general fund, as required by state law. A budgetary comparison of the School District's general fund is presented as required supplementary information.

- *Proprietary Funds* report business-type programs and activities that charge fees designed to recover the cost of providing services. The proprietary funds report using the accrual basis of accounting.

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Net Position**

The School District's total assets were \$147,877,709 at June 30, 2022. Of this amount, \$108,380,918 was capital assets.

GASB No. 34 requires that all capital assets, including infrastructure, be valued and reported within the governmental activities column of the government-wide financial statements, but allow infrastructure to be added over several years. The SCHOOL DISTRICT adopted the provisions of GASB 34 related to infrastructure on the retroactive basis.

**Condensed Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Capital Assets	\$ 108,186,726	\$ 112,687,300	\$ 194,192	\$ 269,940	\$ 108,380,918	\$ 112,957,240
Other Assets	37,022,702	39,309,871	2,474,089	1,046,221	39,496,791	40,356,092
<b>Total Assets</b>	<b>145,209,428</b>	<b>151,997,171</b>	<b>2,668,281</b>	<b>1,316,161</b>	<b>147,877,709</b>	<b>153,313,332</b>
Deferred Outflows of Resources	17,705,725	22,113,442	258,708	324,842	17,964,433	22,438,284
Current Liabilities	15,546,038	16,290,303	627,853	347,738	16,173,891	16,638,041
Noncurrent Liabilities	273,651,219	293,451,478	1,986,626	2,207,087	275,637,845	295,658,565
<b>Total Liabilities</b>	<b>289,197,257</b>	<b>309,741,781</b>	<b>2,614,479</b>	<b>2,554,825</b>	<b>291,811,736</b>	<b>312,296,606</b>
Deferred Inflows of Resources	17,917,768	4,741,517	272,860	39,944	18,190,628	4,781,461
Net Investment in Capital Assets	(38,241,551)	(32,055,706)	194,192	269,940	(38,047,359)	(31,785,766)
Restricted Net Position	5,154,542	(108,630,500)	-	-	5,154,542	(108,630,500)
Nonrestricted Net Position	(111,112,863)	313,521	(154,542)	(1,223,706)	(111,267,405)	(910,185)
<b>Total Net Position</b>	<b>\$ (144,199,872)</b>	<b>\$ (140,372,685)</b>	<b>\$ 39,650</b>	<b>\$ (953,766)</b>	<b>\$ (144,160,222)</b>	<b>\$ (141,326,451)</b>

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**Changes in Net Position**

The following statement of activities represents the change in Net Position for the years ended June 30, 2022 and 2021. It shows revenues by source and expenses by function for governmental activities, business-type activities and the government as a whole.

**Condensed Statement of Activities**

	2022 Governmental Activities	2021 Governmental Activities	2022 Business-Type Activities	2021 Business-Type Activities	2022 Total	2021 Total
<b>Program Revenues:</b>						
Charges for Service	\$ 116,052	\$ 72,518	\$ 146,893	\$ 44,315	\$ 262,945	\$ 116,833
Grants and Contributions	15,173,624	14,287,592	2,828,789	1,362,634	18,002,413	15,650,226
<b>General Revenues:</b>						
Property Taxes	55,762,264	55,597,347	-	-	55,762,264	55,597,347
Other Taxes	7,050,667	6,431,692	-	-	7,050,667	6,431,692
Unrestricted Grants	7,223,776	6,327,040	-	-	7,223,776	6,327,040
Investment Earnings	41,340	29,872	3,677	212	45,017	30,084
Sale of Fixed Assets	955,177	-	-	-	955,177	-
Refund of Prior Year						
Expenditures	138,035	107,859	-	-	138,035	107,859
Miscellaneous Revenues	170,954	119,384	-	-	170,954	119,384
<b>Total revenues</b>	<b>86,631,889</b>	<b>82,973,304</b>	<b>2,979,359</b>	<b>1,407,161</b>	<b>89,611,248</b>	<b>84,380,465</b>
<b>Expenses:</b>						
Instruction	54,271,339	48,359,254	-	-	54,271,339	48,359,254
Support Services	28,718,040	29,817,126	-	-	28,718,040	29,817,126
Noninstructional Services	1,929,755	1,544,329	-	-	1,929,755	1,544,329
Debt Service	5,539,942	6,177,663	-	-	5,539,942	6,177,663
Food Service	-	-	1,985,943	1,323,989	1,985,943	1,323,989
<b>Total Expenses</b>	<b>90,459,076</b>	<b>85,898,372</b>	<b>1,985,943</b>	<b>1,323,989</b>	<b>92,445,019</b>	<b>87,222,361</b>
<b>Change in Net Position</b>	<b>(3,827,187)</b>	<b>(2,925,068)</b>	<b>993,416</b>	<b>83,172</b>	<b>(2,833,771)</b>	<b>(2,841,896)</b>
<b>Net Position - Beginning</b>	<b>(140,372,685)</b>	<b>(137,447,617)</b>	<b>(953,766)</b>	<b>(1,036,938)</b>	<b>(141,326,451)</b>	<b>(138,484,555)</b>
<b>Net Position - Ending</b>	<b>\$ (144,199,872)</b>	<b>\$ (140,372,685)</b>	<b>\$ 39,650</b>	<b>\$ (953,766)</b>	<b>\$ (144,160,222)</b>	<b>\$ (141,326,451)</b>

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**Net Program Expenses**

Net program expenses indicate the amount of support required from taxes and other general revenues for a program of the government. In 2022, taxes brought in \$62,812,931.

**Net Cost of Governmental and Business-Type Activities**

	2022	2021	2022	2021
	<u>Total Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Net Cost of Services</u>
Program:				
Instructional	\$ 54,271,339	\$ 48,359,254	\$ (45,028,520)	\$ (39,381,283)
Support Services	28,718,040	29,817,126	(25,491,837)	(27,008,346)
Non-Instructional Services	1,929,755	1,544,329	890,899	1,029,120
Debt Service	5,539,942	6,177,663	(5,539,942)	(6,177,663)
Food Service	1,985,943	1,323,989	989,739	82,960
	<u>1,985,943</u>	<u>1,323,989</u>	<u>989,739</u>	<u>82,960</u>
Total	<u>\$ 92,445,019</u>	<u>\$ 87,222,361</u>	<u>\$ (74,179,661)</u>	<u>\$ (71,455,212)</u>

The SCHOOL DISTRICT relied on property taxes and other general revenues to fund 80% of its governmental and business-type activities in 2022. See page 14 for a discussion on the increases/decreases in revenues and expenditures.

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**Capital Assets**

The School District's investment in capital assets in its Governmental Activities at June 30, 2022, net of accumulated depreciation, was \$108,186,726. Capital assets consist primarily of land, buildings, and equipment. The following is a summary of capital assets at June 30, 2022:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 1,504,786	\$ -	\$ -	\$ 1,504,786
Total Capital Assets, Not Being Depreciated	<u>1,504,786</u>	<u>-</u>	<u>-</u>	<u>1,504,786</u>
Capital Assets, Being Depreciated:				
Land Improvements	17,466,074	-	-	17,466,074
Building and Building Improvements	146,329,434	-	-	146,329,434
Furniture, Vehicles, and Equipment	9,751,103	1,459,255	-	11,210,358
Total Capital Assets, Being Depreciated	<u>173,546,611</u>	<u>1,459,255</u>	<u>-</u>	<u>175,005,866</u>
Less Accumulated Depreciation For:				
Land Improvements	(9,474,877)	(820,346)	-	(10,295,223)
Building and Building Improvements	(47,139,602)	(4,134,009)	-	(51,273,611)
Furniture, Vehicles, and Equipment	(5,749,618)	(1,005,474)	-	(6,755,092)
Total Accumulated Depreciation	<u>(62,364,097)</u>	<u>(5,959,829)</u>	<u>-</u>	<u>(68,323,926)</u>
Total Capital Assets, Being Depreciated, Net	<u>111,182,514</u>	<u>(4,500,574)</u>	<u>-</u>	<u>106,681,940</u>
Governmental Activities Capital Assets, Net	<u>\$ 112,687,300</u>	<u>\$ (4,500,574)</u>	<u>\$ -</u>	<u>\$ 108,186,726</u>
BUSINESS TYPE ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Being Depreciated:				
Furniture, Vehicles, and Equipment	\$ 1,071,091	\$ -	\$ -	\$ 1,071,091
Total Capital Assets, Being Depreciated	<u>1,071,091</u>	<u>-</u>	<u>-</u>	<u>1,071,091</u>
Less Accumulated Depreciation	(801,151)	(75,748)	-	(876,899)
Total Capital Assets, Being Depreciated, Net	<u>269,940</u>	<u>(75,748)</u>	<u>-</u>	<u>194,192</u>
Business Type Activities Capital Assets, Net	<u>\$ 269,940</u>	<u>\$ (75,748)</u>	<u>\$ -</u>	<u>\$ 194,192</u>

Detailed information about the School District's capital assets can be found in Note 4, Notes to the Financial Statements.

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**Debt Administration**

At June 30, 2022, the SCHOOL DISTRICT had \$279,520,784 of long-term liabilities outstanding. Long-term liabilities decreased 6.7% from the previous year. The following is a summary of long-term liabilities for the 2022 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Bonds and Notes payable:					
General obligation bonds	\$ 139,815,000	\$ -	\$ (4,535,000)	\$ 135,280,000	\$ 4,830,000
Total bonds and notes payable	<u>139,815,000</u>	<u>-</u>	<u>(4,535,000)</u>	<u>135,280,000</u>	<u>4,830,000</u>
<b>Other Liabilities:</b>					
Bond Premiums	12,654,143	-	(891,018)	11,763,125	891,018
Bond Discounts	(9,995)	-	1,250	(8,745)	(1,250)
Deferred Charges	(782,168)	-	64,850	(717,318)	(64,850)
Compensated absences	1,814,938	53,004	-	1,867,942	-
Other Postemployment Benefits	31,006,467	1,523,603	-	32,530,070	-
Net Pensions Liability	112,714,535	-	(16,020,040)	96,694,495	-
Notes Payable	226,750	-	(115,535)	111,215	60,628
Total Other Liabilities	<u>157,624,670</u>	<u>1,576,607</u>	<u>(16,960,493)</u>	<u>142,240,784</u>	<u>885,546</u>
<b>Governmental Activities</b>					
Long-Term Liabilities	<u>\$ 297,439,670</u>	<u>\$ 1,576,607</u>	<u>\$ (21,495,493)</u>	<u>\$ 277,520,784</u>	<u>\$ 5,715,546</u>
<b>Business Type Activities</b>					
Compensated Absences	\$ 18,440	\$ 300	\$ -	\$ 18,740	\$ -
Other Postemployment Benefits	472,182	23,200	-	495,382	-
Net Pension Liability	<u>1,716,465</u>	<u>-</u>	<u>(243,960)</u>	<u>1,472,505</u>	<u>-</u>
Total Business Type Activities Long Term Liabilities	<u>\$ 2,207,087</u>	<u>\$ 23,500</u>	<u>\$ (243,960)</u>	<u>\$ 1,986,627</u>	<u>\$ -</u>

Detailed information on the School District's debt can be found in Note 5, Notes to the financial statements.

**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**GOVERNMENTAL FUNDS**

The SCHOOL DISTRICT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of governmental funds is to provide information on inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved/undesignated fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the year.

The School District's governmental funds include the General Fund, the Capital Reserve Fund, the Private Purpose Trust Fund, and the Student Activity Fund. The General Fund is the chief operating fund for the School District. Capital Reserve Fund funds are restricted to specific legislated use.

**GOVERNMENTAL FUND REVENUES**

Governmental fund revenues by source at June 30, 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
Revenues:		
Local Sources	\$64,438,981	63,024,532
State Sources	19,299,002	18,711,386
Federal Sources	1,726,947	1,090,442
Total Revenues	<b>\$85,464,930</b>	<b>\$82,826,360</b>

There are several factors relating to increases in revenues from 2021 to 2022. Local revenues increased due to increased collections of taxes. The federal revenues increased due to new federal grants related to the ongoing global pandemic.

**GOVERNMENTAL FUND EXPENDITURES**

Governmental fund expenditures by function at June 30, 2022 and 2021 were as follows:

	<b>2022</b>	<b>2021</b>
Expenditures		
Instruction	\$48,861,678	47,015,089
Support Services	26,786,107	29,943,372
Non-Instructional	1,810,806	1,523,646
Debt Service	10,923,017	7,423,710
Total Expenditures	<b>\$88,381,608</b>	<b>\$85,905,817</b>

There are several factors relating to increases and decreases in expenditures from 2021 to 2022. Instruction expenditures increased due to increases in salaries. Non- instructional expenses decreased due to lower costs for student activities as a result of the ongoing pandemic cancelling many extracurricular events. Debt service expenditures increased due to debt refunding occurring in the 2021.



**Moon Area School District  
Management's Discussion and Analysis  
June 30, 2022**

**GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION**

Ending fund balances for governmental funds and Net Position for proprietary funds at June 30, 2022 and 2021 were as follows:

<u>Fund</u>	<u>2022 Governmental Funds</u>	<u>2021 Governmental Funds</u>	<u>2022 Proprietary Funds</u>	<u>2021 Proprietary Funds</u>
General Fund	\$ 18,825,394	\$ 18,329,157	\$ -	\$ -
Capital Projects Fund	4,863,617	7,160,724	-	-
Other Non Major Funds	290,925	313,521	-	-
Food Service Fund	-	-	39,650	(953,766)
Total	<u>\$ 23,979,936</u>	<u>\$ 25,803,402</u>	<u>\$ 39,650</u>	<u>\$ (953,766)</u>

The reasons for the changes in governmental fund balances are explained above in the governmental funds revenues and expenditures sections.

**BUDGETARY HIGHLIGHTS**

The School District adopts an annual appropriated budget for its general fund. Detailed information about the School District's 2022 general fund budget can be found in Required Supplemental Information.

Overall, the School District had a positive variance of \$116,445 for actual results in comparison to budget. Numerous factors went in to these results. Revenue had a positive variance of \$2,215,602 which resulted from more revenue being received than was budgeted in all categories. Expenditures had a negative variance of \$3,114,521 for actual results in comparison to budget, largely resulting from support services that were higher than the budget. This was offset by other financing uses.

**ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET**

Current difficult economic conditions have affected the School District's financial position due largely in part by increased pension and healthcare costs. SCHOOL DISTRICT management has worked on lowering expenses and increasing revenues other than taxes.

**CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability. Questions concerning this financial information or requests for additional information should be directed to:

Moon Area School District  
8353 University Boulevard  
Moon Township, PA 15108  
Phone: 412-264-9440

MOON AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

Assets	Primary Government		Total
	Governmental Activities	Business-type Activities	
Cash and cash Equivalents	\$ 30,179,982	\$ 2,460,595	\$ 32,640,577
Taxes Receivable, Net	3,905,959	-	3,905,959
Due from Other Governments	2,043,189	-	2,043,189
Other Receivables	157,720	3,035	160,755
Inventory	-	10,459	10,459
Prepaid Assets	727,107	-	727,107
Bond Discount	8,745	-	8,745
Capital assets:			
Non-depreciable	1,504,786	-	1,504,786
Depreciable (net)	106,681,940	194,192	106,876,132
<b>Total Assets</b>	<b>\$ 145,209,428</b>	<b>\$ 2,668,281</b>	<b>\$ 147,877,709</b>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	\$ 717,318	\$ -	\$ 717,318
Deferred Outflows Related to Pensions	13,032,448	198,465	13,230,913
Deferred Outflows Related to OPEB	3,955,959	60,243	4,016,202
<b>Total Deferred Outflows of Resources</b>	<b>\$ 17,705,725</b>	<b>\$ 258,708</b>	<b>\$ 17,964,433</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 1,381,248	\$ -	\$ 1,381,248
Internal Balances	(445,235)	445,235	-
Accrued Salaries and Benefits	8,948,540	99,947	9,048,487
Unearned Revenue	-	17,740	17,740
Accrued Interest	870,380	-	870,380
Other Current Liabilities	195,477	64,931	260,408
Current portions of long- term liabilities:			
Bonds Payable, net	4,535,000	-	4,535,000
Notes Payable	60,628	-	60,628
Non-current portions of long-term liabilities:			
Bonds Payable	130,745,000	-	130,745,000
Bond Premium	11,763,125	-	11,763,125
Notes Payable	50,587	-	50,587
Compensated Absences	1,867,942	18,740	1,886,682
Net OPEB Liability	32,530,070	495,381	33,025,451
Net Pension liability	96,694,495	1,472,505	98,167,000
<b>Total Liabilities</b>	<b>\$ 289,197,257</b>	<b>\$ 2,614,479</b>	<b>\$ 291,811,736</b>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows Related to Pensions	\$ 17,173,672	\$ 261,529	\$ 17,435,201
Deferred Inflows Related to OPEB	744,096	11,331	755,427
<b>Total Deferred Inflows of Resources</b>	<b>\$ 17,917,768</b>	<b>\$ 272,860</b>	<b>\$ 18,190,628</b>
<b>Net Position</b>			
Net Investment in Capital Assets	(38,241,551)	194,192	(38,047,359)
Restricted for Specific Use	5,154,542	-	5,154,542
Unrestricted	(111,112,863)	(154,542)	(111,267,405)
<b>Total Net Position</b>	<b>\$ (144,199,872)</b>	<b>\$ 39,650</b>	<b>\$ (144,160,222)</b>

MOON AREA SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instructional Services	\$ 54,271,339	\$ -	\$ 9,242,819	\$ -	\$ (45,028,520)	\$ -	\$ (45,028,520)
Support Services	28,718,040	62,225	3,163,978	-	(25,491,837)	-	(25,491,837)
Noninstructional Services	1,929,755	53,827	2,766,827	-	890,899	-	890,899
Debt Service	5,539,942	-	-	-	(5,539,942)	-	(5,539,942)
Total Governmental Activities	90,459,076	116,052	15,173,624	-	(75,169,400)	-	(75,169,400)
Business-Type Activities:							
Food Service	1,985,943	146,893	2,828,789	-	-	989,739	989,739
Total Business-Type Activities	1,985,943	146,893	2,828,789	-	-	989,739	989,739
Total Primary Government	\$ 92,445,019	\$ 262,945	\$ 18,002,413	\$ -	\$ (75,169,400)	\$ 989,739	\$ (74,179,661)
General Revenues:							
Taxes:							
Property Taxes, Net					\$ 55,762,264	\$ -	\$ 55,762,264
Earned Income Tax					5,742,703	-	5,742,703
Real Estate Transfer Tax					1,079,037	-	1,079,037
Other Taxes, Net					228,927	-	228,927
Grants, Subsidies, and Contributions Not Restricted					7,223,776	-	7,223,776
Investment earnings					41,340	3,677	45,017
Sale of Fixed Assets					955,177	-	955,177
Refund of Prior Year Expenditures					138,035	-	138,035
Miscellaneous Income					170,954	-	170,954
Total General Revenues					71,342,213	3,677	71,345,890
Change in Net Position					(3,827,187)	993,416	(2,833,771)
Net Position - Beginning					(140,372,685)	(953,766)	(141,326,451)
Net Position - Ending					\$ (144,199,872)	\$ 39,650	\$ (144,160,222)

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
BALANCE SHEET OF GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 24,948,464	\$ 4,917,305	\$ 314,213	\$ 30,179,982
Taxes Receivable, Net	3,905,959	-	-	3,905,959
Due from Other Governments	2,043,189	-	-	2,043,189
Due From Other Funds	468,523	-	-	468,523
Other Receivables	157,248	-	472	157,720
Prepaid Expenses	727,107	-	-	727,107
 Total Assets	 <u>\$ 32,250,490</u>	 <u>\$ 4,917,305</u>	 <u>\$ 314,685</u>	 <u>\$ 37,482,480</u>
<u>Liabilities</u>				
Accounts Payable	\$ 1,357,088	\$ 23,688	\$ 472	\$ 1,381,248
Accrued Salaries and Benefits	8,918,540	30,000	-	8,948,540
Due to Other Funds	-	-	23,288	23,288
Other Current Liabilities	195,477	-	-	195,477
 Total Liabilities	 <u>10,471,105</u>	 <u>53,688</u>	 <u>23,760</u>	 <u>10,548,553</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Taxes	2,953,991	-	-	2,953,991
 Total Deferred Inflows of Resources	 <u>2,953,991</u>	 <u>-</u>	 <u>-</u>	 <u>2,953,991</u>
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Insurance	727,107	-	-	727,107
Restricted	-	4,863,617	290,925	5,154,542
Committed	8,000,000	-	-	8,000,000
Assigned	4,000,000	-	-	4,000,000
Unassigned	6,098,287	-	-	6,098,287
 Total Fund Balances	 <u>18,825,394</u>	 <u>4,863,617</u>	 <u>290,925</u>	 <u>23,979,936</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 32,250,490</u>	 <u>\$ 4,917,305</u>	 <u>\$ 314,685</u>	 <u>\$ 37,482,480</u>

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances of governmental funds		\$	23,979,936
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$176,510,652 and the accumulated depreciation is \$68,323,926.</p>			
			108,186,726
<p>Property taxes receivable will be collected, but are not available soon enough to pay for current year's expenditures, and therefore are deferred in the Governmental Funds.</p>			
			2,953,991
<p>Long-term liabilities and related deferrals such as Debt, Accrued Interest, and Compensated Absences are not due and payable in the current period and accordingly are not reported as fund liabilities. Both current and long-term liabilities are reported in the Statement of Net Position.</p>			
Long-term Bonds and Notes Payable	\$ (135,280,000)		
Unamortized Loss on Debt Refundings	717,318		
Bond Discount	8,745		
Bond Premium	(11,763,125)		
Accrued interest	(870,380)		
Net OPEB Liability	(32,530,070)		
Deferred Outflows related to Pension and OPEB	16,988,407		
Deferred Inflows related to Pension and OPEB	(17,917,768)		
Net Pension Liability	(96,694,495)		
Note Payable	(111,215)		
Compensated Absences	(1,867,942)		
	(279,320,525)		(279,320,525)
Total net position of governmental activities		\$	<u>(144,199,872)</u>

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Local Sources	\$ 64,137,278	\$ 10,508	\$ 291,195	\$ 64,438,981
State Sources	19,299,002	-	-	19,299,002
Federal Sources	1,726,947	-	-	1,726,947
<b>Total Revenues</b>	<b>85,163,227</b>	<b>10,508</b>	<b>291,195</b>	<b>85,464,930</b>
<b>Expenditures</b>				
Instruction	48,807,303	54,375	-	48,861,678
Support Services	24,455,019	2,331,088	-	26,786,107
Noninstructional Services	1,497,015	-	313,791	1,810,806
Debt Service	10,923,017	-	-	10,923,017
<b>Total Expenditures</b>	<b>85,682,354</b>	<b>2,385,463</b>	<b>313,791</b>	<b>88,381,608</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(519,127)</b>	<b>(2,374,955)</b>	<b>(22,596)</b>	<b>(2,916,678)</b>
<b>Other Financing Sources (Uses)</b>				
Refund of Prior Year Expenditures	138,035	-	-	138,035
Sale of Fixed Assets	955,177	-	-	955,177
Transfers In	-	77,848	-	77,848
Transfers Out	(77,848)	-	-	(77,848)
<b>Total Other Financing Sources (Uses)</b>	<b>1,015,364</b>	<b>77,848</b>	<b>-</b>	<b>1,093,212</b>
<b>Net Change in Fund Balance</b>	<b>496,237</b>	<b>(2,297,107)</b>	<b>(22,596)</b>	<b>(1,823,466)</b>
Fund Balance, Beginning of Year	18,329,157	7,160,724	313,521	25,803,402
Fund Balance, End of Year	<u>\$ 18,825,394</u>	<u>\$ 4,863,617</u>	<u>\$ 290,925</u>	<u>\$ 23,979,936</u>

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in fund balances - total governmental funds		\$ (1,823,466)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital Outlays	1,459,255	
Depreciation Expense	<u>(5,959,829)</u>	(4,500,574)
<p>Payments of long-term debt and certain expenditures of debt issuance are expensed when paid in the Governmental Funds, but are amortized or recorded as a reduction of long term liabilities in the Statement of Net Position.</p>		
Debt Principal Repayments	4,535,000	
Payments on Notes Payable	115,535	
Amortization of Bond Premiums	891,018	
Amortization of Bond Discounts	(1,250)	
Change in Accrued Interest	23,157	
Amortization of Deferred Refunding loss	(64,850)	
Change in Compensated Absences	<u>(53,004)</u>	5,445,606
Governmental funds do not report the changes in the Other Post Employment Benefit liability and related deferred inflows and outflows of resources:		(1,340,769)
Governmental funds do not report the changes in the Pension liability and related deferred inflows and outflows of resources:		(1,681,732)
<p>Real estate taxes reported in the funds include receipt of prior year delinquent taxes and do not include revenue attributable to the current year's delinquent tax receivable. This amount is the net effect of these differences.</p>		
Current year	2,953,991	
Prior year	<u>(2,880,243)</u>	<u>73,748</u>
Changes in net position of governmental activities		<u>\$ (3,827,187)</u>

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 2,460,595
Other Receivables	3,035
Inventories	10,459
Total Current Assets	2,474,089
Non-current Assets:	
Furniture and Equipment, net	194,192
Total Non-Current Assets	194,192
Total Assets	2,668,281
Deferred Outflows of Resources	
Deferred Outflows of Resources Related to Pension	198,465
Deferred Outflows of Resources Related to OPEB	60,243
Total Deferred Outflows of Resources	258,708
Total Assets and Deferred Outflows of Resources	2,926,989
<b>Liabilities</b>	
Current liabilities:	
Due to Other Funds	445,235
Accrued Salaries and Benefits	99,947
Unearned Revenue	17,740
Other Current Liabilities	64,931
Total Current Liabilities	627,853
Non-Current Liabilities	
Long-term Portion of Compensated Absences	18,740
Net OPEB Liability	495,381
Net Pension Liability	1,472,505
Total Noncurrent Liabilities	1,986,626
Total Liabilities	2,614,479
Deferred Inflows of Resources	
Deferred Inflows of Resources Related to Pension	261,529
Deferred Inflows of Resources Related to OPEB	11,331
Total Deferred Inflows of Resources	272,860
<b>Net Position</b>	
Net Investment in Capital Assets	194,192
Unrestricted	(154,542)
Total Net Position	39,650
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 2,926,989

The accompanying notes are an integral part of the financial statements.



MOON AREA SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION  
PROPRIETARY FUND  
JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service
Operating Revenues	
Food Service Revenue	146,893
	146,893
Total Operating Revenues	146,893
Operating Expenses	
Salaries	559,717
Employee Benefits	436,614
Purchased Professional and Technology Services	16,452
Purchased Property Services	2,275
Other Purchased Services	-
Supplies	890,535
Depreciation	75,748
Dues and Fees	4,602
	1,985,943
Total Operating Expenses	1,985,943
Net Operating Loss	(1,839,050)
Nonoperating Revenues (Expenses)	
Earnings on Investments	3,677
State Sources	185,127
Federal Sources	2,643,662
	2,832,466
Total Nonoperating Revenues (Expenses)	2,832,466
Changes in Net Position	993,416
Net Position - Beginning of Year	(953,766)
Net Position - End of Year	\$ 39,650

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
JUNE 30, 2022

	Business-Type Activities - Enterprise Fund Food Service
Cash flows from operating activities	
Received from users	\$ 148,693
Payments to employees for services	(635,809)
Payments to suppliers for goods and services	(763,228)
Net cash used in operating activities	(1,250,344)
Cash flows from non-capital financing activities	
Grants and subsidies received:	
State	185,127
Federal	2,491,209
Net cash provided by non-capital financing activities	2,676,336
Cash flows from capital and related financing activities	
Earnings on investments	3,677
Net cash provided by capital and related financing activities	3,677
Net increase in cash and cash equivalents	1,429,669
Beginning cash and cash equivalents	1,030,927
Ending cash and cash equivalents	\$ 2,460,596
 RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (1,839,050)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	75,748
Donated commodities	152,453
(Increase) decrease in assets	
Other receivables	(1,518)
Inventory	3,318
Increase (decrease) in liabilities	
Due to other funds	264,854
Accrued salaries and benefits	17,078
Other current liabilities	(1,817)
Long term portion of Compensated absences	300
Net OPEB Liability and related deferred inflows and outflows	20,418
Net Pension Liability and related deferred inflows and outflows	57,872
Net cash used in operating activities	\$ (1,250,344)

The accompanying notes are an integral part of the financial statements.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Moon Area School District (the "School District") is located in Allegheny County, Pennsylvania. The School District's tax base consists of the Township of Moon and Crescent.

The School District is governed by an elected nine-member Board of Directors (the "Board") who are residents of the District and who are elected every two years, on a staggered basis, for a four-year term.

The Board of Directors (the "Board") has the power and duty to establish, equip, furnish and maintain a sufficient number of elementary, secondary and other schools necessary to educate every person residing in such district between the ages of six and twenty-one years, who may attend.

In order to establish, enlarge, equip, furnish, operate and maintain any school herein provided, or to pay any school indebtedness, which the School District is required to pay, or to pay any indebtedness that may at any time hereafter be created by the School District. The Board is vested with all the necessary authority and power annually to levy and collect the necessary taxes required and granted by the legislature, in addition to the annual State appropriation, and are vested with all necessary power and authority to comply with and carry out any or all of the provisions of the Public School Code of 1949.

The financial statements of the School District have been prepared in accordance with generally accepted accounting principles as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

A.) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

B.) Reporting Entity:

The School District is the basic level of government, which has financial accountability and control over all activities related to the public school education in the School District. The School District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the School District, is not included in any other governmental "reporting entity" as defined by the GASB pronouncements, since Board members are elected from the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined as defined in GASB Statement No. 61, which are included in the School District's reporting entity.

MOON AREA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C.) Joint Venture:

The School District is one of twelve member School Districts of the Parkway West Career & Technology Center (Parkway). Parkway, which provides vocational-technical education and training for high school students, is controlled and governed by the Joint Board, which is composed of School Board members from all of the member School Districts. Direct oversight of Parkway's operations is the responsibility of the Joint Committee, which consists of one representative from each participating School District. The School District's share of annual operating and capital costs for Parkway fluctuated based on the percentage enrollment in the school and is reflected as expenditures in the General Fund. The amount paid by the School District in the June 30, 2022 was approximately \$662,407. The net current assets of Parkway at June 30, 2022 are to be used to fund future years' operations and are not significant to the School District. Separate audited financial statements are available in the School District's business office.

D.) Fund Accounting:

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts, which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Resources are allocated to and accounted for in the individual funds based on the purpose for which they are to be spent.

The School District uses the following funds:

GOVERNMENTAL FUNDS – These funds are used to account for most of the School District's finances. The measurement focus is on determination of the financial position and changes in financial position (current financial resources) rather than on income determination.

The School District reports the following major governmental funds:

1. General Fund – This is the general operating fund of the School District. All activities of the School District are accounted for through this major fund except for those required to be accounted for in another fund.

The School District reports the following other governmental funds:

1. Capital Reserve Fund – This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities or equipment, other than those financed by proprietary funds.
2. Private Purpose Trust Fund – This non major fund accounts for resources legally held in trust for use by the School District for scholarships. All resources of the fund, including any earnings on invested resources, may be used to support organization's activities. There is no requirement that any portion of these resources be preserved as capital.
3. Student Activity Fund – This non major fund is used to account for assets held by the School District in a trustee capacity for student activities. These funds account for student activities in the high school and middle school. They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D.) Fund Accounting(Continued):

PROPRIETARY FUNDS – These funds account for School District activities that are similar to business operations in the private sector or where the reporting focus is on determining net income, financial position and changes in financial position (economic resources measurement focus).

1. Food Service Fund – This major fund is authorized under Section 504 of the Public School Code of 1949 to account for all revenues and expenses pertaining to cafeteria operations.

E.) Basis of Presentation:

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School District. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely, to a significant extent, on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds and proprietary funds of the School District. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Other governmental funds are aggregated and presented in a single column. The School District has two other governmental funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District's Enterprise Fund are food service charges. Operating expenses for the School District's Enterprise Fund include food production costs, supplies, administrative costs and depreciation on capital assets. All revenues or expenses not meeting this definition are reported as non-operating revenues and expenses.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F.) Measurement Focus and Basis of Accounting:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the Proprietary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net Position (total assets and deferred outflows less total liabilities and deferred inflows) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased Net Position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the Statement of Net Position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers tax revenue to be available if collected within sixty days of the end of the fiscal period. Revenue from federal, state, and other grants designated for payment of specific School District expenditures is recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

G.) Budgetary Data:

In accordance with Act 1, the School District elected not to increase the real estate tax rate above the index established by the Pennsylvania Department of Education and, therefore, follows the procedures outlined below in establishing the budgetary data reflected in the basic financial statements:

1. Prior to May 31, the Board submits a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The budget of the School District is the approved spending plan of the School District for the year and the Board is prohibited from obligating funds in excess of these amounts. The Board may, during any fiscal year, amend the budget by making additional appropriations or increase existing appropriations to meet emergencies. The funds shall be provided from unexpended balances in existing appropriations, from unappropriated revenues or from temporary loans.
5. Budgetary data is included in the School District's management information system and is employed as a management control device during the year.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G.) Budgetary Data (Continued)

6. The budget for the General Fund is adopted on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

Legal budgetary control is maintained by the School District Board at the functional object level. Transfer between functional objects, whether between funds or within a fund or revisions that alters the total revenues and expenditures of any fund, must be approved by the School District Board. Budget information in the Budgetary Comparison Schedule for the General Fund is presented at or below the legal level of budgetary control. Support, Noninstructional, and Debt Service expenditures exceeded the budgeted amount. Overages were absorbed by surpluses in other expenditures, revenues, and financing sources. Total expenditures exceed the appropriations for the year which is a violation of the school code.

Included in the General Fund budget are program budgets as prescribed by the state and federal agencies funding the program. These budgets are approved on a program basis by the state or federal funding agency.

H.) Cash and Cash Equivalents:

Cash and cash equivalents in the basic financial statements include all highly liquid investments with an original maturity of three months or less, and pooled funds investments subject to daily withdrawal. The School District's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds.

I.) Interfund Receivables/Payables:

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

J.) Accounts Receivable:

Accounts receivable are recorded at the invoiced amount. The School District determines the allowance for doubtful accounts based on historical write-off experience. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

K.) Inventories and Prepaid Items:

An annual estimate of the year-end inventory cost value is made, approximating the first-in, first-out method of inventory valuation. The estimated cost is recorded as an inventory asset which an offsetting nonspendable fund balance.

Inventories of the Food Service Fund consisting of food and paper supplies are carried at cost, using the first-in, first-out method. Federal donated commodities are valued at their fair market value as determined by the U.S. Department of Agriculture at the date of donation.

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both government-wide and fund financial statements.

MOON AREA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L.) Capital Assets:

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

All reported capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20-30
Land Improvements	20
Furniture	20
Vehicles	8
Equipment	5-15
Computer Software	5

Proprietary fund equipment purchases are capitalized in the proprietary fund at cost and depreciated on a straight-line basis over 12 years.

M.) Long-Term Obligations:

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of Net Position. Bond premiums, discounts, and deferred charges on refunding are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources, while discounts on debt issuances are reported as other financial uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In both the fund and government-wide financial statements, issue costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

It is expected that the General Fund will continue to provide funds for the debt service payments.



MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N.) PSERS Net OPEB Liability:

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. 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.

O.) Fund Balance:

*Fund Balance Classification:* The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- *Non-spendable:* This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The School District has \$727,107 in non-spendable fund balance in the General Fund as of June 30, 2022, which represents prepaid expenditures.

- *Restricted:* This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The School District had \$4,863,617 of restricted fund balance in the Capital Reserve Fund as of June 30, 2022. This restriction is for legally restricted for construction costs. The School District had restricted fund balance of \$94,760 in the Private Purpose Trust Fund as of June 30, 2022. These funds were restricted for the use of scholarships. The School District had restricted fund balance of \$196,165 in the Student Activity fund as of June 30, 2022. These funds were restricted for the use of student activities.

- *Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School District has \$8,000,000 committed as of June 30, 2022 or future salaries and benefits.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O.) Fund Balance (Continued) :

- *Assigned*: This classification includes amounts that are constrained by the School District's intent to be used for a specific purpose but are neither restricted nor committed. The actual assignment is made by the School Board after the end of each year. The School District currently has \$4,000,000 assigned for future debt service.

- *Unassigned*: This classification represents all other funds not otherwise defined. The School District had \$6,098,287 of unassigned fund balance as of June 30, 2022.

If funds are available in more than one fund balance level, the School District's policy is to use funds in the order of the most restrictive to the least restrictive.

P.) Deferred Outflows /Inflows of Resources

The Statement of Net Position reports separate sections for deferred outflows and deferred inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources (expense/revenue) until then. The School District has four items that qualify for reporting in these categories: deferred outflows on refunding bonds, deferred outflows and inflows related to pensions, deferred outflows and inflows related to OPEB, and unavailable tax revenue.

In accordance with applicable guidance, the excess of the reacquisition price over the net carrying amount of refunded debt is recorded as a deferred outflow of resources on the statement of net position and amortized as a component of interest expense over the shorter of the term of the refunding issue or refunded bonds.

Deferred outflows and inflows of resources related to pensions are described further in Note 8. Annual changes to the net pension liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments are amortized over a closed five-year period.

Deferred outflows and inflows of resources related to Other Post Employment Benefits are described further in Note 7. Annual changes to the net position liability resulting from differences between expected and actual experience with regard to economic and demographic factors and from changes of assumptions about future economic or demographic factors or other inputs are deferred and amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits determined for the period during which the changes occurred. Differences between projected and actual earnings on pension plan investments for PSERS are amortized over a closed five-year period. Differences between projected and actual earnings on OPEB plan investments for District OPEB are amortized over a closed 7.23 year period.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Deferred Outflows/Inflows of Resources (Continued) :

In the governmental funds balance sheet, the School District has one additional type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable tax revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Q.) Adoption of Governmental Accounting Standards Board Statements

The School District adopted the provisions of GASB Statement No. 87 "Leases". The adoption of this statement had no effect on previously recorded amounts.

The School District adopted the provisions of GASB Statement No. 91 "Conduit Debt Obligations". The adoption of this statement had no effect on previously recorded amounts.

The School District adopted the provisions of GASB Statement No. 92 "Omnibus 2020". The adoption of this statement had no effect on previously recorded amounts.

The School District adopted the provisions of GASB Statement No. 93 "Replacement of Interbank Offered Rates". The adoption of this statement had no effect on previously recorded amounts.

The School District adopted the provisions of GASB Statement No. 97 "Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32". The adoption of this statement had no effect on previously recorded amounts.

R.) Pending Changes in Accounting Principles

In March of 2020, the GASB issued Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The School District is required to adopt Statement No. 94 for its 2023 financial statements.

In May of 2020, the GASB issued Statement No. 96 "Subscription-Based Information Technology Arrangements". The School District is required to adopt Statement No. 96 for its fiscal year 2023 financial statements.

In April of 2022 the GASB issued Statement No. 99 "Omnibus 2022". The School District is required to adopt Statement No 99 for its fiscal year 2023 financial statements.

In June of 2022 the GASB issued Statement No. 100 "Accounting Changes and Error Corrections an amendment of GASB Statement No. 62". The school district is required to adopt Statement No. 100 for its fiscal year 2024 financial statements.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 1: NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

R.) Pending Changes in Accounting Principles (Continued)

In June of 2022 the GASB issued Statement No. 101 "Compensated Absences". The School District is required to adopt Statement No. 101 for its 2025 financial statements.

The School District has not yet completed the various analysis required to estimate the financial statement impact of these new pronouncements.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Under Section 440.1 of the Public School Code of 1949, as amended, the School District is permitted to invest funds in the following types of investments:

Obligations of (a) the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, (b) the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or (c) any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision and (d) shares of an investment company registered under the Investment Company Act of 1940, provided that the instruments are those types of investments listed above, and the investment company is managed so as to maintain its shares at a constant net asset value and the investment company is rated in the highest category by a nationally recognized rating agency. Pursuant to Act 72 of the Pennsylvania State Legislature, a depository must pledge assets to secure state and municipal deposits. The pledged assets must at least be equal to the total amount of such assets required to secure all of the public deposits at the depository and may be on a pooled basis. Additionally, all such pledged assets must be delivered to a legal custodian.

Act 10 of 2016 broadened the scope of investment options for the School District with safeguard measures to protect those investments. The Act added high quality money market instruments including repurchase agreements, commercial paper, negotiable certificates of deposit and bankers' acceptances to the authorized list of investments. The School District elected to maintain its current investment policy due to the additional risk and oversight associated with the expanded investment options under Act 10.

The deposit and investment policy of the School District adheres to State statutes and prudent business practice. There were no deposits or investment transactions during the year that were in violation of either the State statutes or the policy of the School District.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

PSDLAF and PLGIT were established as common law trusts organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania School Districts, intermediate units, area vocational-technical schools and municipalities. The purpose of these funds is to enable such governmental units to pool available funds for investment in instruments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended. The School District's deposits in these pooled funds are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form. These investments are reflected as cash and cash equivalents on the balance sheet. The fair value of the School District's position in the external investment pools is the same as the value of the pool shares. All investments in an external investment pool that is not SEC-registered are subject to oversight by the Commonwealth of Pennsylvania. The School District can withdraw funds from most of its external investment pools without restriction. However, certain limitations can be placed on withdrawals from a few of its pooled accounts, including a provision that only permits withdrawals on a certain day of the week and restrictions related to the redemption of certificates of deposit.

*Interest Rate Risk* – The School District's investment policy does not place limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All of the School District's investments in PSDLAF and PLGIT have a maturity of one year or less.

*Credit Risk* – The School District's investment policy requires that investments be rated in the highest category by a nationally recognized rating agency. As of June 30, 2022, investments in PSDLAF and PLGIT have received an AAA rating from Standard & Poor's.

*Custodial Credit Risk* – The School District's investment policy requires deposits exceeding FDIC limits be collateralized. At year-end, \$30,790,956 of the School District's \$31,290,956 bank balance for its deposits was not covered by the FDIC.

*Concentration of Credit Risk* – The School District's investment policy requires that investments are made with an investment company that is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR 270 2a-7 (relating to money market funds). This policy does not apply to the School District's investments in government securities and external investment pools. The School District's investments comply with this policy.

NOTE 3: REAL ESTATE TAXES RECEIVABLE

Assessed valuation of the School District is based upon 100% of market value, which is provided by Allegheny County. The municipal tax collector bills and collects property taxes on behalf of the School District. The School District tax rate for the year ended June 30, 2022 was 22.67 mills (\$22.67 per \$1,000 of assessed valuation) as levied by the Board of School Directors.

The schedule for real estate taxes levied for each fiscal year is as follows:

July 1	Levy Date
Through August 31	2% Discount period
Through October 31	Face payment period
Beginning November 1	10% Penalty period
January 15, 2022	Lien filing date

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 3: REAL ESTATE TAXES RECEIVABLE(CONTINUED)

The School District, in accordance with U.S. generally accepted accounting principles, recognizes the delinquent and unpaid taxes receivable, reduced by an allowance for uncollectible taxes, as determined by management. A portion of the net amount estimated to be collectible, which was measurable and available within sixty days, was recognized as revenue and the balance deferred in the fund financial statements.

The School District's real estate taxes are based on assessed values established by the County of Allegheny's Bureau of Assessments. Assessed values of real property are generally 100% of the market value as determined by the Allegheny County Tax Assessment Office. The total 2021/2022 real estate taxes levied were \$56,523,823 based on a total School District assessed valuation of \$2,492,825,574.

## NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

<u>Governmental Activities</u>	<u>6/30/2021</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2022</u> <u>Balance</u>
Non Depreciable Assets:				
Land	\$ 1,504,786	\$ -	\$ -	\$ 1,504,786
Capital Assets Not Being Depreciated	<u>1,504,786</u>	<u>-</u>	<u>-</u>	<u>1,504,786</u>
Depreciable Assets:				
Land Improvements	17,466,074	-	-	17,466,074
Buildings and Building Improvements	146,329,434	-	-	146,329,434
Furniture and Equipment	9,751,103	1,459,255	-	11,210,358
Total Depreciable Assets	<u>173,546,611</u>	<u>1,459,255</u>	<u>-</u>	<u>175,005,866</u>
Accumulated Depreciation:				
Land Improvements	(9,474,877)	(820,346)	-	(10,295,223)
Buildings and Building Improvement	(47,139,602)	(4,134,009)	-	(51,273,611)
Furniture and Equipment	(5,749,618)	(1,005,474)	-	(6,755,092)
Total Accumulated Depreciation	<u>(62,364,097)</u>	<u>(5,959,829)</u>	<u>-</u>	<u>(68,323,926)</u>
Capital Assets Being Depreciated, Net	<u>111,182,514</u>	<u>(4,500,574)</u>	<u>-</u>	<u>106,681,940</u>
Total Capital Assets	<u>\$ 112,687,300</u>	<u>\$ (4,500,574)</u>	<u>\$ -</u>	<u>\$ 108,186,726</u>
<u>Business Type Activities</u>	<u>6/30/2021</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2022</u> <u>Balance</u>
Furniture and Equipment	\$ 1,071,091	\$ -	\$ -	\$ 1,071,091
Accumulated Depreciation	<u>(801,151)</u>	<u>(75,748)</u>	<u>-</u>	<u>(876,899)</u>
Business Type Activities Capital Assets, Net	<u>\$ 269,940</u>	<u>\$ (75,748)</u>	<u>\$ -</u>	<u>\$ 194,192</u>

MOON AREA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

## NOTE 4: CAPITAL ASSETS(CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental Activities</b>	
Instruction	\$3,754,692
Support Services	2,085,940
Noninstructional Services	<u>119,197</u>
Total Depreciation Expense - Governmental Activities	<u>\$5,959,829</u>
<b>Business Type Activities</b>	
Food Service	<u>\$ 75,748</u>

## NOTE 5: LONG-TERM LIABILITIES OBLIGATIONS

Bonds Payable:

The government issues general obligation bonds/notes to provide funds for the acquisition and construction of major capital facilities. General obligation bonds/notes have been issued for government activities. General obligation bond/notes are direct general obligations of the School District. Principal and interest payments are backed by the full faith, credit, and taxing authority of the School District.

During fiscal year 2015, the School District issued \$24,735,000 of 2015 General Obligation Bonds (2015 Bonds) for the purpose of providing funds for various capital projects throughout the School District and paying all costs and expenses incurred by the School District in connection with the issuance of the 215 Bonds. The 2015 Bonds bear interest semi annually at rates ranging from 2.00%- 5.00% and mature in fiscal year 2041.

During fiscal year 2016, the School District issued \$63,940,000 of 2015 Series A General Obligation Bonds (2015 A Bonds) for the purpose of refunding, on a current refunding basis, the 2005 Bonds, providing funds for various capital projects throughout the School District, and paying all costs and expenses incurred by the School District in connection with the issuance of the 2015 A Bonds. The 2015 A Bonds bear interest semi-annually at rates ranging from 0.70% to 5.00% and mature in fiscal year 2030.

During fiscal year 2017, the School District issued \$8,170,000 of 2017 Series A General Obligation Bonds (2017 A Bonds) for the purpose providing funds for various capital projects throughout the School District and paying all costs associated with the issuance of the 2017 A Bonds. The 2017 A Bonds bear interest semi-annually at rates ranging from 1.28% to 4.38% and mature in fiscal year 2039.

During fiscal year 2017, the School District issued \$3,165,000 of 2017 Series B General Obligation Bonds (2017 B Bonds) for the purpose of refunding, on a current refunding basis, the 2010 Series A Bonds, providing funds for various capital projects throughout the School District, and paying all costs associated with the issuance of the 2017 B Bonds. The 2017 B Bonds bear interest semi-annually at rates ranging from 2.00% to 3.13% and mature in fiscal year 2030.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

During fiscal year 2020, the School District issued \$20,520,000 of 2019 General Obligation Bonds (2019 Bonds) for the purpose of refunding, on a current refunding basis, the 2009 Bonds, providing funds for various capital projects throughout the School District, and paying all costs associated with the issuance of the 2019 Bonds. The 2019 Bonds bear interest semi-annually at rates 3.00% to 5.00% and mature in fiscal year 2035.

During the fiscal year 2021, the School District issued \$35,860,000 of 2020 General Obligation Bonds (2020 Bonds) for the purpose of refunding, on a current refunding basis, the 2010 B bonds and the fiscal year 2021 payment of the 2015 A bond, providing funds for various capital projects throughout the School District, and paying all costs associated with the issuance of the 2020 Bonds. The 2020 Bonds bear interest semi-annually at rates 1.00% to 4.00% and mature in fiscal year 2035.

During fiscal year 2021, the School District issued \$5,015,000 of 2020 A General Obligation Bonds (2020 A Bonds) for various capital projects throughout the School District and paying all costs associated with the issuance of the 2020 A Bonds. The 2020 A Bonds bear interest semi-annually at rates of 1.00% to 3.00% and mature in fiscal year 2041.

An analysis of debt service requirements to maturity for the governmental activities on these obligations follows (with the exception of the compensated absences, capital lease and postemployment benefit liability):

<u>Year Ended June 30:</u>	<u>Principal Requirements</u>	<u>Interest Requirements</u>	<u>Total Debt Service Requirements</u>
2023	\$ 4,830,000	\$ 5,382,384	\$ 10,212,384
2024	5,055,000	5,160,214	10,215,214
2025	5,710,000	4,910,564	10,620,564
2026	6,025,000	4,638,489	10,663,489
2027	6,720,000	4,396,783	11,116,783
2028-2037	81,110,000	27,176,246	108,286,246
2038-2041	<u>25,830,000</u>	<u>2,869,525</u>	<u>28,699,525</u>
Total	<u>\$ 135,280,000</u>	<u>\$ 54,534,205</u>	<u>\$ 189,814,205</u>

Compensated Absences:

Compensated absences are comprised of accumulated unused sick days. The aggregate liability is \$1,886,682 as of June 30, 2022.

The School District's policy regarding sick time under various contracts provide for employees to accumulate sick days for which they are paid upon retirement or termination of service. The amount the employee is compensated, and the number of days varies based on their contract and their years of service. The liability for these compensated absences are recorded as a non-current liability in the government- wide statements.



MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in long-term debt obligations for 2022 is as follows:

<b>Governmental Activities</b>	<b>Balance at 6/30/2021</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2022</b>	<b>Amounts Due Within One Year</b>
<b>Bonds Payable:</b>					
GOB 2010 B	\$ -	\$ -	\$ -	\$ -	\$ -
GOB 2015 A	44,360,000	-	(3,630,000)	40,730,000	3,630,000
GOB 2015	24,675,000	-	(10,000)	24,665,000	10,000
GOB 2017 A	7,100,000	-	(285,000)	6,815,000	285,000
GOB 2017 B	2,335,000	-	(235,000)	2,100,000	235,000
GOB 2019	20,470,000	-	(50,000)	20,420,000	50,000
GOB 2020	35,860,000	-	(125,000)	35,735,000	125,000
GOB 2020A	5,015,000	-	(200,000)	4,815,000	200,000
<b>Total Bonds Payable</b>	<b>\$ 139,815,000</b>	<b>\$ -</b>	<b>\$ (4,535,000)</b>	<b>\$ 135,280,000</b>	<b>\$ 4,535,000</b>
<b>Other Liabilities:</b>					
Bond Premiums	12,654,143	-	(891,018)	11,763,125	891,018
Bond Discounts	(9,995)	-	1,250	(8,745)	(1,250)
Deferred Charges	(782,168)	-	64,850	(717,318)	(64,850)
Compensated Absences	1,814,938	53,004	-	1,867,942	-
Other Postemployment Benefits	31,006,467	1,523,603	-	32,530,070	-
Net Pension Liability	112,714,535	-	(16,020,040)	96,694,495	-
Capital Leases	226,750	-	(115,535)	111,215	60,628
<b>Total Other Liabilities</b>	<b>157,624,670</b>	<b>1,576,607</b>	<b>(16,960,493)</b>	<b>142,240,784</b>	<b>885,546</b>
<b>Governmental Activities</b>					
Long term Liabilities	<b>\$ 297,439,670</b>	<b>\$ 1,576,607</b>	<b>\$ (21,495,493)</b>	<b>\$ 277,520,784</b>	<b>\$ 5,420,546</b>
<b>Business Type Activities</b>					
Compensated Absences	\$ 18,440	\$ 300	\$ -	\$ 18,740	\$ -
Other Postemployment Benefits	472,182	23,200	-	495,382	-
Net Pension Liability	1,716,465	-	(243,960)	1,472,505	-
<b>Total Business Type Activities</b>	<b>\$ 2,207,087</b>	<b>\$ 23,500</b>	<b>\$ (243,960)</b>	<b>\$ 1,986,627</b>	<b>\$ -</b>

## NOTE 6: RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The School District maintains insurance through an independent insurance carrier for these types of business losses. Settled claims for these risks have not exceeded commercial insurance coverage for the past three years. There have been no significant changes in insurance coverage since the prior fiscal year. Management believes the insurance coverage is sufficient to cover the School District against potential losses.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 7: OTHER POST-EMPLOYMENT BENEFITS

Plan Description:

The School District administers a single-employer defined benefit healthcare plan (the "Retiree Health Plan"). The plan provides healthcare, prescription drug, dental and/or vision insurance, at various costs to the member and the School District, for the life of the member or until the member is eligible for Medicare, depending on the terms of the contract when they retire, for eligible retirees and their spouses through the School District's health insurance plan. The Retiree Health Plan covers both active and retired members.

Benefit provisions are established and may be amended through negotiation with the School District and the unions representing the School District's employees. The Retiree Health Plan does not issue a publicly available financial report.

Employees covered by benefit terms. At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	53
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	421
Total	<u>474</u>

*Funding Policy.* No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75. The benefits are expensed when incurred and are financed on a pay-as-you-go basis. Retirees currently pay a portion of the monthly premium. The School District covers the balance of the premium not paid by the retiree. Retiree and dependent coverage, group plans, and costs to the retiree are subject to change. A spouse may be covered as a dependent until the death of the retiree; thereafter, they are eligible to continue coverage by paying 100% of the monthly insurance premium.

*Total OPEB Liability.* The School District's total OPEB liability of \$27,373,451 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Discount Rate	2.30%
Healthcare cost trend rates	5.00% for medical 3.00% for dental/vision
Mortality	RP-2014 Mortality Table projected to improve with rates derived from the Long-Range Demographic Assumptions for the 2015 Social Security Administration Trustee Report

The discount rate was based on the S & P Municipal Bond 20 Year High Grade Rate Index at June 30, 2022.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Changes in the total OPEB Liability.

The School District's total OPEB liability has been measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of July 1, 2021, and by rolling forward the liabilities from the July 1, 2018 actuarial valuation through the measurement date. No significant events or changes in assumptions occurred between the valuation date and the fiscal year end. The net OPEB liability is \$27,373,451, all of which is unfunded. As of June 30, 2022, the total OPEB liability of \$26,962,850 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and \$410,601 is related to the business-type activities.

The School District's change in its total OPEB liability for the year ended June 30, 2022 was as follows:

	Governmental Activities	Business-Type Activities	Total
Service Cost	\$ 991,552	\$ 15,100	\$ 1,006,652
Benefit payments	(707,809)	(10,779)	(718,588)
Interest	614,205	9,353	623,558
Change in benefit terms	-	-	-
Changes of assumptions or other inputs	-	-	-
difference between expected and actual experience	-	-	-
 Net Change in total OPEB liability	 <u>897,948</u>	 <u>13,674</u>	 <u>911,622</u>
 Total OPEB liability - June 30, 2021	 <u>26,064,902</u>	 <u>396,927</u>	 <u>26,461,829</u>
Total OPEB liability - June 30, 2022	<u><u>\$26,962,850</u></u>	<u><u>\$ 410,601</u></u>	<u><u>\$27,373,451</u></u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2022, the School District recognized OPEB expense of \$1,955,106. At June 30, 2022, 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
Differences between expected and actual experience:		
Governmental	\$ 768,657	\$ -
Business-Type	11,705	-
Changes of assumptions:		
Governmental	2,091,142	617,281
Business-Type	<u>31,845</u>	<u>9,400</u>
 Total	 <u><u>\$ 2,903,349</u></u>	 <u><u>\$ 626,681</u></u>

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The amount reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2023	\$ 371,587
2024	371,587
2025	371,587
2026	521,035
2027	521,035
Thereafter	<u>119,837</u>
 Total	 <u>\$2,276,668</u>

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.3 percent) or 1 percentage point higher (3.3 percent) than the current discount rate:

	1% Decrease <u>1.30%</u>	Current Discount Rate <u>2.30%</u>	1% Increase <u>3.30%</u>
School's total OPEB liability	\$ 30,095,900	\$ 27,373,451	\$ 24,868,550

*Sensitivity of the total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following shows presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using healthcare trend rates that are 1 percentage point higher or 1 percentage point lower than the current healthcare cost trend rates:

	1% Decrease <u>Between 2% to 2.5%</u>	Healthcare Cost Trend rate <u>Between 3% to 3.5%</u>	1% Increase <u>Between 4% to 4.5%</u>
School's total OPEB liability	\$ 23,740,193	\$ 27,373,451	\$ 31,690,936

Health Insurance Premium Assistance Plan

In addition, the Pennsylvania Public School Employees' Retirement System ("PSERS") provides a Health Insurance Premium Assistance Plan ("PSERS Plan"). The PSERS Plan is a governmental cost-sharing multi-employer postretirement benefits plan that provides premium assistance to eligible public school employees of the Commonwealth of Pennsylvania. Under the PSERS Plan, employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of premium assistance benefits for each succeeding year.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The administrative staff of PSERS administers the PSERS Plan. The control and management of PSERS, including the investment of its assets, is vested in the 15 member Board of Trustees (Board). The Commonwealth General Assembly has the authority to amend the benefit terms of the PSERS Plan by passing a bill in the Senate and House of Representatives and sending the bills to the Governor for approval. PSERS issues a publicly available financial report that can be obtained at [www.psers.state.pa.us](http://www.psers.state.pa.us).

Premium Assistance Eligibility Criteria

Retirees of the System can participate in the PSERS Plan if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of services and retired after reaching superannuation age, and
- Participate in the HOP or employer-sponsored health insurance program.

Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2021 there were no assumed future benefit increases to participating eligible retirees.

*Employer Contributions.* The School Districts' contractually required contribution rate for fiscal year ended June 30, 2022 was 0.84% of covered payroll, an actuarially determined amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the PSERS Plan from the School District were \$291,515 for the year ended June 30, 2022.

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

At June 30, 2022, the School District reported a liability of \$5,652,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2020 to June 30, 2021. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll of all School Districts in the PSERS Plan. At June 30, 2021, the School District's proportion was 0.2385 percent, which was an increase of 0.0063 from its proportion measured as of June 30, 2020.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2022, the School District recognized OPEB expense of \$340,139. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		
Governmental	\$ 50,746	\$ -
Business-Type	773	-
Net difference between projected and actual investment earnings		
Governmental	10,838	-
Business-Type	165	-
Changes of assumptions		
Governmental	588,145	71,938
Business-Type	8,957	1,096
Changes in proportion		
Governmental	159,289	54,877
Business-Type	2,426	836
Contributions subsequent to the measurement date		
Governmental	287,142	-
Business-Type	4,373	-
Total	<u>\$ 1,112,854</u>	<u>\$ 128,747</u>

\$291,515 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**Year ended June 30:**

2022	\$ 111,084
2023	109,984
2024	147,170
2025	117,967
2026	112,677
2027	<u>93,710</u>
Total	<u>\$ 692,592</u>

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Assumptions. The total OPEB liability as of June 30, 2021 was determined by rolling forward the System's total OPEB liability as of the June 30, 2020 actuarial valuation to June 30, 2021 measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

- Actuarial cost method – Entry Age Normal – level % of pay.
- Investment return – 2.18% - S&P 20 Year Municipal Bond Rate.
- Salary growth – Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit and seniority increases.
- Premium assistance reimbursement capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
  - Eligible retirees will elect to participate pre age 65 at 50%.
  - Eligible retirees will elect to participate post age 65 at 70%.

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2019 determined the employer contribution rate for fiscal year 2021.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: 63% of eligible retirees are assumed to elect premium assistance.
- Mortality rates for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

Investments consist primarily of short term assets designed to protect the principal of the plan assets. The expected rate of return on OPEB plan investments was determined using the OPEB asset allocation policy and best estimates of geometric real rates of return for each asset class.

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the Program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. The Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021 were:

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non- US Developed Fixed	2.7%	-0.3%
	<u>100.0%</u>	

MOON AREA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Discount rate. The discount rate used to measure the total OPEB liability was 2.18%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date.

The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 2.18% which represents the S&P 20 year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability.

Change in actuarial assumption. The discount rate used to measure the Total OPEB liability decreased from 2.66% as of June 30, 2020 to 2.18% as of June 30, 2021.

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2021, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2021, 93,392 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2021, 611 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the School District's Proportionate Share of the net OPEB liability as well as what the School District's Proportionate Share of the net OPEB liability would be if it was calculated using health cost trends that are 1-percentage point lower or 1-percentage higher than the current rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 5,651,000	\$ 5,652,000	\$5,652,000



MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the School District's proportionate share of the net OPEB liability to changes in the discount rate.

The following presents the School District's proportionate share of the net OPEB liability, as well as what the School District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.18 percent) or higher (3.18 percent) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>1.18%</b>	<b>2.18%</b>	<b>3.18%</b>
District's proportionate share of the net OPEB liability	\$ 6,486,000	\$ 5,652,000	\$ 4,965,000

OPEB plan fiduciary net position.

Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.pa.gov](http://www.psers.pa.gov).

## NOTE 8: EMPLOYEE RETIREMENT PLAN

*Pensions.* 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 fiduciary net position of the Public School Employees' Retirement System (PSERS) and additions to/deductions from PSERS' fiduciary net position have been determined on the same basis as they are reported by PSERS. 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. The net pension is primarily recorded as a governmental activity expected to be paid from the General Fund. The remaining portion is recorded in the Cafeteria Fund.

General Information about the Pension Plan:

*Plan Description.* The School District contributes to the Commonwealth of Pennsylvania School Employees Retirement System ("PSERS"), a governmental cost-sharing multi-employer defined benefit pension plan. Benefit provisions of the plan are established under the provisions of the PSERS Code (Act No. 96 of October 2, 1975, as amended) (24 PA C. S. 8101-8535 and may be amended by law. The plan provides retirement and disability, legislatively mandated ad hoc cost-of-living adjustments and healthcare insurance premium assistance to qualifying plan members and beneficiaries. It also provides for refunds of a member's accumulated contributions upon termination of a member's employment in the public sector. PSERS issues a comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained by writing to, PSERS, P.O. Box 125, Harrisburg, PA 17108-0125. This publication is also available on the PSERS website [www.psers.state.pa.us](http://www.psers.state.pa.us).

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

*Benefits provided.* PSERS provides retirement, disability, and death benefits. Retirement benefits are determined as 2.5 percent of the employee's final 3-year average compensation times the employee's years of service. Employees with 10 years of continuous service are eligible to retirement at age 60. Employees are for service-related disability benefits regardless of length of service. Five years of services is required for nonservice-related disability eligibility. Disability benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal two times the employee's full-year salary.

*Contributions.* The contribution policy is established in the Public School Employee's Retirement Code and requires contributions by active members, employers and the Commonwealth. Active members who joined the System prior to July 22, 1983, contribute at 5.25% (Membership Class T-C) or at 6.5% (Membership Class T-D) of the member's qualifying compensation. Members who joined the System on or after July 22, 1983 and who were active or inactive as of July 1, 2001, contribute 6.25% (Membership Class T-C) or at 7.5% (Membership Class T-D) of the member's qualifying compensation. Members who joined the System after June 30, 2001 and before July 1, 2011, contribute at 7.5% (automatic Membership Class TD). For all new hires and for members who elected Class T-D membership, the higher contribution rates began with services rendered on or after January 1, 2002. Members who joined the System after June 30, 2011, automatically contribute at the Membership Class T-E rate of 7.5% (base rate) of the member's qualifying compensation. All new hires after June 30, 2011, who elect Class T-F membership. Contribute 10.3% (base rate) of the member's qualifying compensation. Membership Class T-E and Class T-F are affected by a "shared risk" provision in Act 120 of 2010 that in future fiscal years could cause the Membership Class T-F contribution rate to fluctuate between 7.5% and 9.5% and Membership Class T-F contribution rate to fluctuate between 10.3 and 12.3%.

*Employer Contributions.* The School Districts' contractually required contribution rate for fiscal year ended June 30, 2022 was 33.51% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The 33.51% is comprised of a pension contribution rate of 33.33% for pension and a 0.18% act 5-employer contribution. Contributions to the pension plan from the School District were \$10,721,632 for the year ended June 30, 2022. The General Fund contributed \$10,430,117 and the Cafeteria Fund contributed \$291,515.

Act 5 of 2017

On June 12, 2017, the Commonwealth of Pennsylvania Act 5 of 2017 was signed into law. This legislation established a new hybrid defined benefit/defined contribution retirement benefit plan applicable to all school employees who become new members of PSERS on July 1, 2019 and thereafter. The three new plan options under Act 5 include two hybrid plans consisting of defined benefit and defined contribution components and a stand-alone defined contribution plan. The current stand-alone defined benefit plan is no longer available to new members after June 30, 2019.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows or Resources Related to Pensions:

At June 30, 2022, the School District reported a liability of \$98,167,000 for its proportionate share of the net pension liability. Of this amount, \$1,472,505 is recorded in the Cafeteria Fund, as that is the portion that relates to the cafeteria employees. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2020 to June 30, 2021. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2022, the School District's proportion was 0.2391 percent, which was an increase of 0.0067 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the School District recognized pension expense of \$6,647,760, of which \$6,549,394 was recorded as a governmental activity and \$98,366 was recorded in the Cafeteria Fund. At June 30, 2022, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience:		
Governmental activity	\$ 71,220	\$ 1,270,358
Business-type activity/ proprietary fund	1,085	19,346
Changes of assumptions:		
Governmental activity	4,689,981	-
Business-type activity/ proprietary fund	71,421	-
Net difference between projected and actual investment earnings:		
Governmental activity	-	15,391,606
Business-type activity/ proprietary fund	-	234,390
Changes in proportion:		
Governmental activity	2,687,573	511,708
Business-type activity/ proprietary fund	40,928	7,793
District contributions subsequent to the measurement date:		
Governmental activity	10,273,655	-
Business-type activity/ proprietary fund	156,452	-
Total	<u>\$ 17,992,315</u>	<u>\$ 17,435,201</u>

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

\$10,430,107 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<b>Governmental Activities</b>	<b>Business-type Activities</b>
2022	\$ (2,744,099)	\$ (41,788)
2023	(930,449)	(14,169)
2024	(1,077,658)	(16,411)
2025	(4,972,692)	(75,727)
	<u>\$ (9,724,898)</u>	<u>\$ (148,095)</u>

Actuarial Assumptions. The total pension liability as of June 30, 2021 was determined by rolling forward the System's total pension liability as of the June 30, 2020 actuarial valuation to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry Age Normal – level % of pay
Salary increases	4.50 percent, average, including inflation of 2.50 percent, and real wage growth and merit or seniority increases of 2.00%
Investment rate of return	7.00 percent, net of pension plan investment expense, includes inflation of 2.50%

Mortality rates were based on 50 % PubT-2010 and 50% PubG-2010 Retiree tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

For disabled annuitants the RP-2000 Combined Disabled Tables (male and female) with age set back 7 years for males and 3 years for females to the RP-2014 Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

The actuarial assumptions used in the June 30, 2021 valuation were based on the experience study that was performed for the five-year period ending June 30, 2020.

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 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.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

## NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

The pension plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Public Equity	15.0%	5.2%
Private Equity	15.0%	7.2%
Fixed Income	36.0%	1.1%
Commodities	8.0%	1.8%
Absolute Return	10.0%	2.5%
Infrastructure/MLPs	6.0%	5.7%
Real Estate	10.0%	5.5%
Risk Parity	8.0%	3.3%
Cash	6.0%	-1.0%
Financing (LIBOR)	-14.0%	-0.7%
	<u>100.0%</u>	

The above was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2021.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those 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 7.00 percent, 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 (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
District's proportionate share of the net pension liability	\$ 128,847,000	\$ 98,167,000	\$ 72,286,000

*Pension plan fiduciary net position.* Detailed information about PSERS' fiduciary net position is available in PSERS Comprehensive Annual Financial Report which can be found on the System's website at [www.psers.state.pa.us](http://www.psers.state.pa.us).

MOON AREA SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2022

## NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables, Payables, and Transfers at June 30, 2022:

	<u>Due from</u>	<u>Due to</u>
<u>Governmental Fund Types</u>		
General Fund	\$ 468,523	\$ -
Activity Fund	<u>-</u>	<u>23,288</u>
Total Governmental Fund Types	<u>468,523</u>	<u>23,288</u>
<u>Enterprise Fund</u>		
Food Service	<u>-</u>	<u>445,235</u>
Total Enterprise Fund	<u>-</u>	<u>445,235</u>
 Total Internal Balances	 <u>\$ 468,523</u>	 <u>\$ 468,523</u>
	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund Types</u>		
General Fund	\$ -	\$ 77,848
Capital Reserve Fund	77,848	-
Total Governmental Fund Types	<u>\$ 77,848</u>	<u>\$ 77,848</u>

Transactions between funds which are not expected to be repaid are accounted for as transfers. In those cases when repayment is expected, the transactions are accounted for through the various due from and due to accounts.

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to provide funds from the General Fund to the Capital Projects Fund for capital improvements.

## NOTE 10: COMMITMENTS AND CONTINGENCIES

The School District is involved in claims and lawsuits incidental to its operations.

In the opinion of the administration and counsel, the ultimate resolution of other outstanding matters will not have a material adverse effect on the financial position of the School District.

Various appeals are outstanding at June 30, 2022. The ultimate outcome of these appeals is uncertain.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 10: COMMITMENTS AND CONTINGENCIES (CONTINUED)

The School District receives a number of state and federal grants. The grants may be subject to audit by the granting agency to determine if activities undertaken by the District comply with the conditions of the grant. Management believes no material liability would arise from any such audit.

The School District has entered into a contracted transportation service agreement with an external party who provides busing services to students. This agreement does not meet the criteria of a lease under GASB 87 as the terms and conditions for payment specify a rate of reimbursement per vehicle per day. Since the payments are variable based on the usage of the underlying assets, the School District has not recorded a liability in the financial statements for this agreement in accordance with GASB 87.

NOTE 11: HEALTH INSURANCE CONSORTIUM

The School District is one of sixty members of the Allegheny County Schools Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public School Districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. The School District paid approximately \$7.7 million to the Consortium during fiscal year 2022.

Participating School Districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net assets or deficiency in net assets, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2022, the Consortium had net assets of approximately \$75.5 million, of which approximately \$1.88 million is attributable to the School District.

The School District purchases commercial insurance policies for risks of losses for casualty, workmen's compensation, and liability claims.

The School District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims for these risks have not exceeded commercial insurance coverage for fiscal year 2022.

NOTE 12: RISKS AND UNCERTAINTIES

As the effects of the Coronavirus pandemic continue to evolve and are dependent upon future developments, the impact of the Coronavirus on the School District's operations and financial results are uncertain at this time.

MOON AREA SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2022

NOTE 13: DEFERRED COMPENSATION PLAN

Employees of the School District may participate in a deferred compensation plan adopted under the provisions of internal Revenue Code Section 403(b), which is considered a defined contribution pension plan. As part of its fiduciary roles the School District has an obligation of due care in selecting the third-party administrator.

Effective March 2005, the School District established the Moon Area School District 403(b) Tax Sheltered Account Program (plan). All employees of the School District, including substitute teachers, part-time employees, and periodic employees, are eligible to participate in the plan. Employees may elect to contribute up to the maximum allowable, as regulated by the Internal Revenue Code, through employee elective deferrals. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Employees are 100% vested in their account balances.

NOTE 14: EXPENITURE IN EXCESS OF APPROPRIATIONS

The General fund expenditures were greater than budgeted resulting in a negative variance. This was due to a higher than anticipated support expenditures. The excess amount was partially covered by higher than anticipated revenue with the remainder financed by a sale of fixed assets.



**REQUIRED**  
**SUPPLEMENTARY**  
**INFORMATION**

MOON AREA SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Local Sources	\$ 63,004,861	\$ 63,004,861	\$ 64,137,278	\$ 1,132,417
State Sources	19,432,764	19,432,764	19,299,002	(133,762)
Federal Sources	510,000	510,000	1,726,947	1,216,947
<b>Total Revenues</b>	<b>82,947,625</b>	<b>82,947,625</b>	<b>85,163,227</b>	<b>2,215,602</b>
<b>Expenditures</b>				
Instruction	49,519,436	49,519,436	48,807,303	712,133
Support Services	21,445,067	21,445,067	24,455,019	(3,009,952)
Noninstructional Services	1,230,693	1,230,693	1,497,015	(266,322)
Debt Service	10,372,637	10,372,637	10,923,017	(550,380)
<b>Total Expenditures</b>	<b>82,567,833</b>	<b>82,567,833</b>	<b>85,682,354</b>	<b>(3,114,521)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>379,792</b>	<b>379,792</b>	<b>(519,127)</b>	<b>(898,919)</b>
<b>Other Financing Sources (Uses)</b>				
Refund of Prior Year Expenditures	-	-	138,035	138,035
Sale of Fixed Assets	-	-	955,177	955,177
Transfers Out	-	-	(77,848)	(77,848)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,015,364</b>	<b>1,015,364</b>
<b>Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<b>\$ 379,792</b>	<b>\$ 379,792</b>	<b>\$ 496,237</b>	<b>\$ 116,445</b>

MOON AREA SCHOOL DISTRICT  
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – RETIREES HEALTH PLAN  
 JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB liability</b>				
Service cost	\$ 1,006,652	\$ 979,710	\$ 753,804	\$ 733,629
Interest	623,558	603,809	745,263	721,187
Changes of benefit terms	-	-	218,638	85,197
Differences between expected and actual experience	-	832,245	-	416,121
Changes of assumptions or other inputs	-	2,934,837	-	(1,462,257)
Benefit payments	<u>(718,588)</u>	<u>(784,657)</u>	<u>(716,348)</u>	<u>(856,652)</u>
Net change in total OPEB liability	911,622	4,565,944	1,001,357	(362,775)
Total OPEB liability - beginning	<u>26,461,829</u>	<u>21,895,885</u>	<u>20,894,528</u>	<u>21,257,303</u>
Total OPEB liability - ending	<u><u>\$27,373,451</u></u>	<u><u>\$26,461,829</u></u>	<u><u>\$21,895,885</u></u>	<u><u>\$ 20,894,528</u></u>
<b>Covered payroll</b>	\$33,804,654	\$32,586,575	\$31,869,303	\$ 31,708,286
<b>School's total OPEB liability as a percentage of covered payroll</b>	80.98%	81.20%	68.71%	65.90%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively. This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MOON AREA SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY – PSERS PLAN  
 JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School's proportion of the net OPEB liability	0.2385%	0.2322%	0.2311%	0.2355%
School's proportionate share of the net OPEB liability	\$ 5,652,000	\$ 5,017,000	\$ 4,915,000	\$ 4,910,000
School's covered payroll	\$33,804,654	\$32,586,575	\$31,869,303	\$31,708,286
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.72%	15.40%	15.42%	15.48%
Plan fiduciary net position as a percentage of the total OPEB liability	5.30%	5.69%	5.56%	5.56%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MOON AREA SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS – PSERS PLAN  
 JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually determined contribution	\$ 291,515	\$ 285,835	\$ 264,774	\$ 264,984
Contributions in relation to the contractually determined contribution	<u>291,515</u>	<u>285,835</u>	<u>264,774</u>	<u>264,984</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$33,804,654	\$ 34,012,361	\$ 32,586,575	\$31,869,303
Contributions as a percentage of covered payroll	0.86%	0.84%	0.81%	0.83%

In accordance with GASB Statement No. 75, this schedule has been prepared prospectively.  
 This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MOON AREA SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
 NET PENSION LIABILITY – LAST 10 YEARS  
 (Dollar amounts in thousands)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net pension liability	0.2391%	0.2324%	0.2311%	0.2355%	0.2320%	0.2324%	0.2255%
District's proportionate share of the net pension liability	\$98,167,000	\$ 114,431,000	\$ 108,115,000	\$ 113,052,000	\$ 114,581,000	\$ 115,170,000	\$97,676,000
District's covered-employee payroll	\$33,804,654	\$ 32,586,575	\$ 31,869,303	\$ 31,708,286	\$ 30,887,439	\$ 30,094,589	\$29,018,409
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	290.39%	351.16%	339.24%	356.54%	370.96%	382.69%	336.60%
Plan fiduciary net position as a percentage of the total pension liability	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively.  
 This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

MOON AREA SCHOOL DISTRICT  
SCHEDULE OF DISTRICT'S CONTRIBUTIONS – LAST 10 YEARS

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 10,430,107	\$ 11,382,351	\$ 10,349,203	\$ 10,407,797	\$ 10,142,991	\$ 8,954,076	\$ 7,511,286
Contributions in relation to the contractually required contribution	10,430,107	11,382,351	10,349,203	10,407,797	10,142,991	8,954,076	7,511,286
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 33,804,654	\$ 34,012,361	\$ 32,586,575	\$ 31,869,303	\$ 31,708,286	\$ 30,887,439	\$ 30,094,589
Contributions as a percentage of covered-employee payroll	30.85%	33.47%	31.76%	32.66%	31.99%	28.99%	24.96%

In accordance with GASB Statement No. 68, this schedule has been prepared prospectively.

This schedule will accumulate each year until sufficient information to present a ten-year trend is available.

**OTHER**  
**SUPPLEMENTARY**  
**INFORMATION**



MOON AREA SCHOOL DISTRICT  
 COMBINING BALANCE SHEET  
 OTHER GOVERNMENTAL FUNDS  
 JUNE 30, 2022

	Private Purpose Trust Fund	Student Activity Fund	Total Other Governmental Funds
<u>Assets</u>			
Cash and Cash Equivalents	\$ 94,760	\$ 219,453	\$ 314,213
Other Receivables	-	472	472
Total assets	<u>\$ 94,760</u>	<u>\$ 219,925</u>	<u>\$ 314,685</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ 472	\$ 472
Due to Other Funds	-	23,288	23,288
Total Liabilities	<u>-</u>	<u>23,760</u>	<u>23,760</u>
<u>Fund Balances</u>			
Restricted	<u>94,760</u>	<u>196,165</u>	<u>290,925</u>
Total Fund Balances	<u>94,760</u>	<u>196,165</u>	<u>290,925</u>
Total Liabilities and Fund Balances	<u>\$ 94,760</u>	<u>\$ 219,925</u>	<u>\$ 314,685</u>

MOON AREA SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2022

Revenues	Private Purpose Trust Fund	Student Activity Fund	Total Other Governmental Funds
Local Sources	\$ 8,441	282,754	\$ 291,195
Total Revenues	8,441	282,754	291,195
Expenditures			
Noninstructional Services	10,951	302,840	313,791
Total Expenditures	10,951	302,840	313,791
Excess (Deficiency) of Revenues Over Expenditures	(2,510)	(20,086)	(22,596)
Net Change in Fund Balance	(2,510)	(20,086)	(22,596)
Fund Balance Beginning of Year	97,270	216,251	313,521
Fund Balance, End of Year	\$ 94,760	\$ 196,165	\$ 290,925