

MOON AREA SCHOOL DISTRICT

PITTSBURGH, PENNSYLVANIA

**FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

MOON AREA SCHOOL DISTRICT
YEAR ENDED JUNE 30, 2023

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-4
Management's Discussion and Analysis	5-16
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Balance Sheet of Governmental Funds - Governmental Funds	19
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	21
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position - Proprietary Fund	23
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Fund	24
Statement of Cash Flows - Proprietary Fund	25
Notes to the Financial Statements	26-56
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	58
Schedule of Changes in the Total OPEB Liability and Related Ratios – Retirees Health Plan	59
Schedule of the District's Proportionate Share of the Net OPEB Liability –PSERS Plan	60
Schedule of the District's OPEB Contributions – PSERS Plan	61
Schedule of the District's Proportionate Share of the Net Pension Liability – Last 10 Years	62
Schedule of the District's Contributions – Last 10 Years	63
Other Supplementary Information	
Combining Balance Sheet – Other Governmental Funds	65
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Other Governmental Funds	66



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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, 2023, 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, 2023, 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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Moon Area School District
Page 2

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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Members of the Board
Moon Area School District
Page 3

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, Schedule 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, Schedule 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, as listed as required supplemental information in the table of contents, 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.

Other Supplementary 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, as listed as other supplementary information on the table of contents, 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.



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Moon Area School District
Page 4

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2024 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 Axelrod LLC

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February 15, 2024, except for Statement of Net Position, Statement of Activities, Note 7, Note 8 and Required Supplemental information, which are as of May 2, 2024

Pittsburgh, Pennsylvania

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 5

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 "GASB 34"), 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, 2023. 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

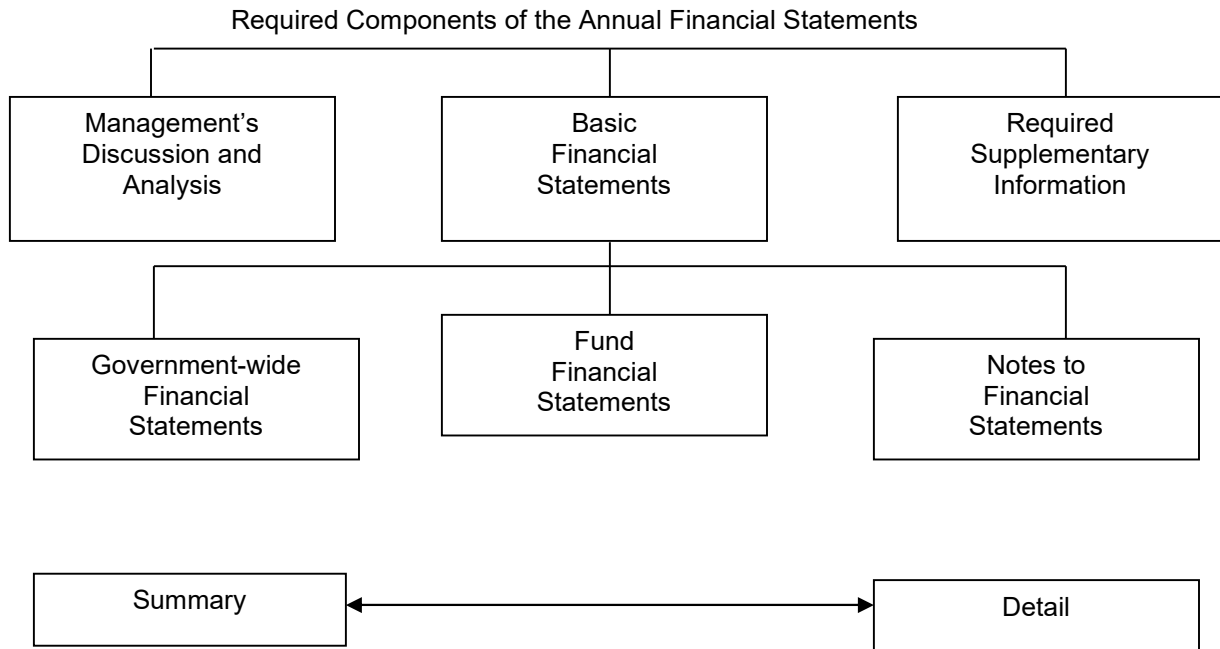


Table A-2 summarizes the major features of the School District's financial statements, including the area of the School District's activities they cover and the types of information they contain.

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 7

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

	<u>Government-wide Statements</u>	<u>Fund Financial Statements</u>	
		<u>Governmental</u>	<u>Proprietary</u>
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

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 8

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.

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 9

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, 2023**

Page 10

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

The School District's total assets were \$135,426,289 at June 30, 2023. Of this amount, \$92,730,705 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>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Capital Assets	\$ 92,179,345	\$ 108,186,726	\$ 551,360	\$ 194,192	\$ 92,730,705	\$ 108,380,918
Other Assets	39,275,813	37,022,702	3,419,771	2,474,089	42,695,584	39,496,791
Total Assets	<u>131,455,158</u>	<u>145,209,428</u>	<u>3,971,131</u>	<u>2,668,281</u>	<u>135,426,289</u>	<u>147,877,709</u>
Deferred Outflows of Resources	23,477,896	17,705,725	277,146	258,708	23,755,042	17,964,433
Current Liabilities	14,989,559	15,546,038	1,209,826	627,853	16,199,385	16,173,891
Noncurrent Liabilities	275,695,151	273,651,219	2,114,939	1,986,626	277,810,090	275,637,845
Total Liabilities	<u>290,684,710</u>	<u>289,197,257</u>	<u>3,324,765</u>	<u>2,614,479</u>	<u>294,009,475</u>	<u>291,811,736</u>
Deferred Inflows of Resources	4,810,790	17,917,768	73,261	272,860	4,884,051	18,190,628
Net Investment in Capital Assets	(48,533,386)	(38,241,551)	551,360	194,192	(47,982,026)	(38,047,359)
Restricted Net Position	6,328,463	5,154,542	-	-	6,328,463	5,154,542
Nonrestricted Net Position	(98,357,523)	(111,112,863)	298,891	(154,542)	(98,058,632)	(111,267,405)
Total Net Position	<u>\$ (140,562,446)</u>	<u>\$ (144,199,872)</u>	<u>\$ 850,251</u>	<u>\$ 39,650</u>	<u>\$ (139,712,195)</u>	<u>\$ (144,160,222)</u>

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 11

Changes in Net Position

The following statement of activities represents the change in Net Position for the years ended June 30, 2023 and 2022. 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

	2023	2022	2023	2022	2023	2022
	Governmental	Governmental	Business-Type	Business-Type	Total	Total
	Activities	Activities	Activities	Activities		
Program Revenues:						
Charges for Service	\$ 127,645	\$ 116,052	\$ 854,666	\$ 146,893	\$ 982,311	\$ 262,945
Grants and Contributions	16,720,144	15,173,624	1,289,781	2,828,789	18,009,925	18,002,413
General Revenues:						
Property Taxes	57,002,424	55,762,264	-	-	57,002,424	55,762,264
Other Taxes	7,587,558	7,050,667	-	-	7,587,558	7,050,667
Unrestricted Grants	7,420,960	7,223,776	-	-	7,420,960	7,223,776
Investment Earnings	1,669,437	41,340	104,414	3,677	1,773,851	45,017
Insurance Recoveries	181,177	955,177	-	-	181,177	955,177
Refund of Prior Year						
Expenditures	41,240	138,035	-	-	41,240	138,035
Miscellaneous Revenues	132,955	170,954	-	-	132,955	170,954
Total revenues	90,883,540	86,631,889	2,248,861	2,979,359	93,132,401	89,611,248
Expenses:						
Instruction	47,822,594	54,271,339	-	-	47,822,594	54,271,339
Support Services	21,829,111	28,718,040	-	-	21,829,111	28,718,040
Noninstructional Services	2,471,389	1,929,755	-	-	2,471,389	1,929,755
Debt Service	4,985,743	5,539,942	-	-	4,985,743	5,539,942
Food Service	-	-	1,925,028	1,985,943	1,925,028	1,985,943
Total Expenses	77,108,837	90,459,076	1,925,028	1,985,943	79,033,865	92,445,019
Change in Net Position	13,774,703	(3,827,187)	323,833	993,416	14,098,536	(2,833,771)
Net Position - Beginning	(154,337,149)	(140,372,685)	526,418	(953,766)	(153,810,731)	(141,326,451)
Net Position - Ending	<u>\$ (140,562,446)</u>	<u>\$ (144,199,872)</u>	<u>\$ 850,251</u>	<u>\$ 39,650</u>	<u>\$ (139,712,195)</u>	<u>\$ (144,160,222)</u>

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 12

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 2023, taxes brought in \$64,589,982.

Net Cost of Governmental and Business-Type Activities

	2023	2022	2023	2022
	<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	\$ 47,822,594	\$ 54,271,339	\$ (37,409,383)	\$ (45,028,520)
Support Services	21,829,111	28,718,040	(18,850,453)	(25,491,837)
Non-Instructional Services	2,471,389	1,929,755	984,531	890,899
Debt Service	4,985,743	5,539,942	(4,985,743)	(5,539,942)
Food Service	1,925,028	1,985,943	219,419	989,739
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 79,033,865</u>	<u>\$ 92,445,019</u>	<u>\$ (60,041,629)</u>	<u>\$ (74,179,661)</u>

The School District relied on property taxes and other general revenues to fund 76% of its governmental and business-type activities in 2023.

Moon Area School District
Management's Discussion and Analysis
June 30, 2023

Page 13

Capital Assets

The School District's investment in capital assets in its Governmental Activities at June 30, 2023, net of accumulated depreciation, was \$92,179,345. Capital assets consist primarily of land, buildings, and equipment. The following is a summary of capital assets at June 30, 2023:

	Beginning Balance	Restatement	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,504,786	\$ (32,148)	\$ -	\$ -	\$ 1,472,638
Total Capital Assets, Not Being Depreciated	<u>1,504,786</u>	<u>(32,148)</u>	<u>-</u>	<u>-</u>	<u>1,472,638</u>
Capital Assets, Being Depreciated:					
Land Improvements	17,466,074	50,667	-	-	17,516,741
Building and Building Improvements	146,329,434	(465,525)	-	-	145,863,909
Machinery and Equipment	11,210,358	(8,397,408)	28,500	-	2,841,450
Liscensed Vehicles	-	710,673	176,100	-	886,773
Total Capital Assets, Being Depreciated	<u>175,005,866</u>	<u>(8,101,593)</u>	<u>204,600</u>	<u>-</u>	<u>167,108,873</u>
Less Accumulated Depreciation For:					
Land Improvements	(10,295,223)	65,165	(831,801)	-	(11,061,859)
Building and Building Improvements	(51,273,611)	(6,062,406)	(5,079,853)	-	(62,415,870)
Machinery and Equipment	(6,755,092)	4,541,634	(95,132)	-	(2,308,590)
Liscensed Vehicles	-	(547,929)	(67,918)	-	(615,847)
Total Accumulated Depreciation	<u>(68,323,926)</u>	<u>(2,003,536)</u>	<u>(6,074,704)</u>	<u>-</u>	<u>(76,402,166)</u>
Total Capital Assets, Being Depreciated, Net	<u>106,681,940</u>	<u>(10,105,129)</u>	<u>(5,870,104)</u>	<u>-</u>	<u>90,706,707</u>
Governmental Activities Capital Assets, Net	<u>\$ 108,186,726</u>	<u>\$ (10,137,277)</u>	<u>\$ (5,870,104)</u>	<u>\$ -</u>	<u>\$ 92,179,345</u>
BUSINESS TYPE ACTIVITIES					
Capital Assets, Being Depreciated:					
Furniture, Vehicles, and Equipment	\$ 1,071,091	\$ 1,288,536	\$ -	\$ -	\$ 2,359,627
Total Capital Assets, Being Depreciated	<u>1,071,091</u>	<u>1,288,536</u>	<u>-</u>	<u>-</u>	<u>2,359,627</u>
Less Accumulated Depreciation	<u>(876,899)</u>	<u>(801,768)</u>	<u>(129,600)</u>	<u>-</u>	<u>(1,808,267)</u>
Total Capital Assets, Being Depreciated, Net	<u>194,192</u>	<u>486,768</u>	<u>(129,600)</u>	<u>-</u>	<u>551,360</u>
Business Type Activities Capital Assets, Net	<u>\$ 194,192</u>	<u>\$ 486,768</u>	<u>\$ (129,600)</u>	<u>\$ -</u>	<u>\$ 551,360</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, 2023**

Page 14

Debt Administration

At June 30, 2023, the School District had \$282,255,713 of long-term liabilities outstanding. Long-term liabilities increased 1% from the previous year. The following is a summary of long-term liabilities for the 2023 year:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds and Notes payable:					
General obligation bonds	\$ 135,280,000	\$ -	\$ (4,830,000)	\$ 130,450,000	\$ 5,055,000
Total bonds and notes payable	<u>135,280,000</u>	<u>-</u>	<u>(4,830,000)</u>	<u>130,450,000</u>	<u>5,055,000</u>
Other Liabilities:					
Bond Premiums	11,763,125	-	(891,018)	10,872,107	891,018
Bond Discounts	(8,745)	-	1,250	(7,495)	(1,250)
Deferred Charges	(717,318)	-	64,850	(652,468)	(64,850)
Compensated absences	1,867,942	-	(79,816)	1,788,126	-
Other Postemployment Benefits	32,530,070	666,357	-	33,196,427	-
Net Pensions Liability	96,694,495	7,748,995	-	104,443,490	-
Notes Payable	111,215	-	(60,628)	50,587	50,587
Total Other Liabilities	<u>142,240,784</u>	<u>8,415,352</u>	<u>(965,362)</u>	<u>149,690,774</u>	<u>875,505</u>
Governmental Activities					
Long-Term Liabilities	<u>\$ 277,520,784</u>	<u>\$ 8,415,352</u>	<u>\$ (5,795,362)</u>	<u>\$ 280,140,774</u>	<u>\$ 5,930,505</u>
Business Type Activities					
Compensated Absences	\$ 18,740	\$ 160	\$ -	\$ 18,900	\$ -
Other Postemployment Benefits	495,382	10,147	-	505,529	-
Net Pension Liability	<u>1,472,505</u>	<u>118,005</u>	<u>-</u>	<u>1,590,510</u>	<u>-</u>
Total Business Type Activities Long Term Liabilities	<u>\$ 1,986,627</u>	<u>\$ 128,312</u>	<u>\$ -</u>	<u>\$ 2,114,939</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, 2023**

Page 15

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, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Revenues:		
Local Sources	\$ 67,942,908	64,438,981
State Sources	21,223,208	19,299,002
Federal Sources	1,586,266	1,729,947
Total Revenues	<u>\$ 90,752,382</u>	<u>\$ 85,467,930</u>

There are several factors relating to increases in revenues from 2022 to 2023. Local revenues increased due to increased collections of taxes and higher interest revenues. The state revenues increased largely due to increased funding of existing state grants.

GOVERNMENTAL FUND EXPENDITURES

Governmental fund expenditures by function at June 30, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Expenditures		
Instruction	\$51,129,779	48,681,678
Support Services	23,187,294	26,786,107
Non-Instructional	2,605,007	1,810,806
Debt Service	10,668,432	10,923,017
Total Expenditures	<u>\$87,590,512</u>	<u>\$88,201,608</u>

There are several factors relating to increases and decreases in expenditures from 2022 to 2023. Instruction expenditures increased due to increases in salaries. Support services expenditures decreased due to larger than normal expenditures in 2022 as a result of salary settlements and equipment purchases. Non-Instructional expenditures increased as a result of rising costs of supplies. Debt Services expenditures remain relatively the same.

**Moon Area School District
Management's Discussion and Analysis
June 30, 2023**

Page 16

GOVERNMENTAL FUND BALANCES AND PROPRIETARY FUND NET POSITION

Ending fund balances for governmental funds and Net Position for proprietary funds at June 30, 2023 and 2022 were as follows:

Fund	2023 Governmental Funds	2022 Governmental Funds	2023 Proprietary Funds	2022 Proprietary Funds
General Fund	\$ 21,035,760	\$ 18,825,394	\$ -	\$ -
Capital Projects Fund	5,997,923	4,863,617	-	-
Other Non Major Funds	330,540	290,925	-	-
Food Service Fund	-	-	850,251	526,418
Total	<u>\$ 27,364,223</u>	<u>\$ 23,979,936</u>	<u>\$ 850,251</u>	<u>\$ 526,418</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 2023 general fund budget can be found in Required Supplemental Information.

Overall, the School District had a positive variance of \$2,398,453 for actual results in comparison to budget. Numerous factors went in to these results. Revenue had a positive variance of \$4,431,133 which largely resulted from more revenue being received than was budgeted in local revenue. Expenditures had a negative variance of \$351,017 for actual results in comparison to budget, largely resulting from support services that were higher than the budget. Other financing uses resulted in a negative variance of \$1,681,663 largely due to transfers to other funds.

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 POSTION
JUNE 30, 2023

Assets	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and Cash Equivalents	\$ 32,722,812	\$ 3,411,499	\$ 36,134,311
Taxes Receivable, Net	4,167,624	-	4,167,624
Due from Other Governments	2,262,909	-	2,262,909
Other Receivables	114,872	1,793	116,665
Inventory	-	6,479	6,479
Prepaid Assets	101	-	101
Bond Discount	7,495	-	7,495
Capital Assets:			
Non-Depreciable	1,472,638	-	1,472,638
Depreciable (net)	90,706,707	551,360	91,258,067
Total Assets	\$ 131,455,158	\$ 3,971,131	\$ 135,426,289
Deferred Outflows of Resources			
Deferred Charge on Refunding	\$ 652,468	\$ -	\$ 652,468
Deferred Outflows Related to Pensions	17,107,996	190,833	17,298,829
Deferred Outflows Related to OPEB	5,717,432	86,313	5,803,745
Total Deferred Outflows of Resources	\$ 23,477,896	\$ 277,146	\$ 23,755,042
Liabilities			
Current liabilities:			
Accounts Payable	\$ 998,529	\$ -	\$ 998,529
Internal Balances	(963,634)	963,634	-
Accrued Salaries and Benefits	8,806,410	93,602	8,900,012
Unearned Revenue	-	17,740	17,740
Accrued Interest	842,609	-	842,609
Other Current Liabilities	200,058	134,850	334,908
Current portions of long- term liabilities:			
Bonds Payable, Net	5,055,000	-	5,055,000
Capital Leases	50,587	-	50,587
Non-current portions of long-term liabilities:			
Bonds Payable	125,395,000	-	125,395,000
Bond Premium	10,872,107	-	10,872,107
Compensated Absences	1,788,126	18,900	1,807,026
Net OPEB Liability	33,196,428	505,529	33,701,957
Net Pension Liability	104,443,490	1,590,510	106,034,000
Total Liabilities	\$ 290,684,710	\$ 3,324,765	\$ 294,009,475
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	\$ 2,879,762	\$ 43,854	\$ 2,923,616
Deferred Inflows Related to OPEB	1,931,028	29,407	1,960,435
Total Deferred Inflows of Resources	\$ 4,810,790	\$ 73,261	\$ 4,884,051
Net Position			
Net Investment in Capital Assets	(48,533,386)	551,360	(47,982,026)
Restricted for Specific Use	6,328,463	-	6,328,463
Unrestricted	(98,357,523)	298,891	(98,058,632)
Total Net Position	\$ (140,562,446)	\$ 850,251	\$ (139,712,195)

MOON AREA SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2023

					Net (Expense) Revenue and		
					Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities:							
Instructional Services	\$ 47,822,594	\$ -	\$ 10,413,211	\$ -	\$ (37,409,383)	\$ -	\$ (37,409,383)
Support Services	21,829,111	76,710	2,901,948	-	(18,850,453)	-	(18,850,453)
Noninstructional Services	2,471,389	50,935	3,404,985	-	984,531	-	984,531
Debt Service	4,985,743	-	-	-	(4,985,743)	-	(4,985,743)
Total Governmental Activities	77,108,837	127,645	16,720,144	-	(60,261,048)	-	(60,261,048)
Business-Type Activities:							
Food Service	1,925,028	854,666	1,289,781	-	-	219,419	219,419
Total Business-Type Activities	1,925,028	854,666	1,289,781	-	-	219,419	219,419
Total Primary Government	\$ 79,033,865	\$ 982,311	\$ 18,009,925	\$ -	\$ (60,261,048)	\$ 219,419	\$ (60,041,629)
General Revenues:							
Taxes:							
Property Taxes, Net					\$ 57,002,424	\$ -	\$ 57,002,424
Earned Income Tax					6,004,924	-	6,004,924
Real Estate Transfer Tax					1,288,594	-	1,288,594
Other Taxes, Net					294,040	-	294,040
Grants, Subsidies, and Contributions Not Restricted					7,420,960	-	7,420,960
Investment Earnings					1,669,437	104,414	1,773,851
Sale of Fixed Assets					181,177	-	181,177
Refund of Prior Year Expenditures					41,240	-	41,240
Miscellaneous Income					132,955	-	132,955
Total General Revenues					74,035,751	104,414	74,140,165
Change in Net Position					13,774,703	323,833	14,098,536
Net Position - Beginning (as Restated, See Note 15)					(154,337,149)	526,418	(153,810,731)
Net Position - Ending					\$ (140,562,446)	\$ 850,251	\$ (139,712,195)

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

MOON AREA SCHOOL DISTRICT
BALANCE SHEET OF GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and Cash Equivalents	\$ 27,745,086	\$ 4,623,843	\$ 353,883	\$ 32,722,812
Taxes Receivable, Net	4,167,624	-	-	4,167,624
Due from Other Governments	2,262,909	-	-	2,262,909
Due From Other Funds	986,977	1,404,080	-	2,391,057
Other Receivables	114,400	-	472	114,872
Prepaid Expenses	101	-	-	101
Total Assets	<u>\$ 35,277,097</u>	<u>\$ 6,027,923</u>	<u>\$ 354,355</u>	<u>\$ 41,659,375</u>
<u>Liabilities</u>				
Accounts Payable	\$ 998,057	\$ -	\$ 472	\$ 998,529
Accrued Salaries and Benefits	8,776,410	30,000	-	8,806,410
Due to Other Funds	1,404,080	-	23,343	1,427,423
Other Current Liabilities	200,058	-	-	200,058
Total Liabilities	<u>11,378,605</u>	<u>30,000</u>	<u>23,815</u>	<u>11,432,420</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Taxes	<u>2,862,732</u>	<u>-</u>	<u>-</u>	<u>2,862,732</u>
Total Deferred Inflows of Resources	<u>2,862,732</u>	<u>-</u>	<u>-</u>	<u>2,862,732</u>
<u>Fund Balances</u>				
Nonspendable:				
Prepaid Expenses	101	-	-	101
Restricted	-	5,997,923	330,540	6,328,463
Committed	11,000,000	-	-	11,000,000
Assigned	4,000,000	-	-	4,000,000
Unassigned	6,035,659	-	-	6,035,659
Total Fund Balances	<u>21,035,760</u>	<u>5,997,923</u>	<u>330,540</u>	<u>27,364,223</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 35,277,097</u>	<u>\$ 6,027,923</u>	<u>\$ 354,355</u>	<u>\$ 41,659,375</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, 2023

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

Total Fund Balances of Governmental Funds	\$	27,364,223
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$168,581,511 and the accumulated depreciation is \$76,402,166.

92,179,345

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.

2,862,732

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.

Long-term Bonds and Notes Payable	\$ (130,450,000)	
Unamortized Loss on Debt Refundings	652,468	
Bond Discount	7,495	
Bond Premium	(10,872,107)	
Accrued interest	(842,609)	
Net OPEB Liability	(33,196,428)	
Deferred Outflows related to Pension and OPEB	22,825,428	
Deferred Inflows related to Pension and OPEB	(4,810,790)	
Net Pension Liability	(104,443,490)	
Note Payable	(50,587)	
Compensated Absences	(1,788,126)	(262,968,746)

Total Net Position of Governmental Activities	\$	<u>(140,562,446)</u>
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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, 2023

	General Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Local Sources	\$ 67,207,593	\$ 191,863	\$ 543,452	\$ 67,942,908
State Sources	21,223,208	-	-	21,223,208
Federal Sources	1,586,266	-	-	1,586,266
Total Revenues	90,017,067	191,863	543,452	90,752,382
Expenditures				
Instruction	51,129,779	-	-	51,129,779
Support Services	22,794,442	392,852	-	23,187,294
Noninstructional Services	1,532,385	568,785	503,837	2,605,007
Debt Service	10,668,432	-	-	10,668,432
Total Expenditures	86,125,038	961,637	503,837	87,590,512
Excess (Deficiency) of Revenues Over Expenditures	3,892,029	(769,774)	39,615	3,161,870
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	41,240	-	-	41,240
Insurance Recoveries	181,177	-	-	181,177
Transfers In	-	1,904,080	-	1,904,080
Transfers Out	(1,904,080)	-	-	(1,904,080)
Total Other Financing Sources (Uses)	(1,681,663)	1,904,080	-	222,417
Net Change in Fund Balance	2,210,366	1,134,306	39,615	3,384,287
Fund Balance, Beginning of Year	18,825,394	4,863,617	290,925	23,979,936
Fund Balance, End of Year	\$ 21,035,760	\$ 5,997,923	\$ 330,540	\$ 27,364,223

MOON AREA SCHOOL DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

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

Net Change in fund balances - total governmental funds	\$	3,384,287
--	----	-----------

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.

Capital Outlays	204,600	
Depreciation Expense	<u>(6,074,704)</u>	(5,870,104)

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.

Debt Principal Repayments	4,830,000	
Payments on Notes Payable	60,628	
Amortization of Bond Premiums	891,018	
Amortization of Bond Discounts	(1,250)	
Change in Accrued Interest	27,771	
Amortization of Deferred Refunding loss	(64,850)	
Change in Compensated Absences	<u>79,816</u>	5,823,133

Governmental funds do not report the changes in the Other Post Employment Benefit liability and related deferred inflows and outflows of resources:	(91,817)
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Governmental funds do not report the changes in the Pension liability and related deferred inflows and outflows of resources:	10,620,463
---	------------

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.

Current year	2,862,732	
Prior year	<u>(2,953,991)</u>	<u>(91,259)</u>

Changes in net position of governmental activities	\$	<u>13,774,703</u>
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MOON AREA SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2023

	Business-Type Activities - Enterprise Fund Food Service
<hr/>	
Assets	
<hr/>	
Current Assets:	
Cash and Cash Equivalents	\$ 3,411,499
Other Receivables	1,793
Inventories	6,479
Total Current Assets	<hr/> 3,419,771 <hr/>
Non-current Assets:	
Furniture and Equipment, net	<hr/> 551,360
Total Non-Current Assets	<hr/> 551,360
Total Assets	<hr/> 3,971,131 <hr/>
<hr/>	
Deferred Outflows of Resources	
Deferred Outflows of Resources Related to Pension	190,833
Deferred Outflows of Resources Related to OPEB	86,313
Total Deferred Outflows of Resources	<hr/> 277,146
Total Assets and Deferred Outflows of Resources	<hr/> <u>4,248,277</u> <hr/>
<hr/>	
Liabilities	
<hr/>	
Current liabilities:	
Due to Other Funds	963,634
Accrued Salaries and Benefits	93,602
Unearned Revenue	17,740
Other Current Liabilities	134,850
Total Current Liabilities	<hr/> 1,209,826 <hr/>
Non-Current Liabilities	
Long-term Portion of Compensated Absences	18,900
Net OPEB Liability	505,529
Net Pension Liability	1,590,510
Total Noncurrent Liabilities	<hr/> 2,114,939 <hr/>
Total Liabilities	<hr/> 3,324,765 <hr/>
<hr/>	
Deferred Inflows of Resources	
Deferred Inflows of Resources Related to Pension	43,854
Deferred Inflows of Resources Related to OPEB	29,407
Total Deferred Inflows of Resources	<hr/> 73,261 <hr/>
<hr/>	
Net Position	
<hr/>	
Net Investment in Capital Assets	551,360
Unrestricted	298,891
Total Net Position	<hr/> 850,251 <hr/>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<hr/> <u>\$ 4,248,277</u> <hr/>

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, 2023

	Business-Type Activities - Enterprise Fund Food Service
Operating Revenues	
Food Service Revenue	854,666
	<hr/>
Total Operating Revenues	854,666
	<hr/>
Operating Expenses	
Salaries	600,445
Employee Benefits	292,610
Purchased Professional and Technology Services	15,785
Purchased Property Services	119,452
Supplies	761,599
Depreciation	129,600
Dues and Fees	5,537
	<hr/>
Total Operating Expenses	1,925,028
	<hr/>
Net Operating Loss	(1,070,362)
	<hr/>
Nonoperating Revenues (Expenses)	
Earnings on Investments	104,414
State Sources	271,823
Federal Sources	1,017,958
	<hr/>
Total Nonoperating Revenues (Expenses)	1,394,195
	<hr/>
Changes in Net Position	323,833
	<hr/>
Net Position - Beginning of Year (As Restated, see NOTE 15)	526,418
	<hr/>
Net Position - End of Year	\$ 850,251
	<hr/>

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

MOON AREA SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
JUNE 30, 2023

	Business-Type Activities - Enterprise Fund Food Service
Cash flows from operating activities	
Received from users	\$ 859,888
Payments to employees for services	(470,726)
Payments to suppliers for goods and services	<u>(765,751)</u>
Net cash used in operating activities	<u>(376,589)</u>
Cash flows from non-capital financing activities	
Grants and subsidies received:	
State	271,823
Federal	<u>951,255</u>
Net cash provided by non-capital financing activities	<u>1,223,078</u>
Cash flows from capital and related financing activities	
Earnings on investments	<u>104,414</u>
Net cash provided by capital and related financing activities	<u>104,414</u>
Net increase in cash and cash equivalents	950,903
Beginning cash and cash equivalents	<u>2,460,596</u>
Ending cash and cash equivalents	<u><u>\$ 3,411,499</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Operating loss	\$ (1,070,362)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	129,600
Donated commodities	66,703
(Increase) decrease in assets	
Other receivables	1,242
Inventory	3,980
Increase (decrease) in liabilities	
Due to other funds	518,399
Accrued salaries and benefits	(6,345)
Other current liabilities	69,919
Long term portion of Compensated absences	160
Net OPEB Liability and related deferred inflows and outflows	2,153
Net Pension Liability and related deferred inflows and outflows	<u>(92,038)</u>
Net cash used in operating activities	<u><u>\$ (376,589)</u></u>

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

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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 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, 2023

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, 2023 was approximately \$669,700. The net current assets of Parkway at June 30, 2023 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.
2. 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.

The School District reports the following other governmental funds:

1. 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.
2. 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, 2023

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, 2023

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, 2023

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, and Noninstructional expenditures exceeded the budgeted amount. Overages were absorbed by surpluses in other expenditures, revenues, and financing sources.

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, 2023

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, 2023

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 \$101 in non-spendable fund balance in the General Fund as of June 30, 2023, 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 \$5,997,923 of restricted fund balance in the Capital Reserve Fund as of June 30, 2023. This restriction is for legally restricted for construction costs. The School District had restricted fund balance of \$99,042 in the Private Purpose Trust Fund as of June 30, 2023. These funds were restricted for the use of scholarships. The School District had restricted fund balance of \$231,498 in the Student Activity fund as of June 30, 2023. 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 \$11,000,000 committed as of June 30, 2023 or future salaries and benefits.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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 \$6,035,659 of unassigned fund balance as of June 30, 2023.

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, 2023

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. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The adoption of this statement had no effect on previously recorded amounts.

The School District adopted the provisions of GASB Statement No. 96 "Subscription-Based Information Technology Arrangements". The adoption of this statement had no effect on previously recorded amounts.

The School District adopted the provisions of GASB Statement No. 99 "Omnibus 2022". The adoption of this statement had no effect on previously recorded amounts.

R.) Pending Changes in Accounting Principles

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.

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.

In December of 2023 the GASB issued Statement No. 102 "Certain Risk Disclosures". The School District is required to adopt Statement No. 102 for it's 2025 financial statements.

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

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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.

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.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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

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, 2023, 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, \$36,357,922 of the School District's \$36,610,240 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, 2023 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, 2023	Lien filing date

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 2022/2023 real estate taxes levied were \$58,339,397 based on a total School District assessed valuation of \$2,572,896,434.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	6/30/2022				6/30/2023
Governmental Activities	Balance	Restatement	Additions	Deletions	Balance
Non Depreciable Assets:					
Land	\$ 1,504,786	\$ (32,148)	\$ -	\$ -	\$ 1,472,638
Capital Assets Not Being Depreciated	<u>1,504,786</u>	<u>(32,148)</u>	<u>-</u>	<u>-</u>	<u>1,472,638</u>
Depreciable Assets:					
Land Improvements	17,466,074	50,667	-	-	17,516,741
Building and Building Improvements	146,329,434	(465,525)	-	-	145,863,909
Machinery and Equipment	11,210,358	(8,397,408)	28,500	-	2,841,450
Licensed Vehicles	-	710,673	176,100	-	886,773
Total Depreciable Assets	<u>175,005,866</u>	<u>(8,101,593)</u>	<u>204,600</u>	<u>-</u>	<u>167,108,873</u>
Accumulated Depreciation:					
Land Improvements	(10,295,223)	65,165	(831,801)	-	(11,061,859)
Building and Building Improvements	(51,273,611)	(6,062,406)	(5,079,853)	-	(62,415,870)
Machinery and Equipment	(6,755,092)	4,541,634	(95,132)	-	(2,308,590)
Licensed Vehicles	-	(547,929)	(67,918)	-	(615,847)
Total Accumulated Depreciation	<u>(68,323,926)</u>	<u>(2,003,536)</u>	<u>(6,074,704)</u>	<u>-</u>	<u>(76,402,166)</u>
Capital Assets Being Depreciated, Net	<u>106,681,940</u>	<u>(10,105,129)</u>	<u>(5,870,104)</u>	<u>-</u>	<u>90,706,707</u>
Total Capital Assets	<u>\$ 108,186,726</u>	<u>\$ (10,137,277)</u>	<u>\$ (5,870,104)</u>	<u>\$ -</u>	<u>\$92,179,345</u>
	6/30/2022				6/30/2023
Business Type Activities	Balance	Restatement	Additions	Deletions	Balance
Furniture and Equipment	\$ 1,071,091	\$ 1,288,536	\$ -	\$ -	\$ 2,359,627
Accumulated Depreciation	(876,899)	(801,768)	(129,600)	-	(1,808,267)
Business Type Activities	<u>\$ 194,192</u>	<u>\$ 486,768</u>	<u>\$ (129,600)</u>	<u>\$ -</u>	<u>\$ 551,360</u>

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

Governmental Activities

Instruction	\$4,070,052
Support Services	1,822,411
Noninstructional Services	<u>182,241</u>

Total Depreciation Expense - Governmental Activities \$6,074,704

Business Type Activities

Food Service	<u>\$ 129,600</u>
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MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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 2015 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.

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.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

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>
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	6,945,000	4,183,075	11,128,075
2029-2038	80,200,000	24,133,711	104,333,711
2039-2041	<u>19,795,000</u>	<u>1,728,985</u>	<u>21,523,985</u>
Total	<u>\$ 130,450,000</u>	<u>\$ 49,151,821</u>	<u>\$ 179,601,821</u>

Compensated Absences:

Compensated absences are comprised of accumulated unused sick days. The aggregate liability is \$1,807,026 as of June 30, 2023.

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, 2023

NOTE 5: LONG-TERM OBLIGATIONS (CONTINUED)

A summary of changes in long-term debt obligations for 2023 is as follows:

Governmental Activities	Balance at 6/30/2022	Additions	Deletions	Balance at 6/30/2023	Amounts Due Within One Year
Bonds Payable:					
GOB 2015 A	\$ 40,730,000	\$ -	\$ (3,785,000)	\$ 36,945,000	\$ 3,985,000
GOB 2015	24,665,000	-	(10,000)	24,655,000	10,000
GOB 2017 A	6,815,000	-	(290,000)	6,525,000	300,000
GOB 2017 B	2,100,000	-	(235,000)	1,865,000	240,000
GOB 2019	20,420,000	-	(55,000)	20,365,000	55,000
GOB 2020	35,735,000	-	(255,000)	35,480,000	260,000
GOB 2020A	4,815,000	-	(200,000)	4,615,000	205,000
Total Bonds Payable	<u>\$135,280,000</u>	<u>\$ -</u>	<u>\$ (4,830,000)</u>	<u>\$ 130,450,000</u>	<u>\$ 5,055,000</u>
Other Liabilities:					
Bond Premiums	11,763,125	-	(891,018)	10,872,107	891,018
Bond Discounts	(8,745)	-	1,250	(7,495)	(1,250)
Deferred Charges	(717,318)	-	64,850	(652,468)	(64,850)
Compensated Absences	1,867,942	-	(79,816)	1,788,126	-
Other Postemployment Benefits	32,530,070	666,357	-	33,196,427	-
Net Pension Liability	96,694,495	7,748,995	-	104,443,490	-
Capital Leases	111,215	-	(60,628)	50,587	50,587
Total Other Liabilities	<u>142,240,784</u>	<u>8,415,352</u>	<u>(965,362)</u>	<u>149,690,774</u>	<u>875,505</u>
Governmental Activities					
Long term Liabilities	<u>\$277,520,784</u>	<u>\$ 8,415,352</u>	<u>\$ (5,795,362)</u>	<u>\$ 280,140,774</u>	<u>\$ 5,930,505</u>
	Balance at 6/30/2022	Additions	Deletions	Balance at 6/30/2023	Amounts Due Within One Year
Business Type Activities					
Compensated Absences	\$ 18,740	\$ 160	\$ -	\$ 18,900	\$ -
Other Postemployment Benefits	495,382	10,147	-	505,529	-
Net Pension Liability	1,472,505	118,005	-	1,590,510	-
Total Business Type Activities					
Long-Term Liabilities	<u>\$ 1,986,627</u>	<u>\$ 128,312</u>	<u>\$ -</u>	<u>\$ 2,114,939</u>	<u>\$ -</u>

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, 2023

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, 2023, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	54
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	395
Total	<u>449</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 \$29,324,957 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 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	3.75%
Healthcare cost trend rates	5.00% for medical 3.00% for dental/vision
Mortality	Based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect experience and projected using a modified version of the MP-2020 Improvement Scale

The discount rate was based on a survey of 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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, 2023. The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, and by rolling forward the liabilities from the July 1, 2020, 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 \$29,324,957, all of which is unfunded. As of June 30, 2023, the total OPEB liability of \$28,885,082 is related to the governmental funds and is recorded in the governmental activities in the government-wide statement of net position and \$439,875 is related to the business-type activities.

The School District's change in its total OPEB liability for the year ended June 30, 2023 was as follows:

	Governmental Activities	Business-Type Activities	Total
Service Cost	\$ 755,400	\$ 11,504	\$ 766,904
Benefit payments	(866,724)	(13,199)	(879,923)
Interest	1,059,847	16,140	1,075,987
Change in benefit terms	(68,332)	(1,041)	(69,373)
Changes of assumptions or other inputs	(1,628,743)	(24,803)	(1,653,546)
Difference between expected and actual experience	2,670,785	40,672	2,711,457
Net Change in total OPEB liability	1,922,233	29,273	1,951,506
Total OPEB liability - June 30, 2022	26,962,849	410,602	27,373,451
Total OPEB liability - June 30, 2023	<u>\$28,885,082</u>	<u>\$ 439,875</u>	<u>\$29,324,957</u>

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$2,298,426. At June 30, 2023, 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	\$ 2,880,434	\$ -
Business-Type	43,864	-
Changes of assumptions:		
Governmental	1,691,306	1,804,213
Business-Type	25,756	27,475
Total	<u>\$ 4,641,360</u>	<u>\$ 1,831,688</u>

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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:

2024	\$ 524,908
2025	524,908
2026	674,356
2027	674,356
2028	273,158
Thereafter	<u>137,986</u>
Total	<u>\$2,809,672</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 (2.75 percent) or 1 percentage point higher (4.75 percent) than the current discount rate:

	1% Decrease <u>2.75%</u>	Current Discount Rate <u>3.75%</u>	1% Increase <u>4.75%</u>
School's total OPEB liability	\$ 32,270,914	\$ 29,324,957	\$ 26,641,577

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> </u>	Healthcare Cost Trend rate <u> </u>	1% Increase <u> </u>
School's total OPEB liability	\$ 25,914,236	\$ 29,324,957	\$ 33,318,755

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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 System provides Premium Assistance which, is a governmental cost sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. 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. Effective January 1, 2002 under the provisions of Act 9 of 2001, 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, 2022 there were no assumed future benefit increases to participating eligible retirees.

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

For Class DC members to become eligible for premium assistance, they must satisfy the following criteria:

- Attain Medicare eligibility with 24 ½ or more eligibility points, or
- Have 15 or more eligibility points and terminated after age 67, and
- Have received all or part of their distributions.

Pension Plan description

PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

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.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Employer Contributions. The School Districts' contractually required contribution rate for fiscal year ended June 30, 2023 was 0.75% 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, 2023.

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

At June 30, 2023, the School District reported a liability of \$4,377,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. 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, 2022, the School District's proportion was 0.2378 percent, which was an decrease of 0.0007 from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the School District recognized OPEB expense of \$144,000. At June 30, 2023, 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	2,425	836
Contributions subsequent to the measurement date		
Governmental	336,674	-
Business-Type	4,373	-
Total	<u>\$ 1,162,385</u>	<u>\$ 128,747</u>

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

\$341,047 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, 2023. 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:

2023	\$ 111,084
2024	109,984
2025	147,170
2026	117,967
2027	112,677
2028	<u>93,709</u>
Total	<u>\$692,591</u>

Actuarial Assumptions. The total OPEB liability as of June 30, 2022 was determined by rolling forward the System's total OPEB liability as of the June 30, 2021 actuarial valuation to June 30, 2022 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 – 4.09% - 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, 2020 determined the employer contribution rate for fiscal year 2022.
- 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.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 7: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

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.

<u>OPEB - Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	100.0%	0.5%
	<u>100.0%</u>	

The above table 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, 2022.

Discount rate.

The discount rate used to measure the total OPEB liability was 4.09%. 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 4.09% which represents the S&P 20 year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability.

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, 2022, 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, 2022, 93,293 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2022, 582 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	\$ 4,377,000	\$ 4,377,000	\$4,378,000

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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 (3.09 percent) or higher (5.09 percent) than the current discount rate:

	1% Decrease	Current	1% Increase
	3.09%	Discount Rate	5.09%
	<hr/>	<hr/>	<hr/>
District's proportionate share of the net OPEB liability	\$ 495,000	\$ 4,377,000	\$3,898,000

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.

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. PSERS is a governmental cost-sharing multiple-employer defined benefit pension plan that provides retirement benefits to public school employees of the Commonwealth of Pennsylvania. The members eligible to participate in the System include all full-time public school employees, part-time hourly public school employees who render at least 500 hours of service in the school year, and part-time per diem public school employees who render at least 80 days of service in the school year in any of the reporting entities in Pennsylvania. PSERS issues a publicly available financial report that can be obtained at www.psers.pa.gov.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Benefits provided. PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011. Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

Act 5 of 2017 (Act 5) introduced a hybrid benefit with two membership classes and a separate defined contribution plan for individuals who become new members on or after July 1, 2019. Act 5 created two new hybrid membership classes, Membership Class T-G (Class T-G) and Membership Class T-H (Class T-H) and the separate defined contribution membership class, Membership Class DC (Class DC). To qualify for normal retirement, Class T-G and Class T-H members must work until age 67 with a minimum of 3 years of credited service. Class T-G may also qualify for normal retirement by attaining a total combination of age and service that is equal to or greater than 97 with a minimum of 35 years of credited service.

Benefits are generally between 1% to 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service. For members whose membership started prior to July 1, 2011, after completion of five years of service, a member's right to the defined benefits is vested and early retirement benefits may be elected. For Class T-E and Class T-F members, the right to benefits is vested after ten years of service.

Participants are eligible for disability retirement benefits after completion of five years of credited service. Such benefits are generally equal to 2% or 2.5%, depending upon membership class, of the member's final average salary (as defined in the Code) multiplied by the number of years of credited service, but not less than one-third of such salary nor greater than the benefit the member would have had at normal retirement age. Members over normal retirement age may apply for disability benefits

Death benefits are payable upon the death of an active member who has reached age 62 with at least one year of credited service (age 65 with at least three years of credited service for Class T-E and Class T-F members) or who has at least five years of credited service (ten years for Class T-E and Class T-F members). Such benefits are actuarially equivalent to the benefit that would have been effective if the member had retired on the day before death.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

Contributions.

The contribution rates based on qualified member compensation for virtually all members are presented below:

Member Contribution Rates				
Membership Class	Continuous Employment Since	Defined Benefit (DB) Contribution Rate	DC Contribution Rate	Total Contribution Rate
T-C	Prior to July 22, 1983	5.25%	N/A	5.25%
				6.25%
T-C	On or after July 22, 1983	6.25%	N/A	6.25%
T-D	Prior to July 22, 1983	6.50%	N/A	6.50%
				7.50%
T-D	On or after July 22, 1983	7.50%	N/A	7.50%
T-E	On or after July 1, 2011	7.50% base rate with shared risk provision	N/A	Prior to 7/1/21: 7.50%
				After 7/1/21: 8.00%
T-F	On or after July 1, 2011	10.30% base rate with shared risk provision	N/A	Prior to 7/1/21: 10.30%
				After 7/1/21: 10.8%
T-G	On or after July 1, 2019	5.50% base rate with shared risk provision	2.75%	Prior to 7/1/21: 8.25%
				After 7/1/21: 9.00%
T-H	On or after July 1, 2019	4.50% base rate with shared risk provision	3.00%	Prior to 7/1/21: 7.50%
				After 7/1/21: 8.25%
DC	On or after July 1, 2019	N/A	7.50%	7.50%

Shared Risk Program Summary				
Membership Class	Defined Benefit (DB) Base Rate	Shared Risk Increment	Minimum	Maximum
T-E	7.50%	+/-0.50%	5.50%	9.50%
T-F	10.30%	+/-0.50%	8.30%	12.30%
T-G	5.50%	+/-0.75%	2.50%	8.50%
T-H	4.50%	+/-0.75%	1.50%	7.50%

Employer Contributions. The school districts' contractually required contribution rate for the fiscal year ended June 30, 2023 was 34.31%* 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. Contributions to the pension plan from the School District were \$12,317,195 for the year ended June 30, 2023. The General Fund contributed \$12,201,087 and the Cafeteria Fund contributed \$116,108.

*The defined contribution rate of 0.20% is an estimated rate. It is recommended employers use the actual defined contributions made to the PSERS defined contribution plan. This may impact contributions made to the pension plan.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

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, 2023, the School District reported a liability of \$106,034,000 for its proportionate share of the net pension liability. Of this amount, \$1,590,510 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, 2022, 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, 2021 to June 30, 2022. 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, 2023, the School District's proportion was 0.2385 percent, which was an decrease of 0.0006 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the School District recognized pension expense of \$7,857,000, of which \$7,743,195 was recorded as a governmental activity and \$113,805 was recorded in the Cafeteria Fund. At June 30, 2023, 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	\$ 47,361	\$ 903,352
Business-type activity/ proprietary fund	721	13,757
Changes of assumptions:		
Governmental activity	3,118,807	-
Business-type activity/ proprietary fund	47,495	-
Net difference between projected and actual investment earnings:		
Governmental activity	-	1,771,776
Business-type activity/ proprietary fund	-	26,981
Changes in proportion:		
Governmental activity	1,740,741	204,634
Business-type activity/ proprietary fund	26,509	3,116
District contributions subsequent to the measurement date:		
Governmental activity	12,201,087	-
Business-type activity/ proprietary fund	116,108	-
Total	<u>\$ 17,298,829</u>	<u>\$ 2,923,616</u>

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

\$12,317,195 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Governmental	Business-type
Year ended June 30:	Activities	Activities
2023	\$ 1,245,093	\$ 18,961
2024	1,097,870	16,719
2025	(2,789,382)	(42,478)
2026	2,473,566	37,669
	<u>\$ 2,027,147</u>	<u>\$ 30,871</u>

Changes in Actuarial Assumptions

The total pension liability as of June 30, 2022 was determined by rolling forward the System's total pension liability as of the June 30, 2021 actuarial valuation to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date – June 30, 2021
- Actuarial cost method - Entry Age Normal – level % of pay
- Investment return - 7.00 percent, includes inflation of 2.75%
- Salary growth – Effective average of 4.5%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- 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.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2021 and as of June 30, 2022.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary growth rate – decreased from 5.00% to 4.00%
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.5 and 2.00%, respectively.
 - Mortality rates – Previously based on 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. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect RSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2022 valuation were based on the experience study that was performed for the five-year period ending June 30, 2020.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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.

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	28.0%	5.3%
Private Equity	12.0%	8.0%
Fixed Income	33.0%	2.3%
Commodities	9.0%	2.3%
Infrastructure/MLPs	9.0%	5.4%
Real Estate	11.0%	4.6%
Absolute Return	6.0%	3.5%
Cash	3.0%	0.5%
Leverage	-11.0%	0.5%
	<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, 2022.

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.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 8: EMPLOYEE RETIREMENT PLAN (CONTINUED)

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:

	1% Decrease	Current	1% Increase
	6.00%	Discount Rate	8.00%
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
District's proportionate share of the net pension liability	\$ 137,148,000	\$ 106,034,000	\$ 79,801,000

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.

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of Interfund Receivables, Payables, and Transfers at June 30, 2023:

	<u>Due from</u>	<u>Due to</u>
<u>Governmental Fund Types</u>		
General Fund	\$ 986,977	\$ 1,404,080
Capital Reserve Fund	1,404,080	-
Activity Fund	<u>-</u>	<u>23,343</u>
Total Governmental Fund Types	<u>2,391,057</u>	<u>1,427,423</u>
<u>Enterprise Fund</u>		
Food Service	<u>-</u>	<u>963,634</u>
Total Enterprise Fund	<u>-</u>	<u>963,634</u>
Total Internal Balances	<u>\$ 2,391,057</u>	<u>\$ 2,391,057</u>
	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Fund Types</u>		
General Fund	\$ -	\$ 1,904,080
Capital Reserve Fund	1,904,080	-
Total Governmental Fund Types	<u>\$ 1,904,080</u>	<u>\$ 1,904,080</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.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 9: INTERFUND RECEIVABLES AND PAYABLES(CONTINUED)

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, 2023. The ultimate outcome of these appeals is uncertain.

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.

The School District has entered into a contracted technology agreements with an external parties who provides various software subscriptions. This agreement does not meet the criteria of a lease under GASB 96 as the terms and conditions for payment renew and are cancelable on an annual basis. Since the payments are annual, the School District has not recorded a liability in the financial statements for this agreement in accordance with GASB 96.

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 \$8.7 million to the Consortium during fiscal year 2023.

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, 2023, the Consortium had net assets of approximately \$43.58 million, of which approximately \$1.04 million is attributable to the School District.

MOON AREA SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2023

NOTE 11: HEALTH INSURANCE CONSORTIUM (CONTINUED)

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 2023.

NOTE 12: RISKS AND UNCERTANTIES

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.

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: EXPENDITURE 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 and non instructional expenditures. This excess was offset by higher than anticipated revenues.

NOTE 15: RESTATEMENT

As a result of a change in accounting estimate there is a restatement of capital assets and Net Position.

	Cafeteria Fund	Governmental Activities
Net Position as reported June 30, 2022	\$ 39,650	\$ (144,199,872)
Capital Asset Restatement	<u>486,768</u>	<u>(10,137,277)</u>
Net Position as restated, July 1, 2023	<u>\$ 526,418</u>	<u>\$ (154,337,149)</u>

REQUIRED
SUPPLEMENTARY
INFORMATION

MOON AREA SCHOOL DISTRICT
BUDGETARY COMPARISION SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
Revenues				
Local Sources	\$ 63,048,617	\$ 63,048,617	\$ 67,207,593	\$ 4,158,976
State Sources	22,027,317	22,027,317	21,223,208	(804,109)
Federal Sources	510,000	510,000	1,586,266	1,076,266
Total Revenues	85,585,934	85,585,934	90,017,067	4,431,133
Expenditures				
Instruction	51,396,452	51,396,452	51,129,779	266,673
Support Services	22,092,457	22,092,457	22,794,442	(701,985)
Noninstructional Services	1,463,728	1,463,728	1,532,385	(68,657)
Debt Service	10,821,384	10,821,384	10,668,432	152,952
Total Expenditures	85,774,021	85,774,021	86,125,038	(351,017)
Excess (Deficiency) of Revenues Over Expenditures	(188,087)	(188,087)	3,892,029	4,080,116
Other Financing Sources (Uses)				
Refund of Prior Year Expenditures	-	-	41,240	41,240
Insurance Recoveries	-	-	181,177	181,177
Transfers Out	-	-	(1,904,080)	(1,904,080)
Total Other Financing Sources (Uses)	-	-	(1,681,663)	(1,681,663)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	\$ (188,087)	\$ (188,087)	\$ 2,210,366	\$ 2,398,453

MOON AREA SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS – RETIREES HEALTH PLAN
JUNE 30, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability						
Service cost	\$ 766,904	\$ 1,006,652	\$ 979,710	\$ 753,804	\$ 733,629	\$ 877,912
Interest	1,075,987	623,558	603,809	745,263	721,187	633,446
Changes of benefit terms	(69,373)	-	-	218,638	85,197	-
Differences between expected and actual experience	2,711,457	-	832,245	-	416,121	-
Changes of assumptions or other inputs	(1,653,546)	-	2,934,837	-	(1,462,257)	-
Benefit payments	<u>(879,923)</u>	<u>(718,588)</u>	<u>(784,657)</u>	<u>(716,348)</u>	<u>(856,652)</u>	<u>(974,805)</u>
Net change in total OPEB liability	1,951,506	911,622	4,565,944	1,001,357	(362,775)	536,553
Total OPEB liability - beginning	<u>27,373,451</u>	<u>26,461,829</u>	<u>21,895,885</u>	<u>20,894,528</u>	<u>21,257,303</u>	<u>20,720,750</u>
Total OPEB liability - ending	<u><u>\$29,324,957</u></u>	<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>	<u><u>\$21,257,303</u></u>
Covered payroll	\$34,963,602	\$33,804,654	\$32,586,575	\$31,869,303	\$ 31,708,286	30,877,439
School's total OPEB liability as a percentage of covered payroll	83.87%	80.98%	81.20%	68.71%	65.90%	68.84%

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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
School's proportion of the net OPEB liability	0.2378%	0.2385%	0.2322%	0.2311%	0.2355%	0.2320%
School's proportionate share of the net OPEB liability	\$ 4,377,000	\$ 5,652,000	\$ 5,017,000	\$ 4,915,000	\$ 4,910,000	\$ 4,727,000
School's covered payroll	\$34,963,602	\$33,804,654	\$32,586,575	\$31,869,303	\$31,708,286	\$30,877,439
School's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.52%	16.72%	15.40%	15.42%	15.48%	15.31%
Plan fiduciary net position as a percentage of the total OPEB liability	6.86%	5.30%	5.69%	5.56%	5.56%	5.73%

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, 2023

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually determined contribution	\$ 341,047	\$ 291,515	\$ 285,835	\$ 264,774	\$ 264,984	\$ 265,240
Contributions in relation to the contractually determined contribution	<u>277,686</u>	<u>291,515</u>	<u>285,835</u>	<u>264,774</u>	<u>264,984</u>	<u>265,240</u>
Contribution deficiency (excess)	<u>\$ 63,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$34,963,602	\$33,804,654	\$ 34,012,361	\$ 32,586,575	\$31,869,303	\$ 31,708,286
Contributions as a percentage of covered payroll	0.79%	0.86%	0.84%	0.81%	0.83%	0.84%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.2385%	0.2391%	0.2324%	0.2311%	0.2355%	0.2320%	0.2324%	0.2255%	0.2094%
District's proportionate share of the net pension liability	\$ 106,034,000	\$ 98,167,000	\$ 114,431,000	\$ 108,115,000	\$ 113,052,000	\$ 114,581,000	\$ 115,170,000	\$ 97,676,000	\$ 82,882,000
District's covered-employee payroll	\$ 34,963,602	\$ 33,804,654	\$ 32,586,575	\$ 31,869,303	\$ 31,708,286	\$ 30,887,439	\$ 30,094,589	\$ 29,018,409	\$ 26,721,564
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	303.27%	290.39%	351.16%	339.24%	356.54%	370.96%	382.69%	336.60%	310.17%
Plan fiduciary net position as a percentage of the total pension liability	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%	57.24%

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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 12,317,195	\$ 10,430,107	\$ 11,382,351	\$ 10,349,203	\$ 10,407,797	\$ 10,142,991	\$ 8,954,076	\$ 7,511,286	\$ 5,808,063
Contributions in relation to the contractually required contribution	12,317,195	10,430,107	11,382,351	10,349,203	10,407,797	10,142,991	8,954,076	7,511,286	5,808,063
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School's covered-employee payroll	\$ 34,963,602	\$ 33,804,654	\$ 34,012,361	\$ 32,586,575	\$ 31,869,303	\$ 31,708,286	\$ 30,887,439	\$ 30,094,589	\$ 29,018,409
Contributions as a percentage of covered-employee payroll	35.23%	30.85%	33.47%	31.76%	32.66%	31.99%	28.99%	24.96%	20.02%

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, 2023

	Private Purpose Trust Fund	Student Activity Fund	Total Other Governmental Funds
<u>Assets</u>			
Cash and Cash Equivalents	\$ 99,042	\$ 254,841	\$ 353,883
Other Receivables	-	472	472
Total Assets	<u>\$ 99,042</u>	<u>\$ 255,313</u>	<u>\$ 354,355</u>
<u>Liabilities</u>			
Accounts Payable	\$ -	\$ 472	\$ 472
Due to Other Funds	-	23,343	23,343
Total Liabilities	<u>-</u>	<u>23,815</u>	<u>23,815</u>
<u>Fund Balances</u>			
Restricted	<u>99,042</u>	<u>231,498</u>	<u>330,540</u>
Total Fund Balances	<u>99,042</u>	<u>231,498</u>	<u>330,540</u>
Total Liabilities and Fund Balances	<u>\$ 99,042</u>	<u>\$ 255,313</u>	<u>\$ 354,355</u>

MOON AREA SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 OTHER GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	Private Purpose Trust Fund	Student Activity Fund	Total Other Governmental Funds
<u>Revenues</u>			
Local Sources	\$ 14,924	\$ 528,528	\$ 543,452
Total Revenues	14,924	528,528	543,452
<u>Expenditures</u>			
Noninstructional Services	10,642	493,195	503,837
Total Expenditures	10,642	493,195	503,837
Excess (Deficiency) of Revenues Over Expenditures	4,282	35,333	39,615
Net Change in Fund Balance	4,282	35,333	39,615
Fund Balance Beginning of Year	94,760	196,165	290,925
Fund Balance, End of Year	\$ 99,042	\$ 231,498	\$ 330,540