

# **TOWNSHIP OF MOON**

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## **FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

**TOWNSHIP OF MOON**  
ALLEGHENY COUNTY, PENNSYLVANIA

FINANCIAL STATEMENTS

WITH REPORT OF  
CERTIFIED PUBLIC ACCOUNTANT

**FOR THE YEAR ENDED  
DECEMBER 31, 2019**

**TOWNSHIP OF MOON**  
**ALLEGHENY COUNTY, PENNSYLVANIA**  
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**Board of Supervisors  
Township of Moon**

**Independent Auditor's Report**

**Report on Financial Statements**

I have audited the accompanying modified cash basis financial statements of the governmental funds, each major fund, and the aggregate remaining fund information of the Township of Moon as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 error or fraud.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Township's preparation and fair presentation of the financial statements 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 Township's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental funds, each major fund, and the aggregate remaining fund information of the Township of Moon, Allegheny County, Pennsylvania as of December 31, 2019 and the respective changes in modified cash basis financial position, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

## Basis of Accounting

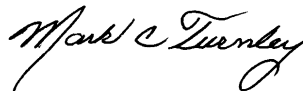
I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to that matter.

## Other Matters

### *Supplementary Information*

My audit was conducted for the purpose of forming opinions on the modified cash basis financial statements that collectively comprise the Township of Moon's basic financial statements. The supplementary information (Schedules 1 through 2) is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records use to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Mark C. Turnley, CPA

June 23, 2020  
New Brighton, Pennsylvania

**TOWNSHIP OF MOON**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2019**

**EXHIBIT A**

|                                           | <b><u>Governmental<br/>Activities</u></b> |
|-------------------------------------------|-------------------------------------------|
| <b>ASSETS</b>                             |                                           |
| <b>Current Assets:</b>                    |                                           |
| Cash and Cash Equivalents                 | \$ 9,100,307                              |
| Cash and Cash Equivalents - Restricted    | 1,220,063                                 |
| Investments                               | 3,464,992                                 |
| Due from Other Funds                      | 171                                       |
| <b>Total Current Assets</b>               | <b><u>\$ 13,785,533</u></b>               |
| <b>TOTAL ASSETS</b>                       | <b><u>\$ 13,785,533</u></b>               |
| <br><b>LIABILITIES</b>                    |                                           |
| <b>Current Liabilities:</b>               |                                           |
| Due to Other Funds                        | \$ 64,827                                 |
| Payroll Deductions and Withholdings       | 27,649                                    |
| Other Current Liabilities                 | 693,337                                   |
| <b>Total Current Liabilities</b>          | <b><u>\$ 785,813</u></b>                  |
| <b>TOTAL LIABILITIES</b>                  | <b><u>\$ 785,813</u></b>                  |
| <br><b>NET POSITION</b>                   |                                           |
| Restricted:                               |                                           |
| General Fund                              | \$ 127,419                                |
| Highway Aid - Act 655                     | 920,131                                   |
| Capital Project Funds                     | 74,274                                    |
| Sponsorship Fund                          | 64,274                                    |
| Unrestricted                              | 11,813,622                                |
| <b>TOTAL NET POSITION</b>                 | <b><u>\$ 12,999,720</u></b>               |
| <b>TOTAL LIABILITIES AND NET POSITION</b> | <b><u>\$ 13,785,533</u></b>               |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF MOON  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

| Functions/Programs                   | Expenses             | Program Revenues     |                                    |                                  | Net (Expense)                       |
|--------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|-------------------------------------|
|                                      |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
|                                      |                      |                      |                                    |                                  | Total                               |
|                                      |                      |                      |                                    |                                  | Governmental Activities             |
| <b>Primary Government</b>            |                      |                      |                                    |                                  |                                     |
| <b>Governmental Activities:</b>      |                      |                      |                                    |                                  |                                     |
| General Government                   | \$ 1,645,757         | \$ 246,909           | \$ 34,943                          | \$ -                             | \$ (1,363,905)                      |
| Public Safety - Police               | 5,658,950            | 348,126              | 314,387                            | -                                | (4,996,437)                         |
| Public Safety - Fire                 | 507,466              | -                    | 162,047                            | -                                | (345,419)                           |
| Public Safety - Other                | 670,349              | 197,060              | 37,585                             | -                                | (435,704)                           |
| Public Works                         | 5,484,940            | 99,604               | 933,500                            | -                                | (4,451,836)                         |
| Culture and Recreation - Parks       | 2,627,710            | 324,195              | 273,720                            | -                                | (2,029,795)                         |
| Culture and Recreation - Library     | 204,340              | -                    | -                                  | -                                | (204,340)                           |
| Culture and Recreation - Cable       | 397,155              | 594,802              | 11,320                             | -                                | 208,967                             |
| Culture and Recreation - Other       | 41,659               | -                    | -                                  | -                                | (41,659)                            |
| Community Development                | 18,994               | -                    | -                                  | -                                | (18,994)                            |
| Debt Service                         | 794,984              | -                    | -                                  | -                                | (794,984)                           |
| Miscellaneous                        | 376,195              | -                    | 70,980                             | -                                | (305,215)                           |
| <b>Total Governmental Activities</b> | <b>\$ 18,428,499</b> | <b>\$ 1,810,696</b>  | <b>\$ 1,838,482</b>                | <b>\$ -</b>                      | <b>\$ (14,779,321)</b>              |

**General Revenues:**

Taxes:

|                                                                  |              |
|------------------------------------------------------------------|--------------|
| Property and Per Capita Taxes, Levied for General Purposes (net) | \$ 6,087,604 |
| Act 511 Taxes/PURTA                                              | 7,993,047    |
| Investment Earnings                                              | 165,279      |
| Sale of Assets                                                   | 8,503        |
| Miscellaneous                                                    | 48,360       |

**Total General Revenues**

**\$ 14,302,793**

**Change in Net Position**

**\$ (476,528)**

Net Position — January 1, 2019

12,117,923

Prior Period Adjustment

1,358,325

**Net Position — December 31, 2019**

**\$ 12,999,720**

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF MOON**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

**EXHIBIT C**

|                                                                                | <b>GENERAL<br/>FUND</b> | <b>CAPITAL<br/>PROJECT<br/>FUND</b> | <b>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> | <b>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</b> |
|--------------------------------------------------------------------------------|-------------------------|-------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>ASSETS:</b>                                                                 |                         |                                     |                                             |                                         |
| Cash and Cash Equivalents                                                      | \$ 6,352,669            | \$ 2,747,638                        | \$ -                                        | \$ 9,100,307                            |
| Cash and Cash Equivalents - Restricted                                         | 127,419                 | 74,274                              | 1,018,370                                   | 1,220,063                               |
| Investments                                                                    | 2,416,949               | 1,048,043                           | -                                           | 3,464,992                               |
| Due From Other Funds                                                           | 45,897                  | 561,718                             | 2,741                                       | 610,356                                 |
| <b>TOTAL ASSETS</b>                                                            | <b>\$ 8,942,934</b>     | <b>\$ 4,431,673</b>                 | <b>\$ 1,021,111</b>                         | <b>\$ 14,395,718</b>                    |
| <br><b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                         |                                     |                                             |                                         |
| <b>LIABILITIES:</b>                                                            |                         |                                     |                                             |                                         |
| Due to Other Funds                                                             | \$ 622,087              | \$ 16,219                           | \$ 36,706                                   | \$ 675,012                              |
| Payroll Deductions and Withholdings                                            | 27,649                  | -                                   | -                                           | 27,649                                  |
| Other Current Liabilities                                                      | 693,337                 | -                                   | -                                           | 693,337                                 |
| <b>TOTAL LIABILITIES</b>                                                       | <b>\$ 1,343,073</b>     | <b>\$ 16,219</b>                    | <b>\$ 36,706</b>                            | <b>\$ 1,395,998</b>                     |
| <br><b>FUND BALANCES:</b>                                                      |                         |                                     |                                             |                                         |
| Restricted                                                                     | \$ 127,419              | \$ 74,274                           | \$ 984,405                                  | \$ 1,186,098                            |
| Assigned                                                                       | -                       | 4,341,180                           | -                                           | 4,341,180                               |
| Unassigned                                                                     | 7,472,442               | -                                   | -                                           | 7,472,442                               |
| <b>TOTAL FUND BALANCES</b>                                                     | <b>\$ 7,599,861</b>     | <b>\$ 4,415,454</b>                 | <b>\$ 984,405</b>                           | <b>\$ 12,999,720</b>                    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF<br/>RESOURCES, AND FUND BALANCES</b> | <b>\$ 8,942,934</b>     | <b>\$ 4,431,673</b>                 | <b>\$ 1,021,111</b>                         | <b>\$ 14,395,718</b>                    |

The accompanying notes are an integral part of these financial statements



**TOWNSHIP OF MOON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                                              | <u>GENERAL FUND</u>   | <u>CAPITAL<br/>PROJECT<br/>FUND</u> | <u>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</u> | <u>TOTAL<br/>GOVERNMENTAL<br/>FUNDS</u> |
|--------------------------------------------------------------|-----------------------|-------------------------------------|---------------------------------------------|-----------------------------------------|
| <b>REVENUES</b>                                              |                       |                                     |                                             |                                         |
| Taxes                                                        | \$ 13,859,226         | \$ 209,382                          | \$ -                                        | \$ 14,068,608                           |
| Licenses and Permits                                         | 599,842               | -                                   | -                                           | 599,842                                 |
| Fines and Forfeitures                                        | 105,659               | -                                   | -                                           | 105,659                                 |
| Interest and Rents                                           | 277,379               | 90,586                              | 12,517                                      | 380,482                                 |
| Intergovernmental                                            | 876,736               | 230,000                             | 733,333                                     | 1,840,069                               |
| Charges for Services                                         | 724,168               | -                                   | -                                           | 724,168                                 |
| Miscellaneous                                                | -                     | 23,200                              | 70,980                                      | 94,180                                  |
| <b>Total Revenue</b>                                         | <b>\$ 16,443,010</b>  | <b>\$ 553,168</b>                   | <b>\$ 816,830</b>                           | <b>\$ 17,813,008</b>                    |
| <b>EXPENDITURES</b>                                          |                       |                                     |                                             |                                         |
| General Government                                           | \$ 1,366,777          | \$ 278,978                          | \$ 2                                        | \$ 1,645,757                            |
| Public Safety - Police                                       | 5,472,623             | 186,327                             | -                                           | 5,658,950                               |
| Public Safety - Fire                                         | 461,218               | 46,248                              | -                                           | 507,466                                 |
| Public Safety - Other                                        | 639,014               | 31,335                              | -                                           | 670,349                                 |
| Public Works                                                 | 2,456,044             | 2,419,850                           | 609,046                                     | 5,484,940                               |
| Culture and Recreation - Parks                               | 1,491,420             | 1,136,290                           | -                                           | 2,627,710                               |
| Culture and Recreation - Library                             | 184,340               | 20,000                              | -                                           | 204,340                                 |
| Culture and Recreation - Cable                               | 350,748               | 46,407                              | -                                           | 397,155                                 |
| Culture and Recreation - Other                               | 31,152                | 10,507                              | -                                           | 41,659                                  |
| Community Development                                        | -                     | 18,994                              | -                                           | 18,994                                  |
| Sponsorship Expenses                                         | -                     | -                                   | 41,953                                      | 41,953                                  |
| Debt Service                                                 | -                     | 47,096                              | 747,888                                     | 794,984                                 |
| Miscellaneous/Insurance                                      | 334,242               | -                                   | -                                           | 334,242                                 |
| <b>Total Expenditures</b>                                    | <b>\$ 12,787,578</b>  | <b>\$ 4,242,032</b>                 | <b>\$ 1,398,889</b>                         | <b>\$ 18,428,499</b>                    |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 3,655,432</b>   | <b>\$ (3,688,864)</b>               | <b>\$ (582,059)</b>                         | <b>\$ (615,491)</b>                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                       |                                     |                                             |                                         |
| Sale of Assets                                               | \$ 8,503              | \$ -                                | \$ -                                        | \$ 8,503                                |
| Refund Prior Year Expenses                                   | 48,360                | 82,100                              | -                                           | 130,460                                 |
| Operating Transfers In                                       | 21,919                | 1,964,782                           | 747,888                                     | 2,734,589                               |
| Operating Transfers Out                                      | (2,712,670)           | -                                   | (21,919)                                    | (2,734,589)                             |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ (2,633,888)</b> | <b>\$ 2,046,882</b>                 | <b>\$ 725,969</b>                           | <b>\$ 138,963</b>                       |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 1,021,544</b>   | <b>\$ (1,641,982)</b>               | <b>\$ 143,910</b>                           | <b>\$ (476,528)</b>                     |
| FUND BALANCE - JANUARY 1, 2019                               | 6,291,616             | 5,022,355                           | 803,952                                     | 12,117,923                              |
| Prior Period Adjustment                                      | 286,701               | 1,035,081                           | 36,543                                      | 1,358,325                               |
| <b>FUND BALANCE - DECEMBER 31, 2019</b>                      | <b>\$ 7,599,861</b>   | <b>\$ 4,415,454</b>                 | <b>\$ 984,405</b>                           | <b>\$ 12,999,720</b>                    |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF MOON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, BUDGET AND ACTUAL**  
**GOVERNMENTAL FUND - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                                               | Budgeted Amounts      |                       | Actual                | Variance with                          |
|---------------------------------------------------------------|-----------------------|-----------------------|-----------------------|----------------------------------------|
|                                                               | Original              | Final                 | (Budgetary Basis)     | Final Budget<br>Positive<br>(Negative) |
| <b>REVENUES</b>                                               |                       |                       |                       |                                        |
| Taxes                                                         | \$ 13,292,557         | \$ 13,292,557         | \$ 13,859,226         | \$ 566,669                             |
| Licenses and Permits                                          | 628,500               | 628,500               | 599,842               | (28,658)                               |
| Fines and Forfeitures                                         | 90,000                | 90,000                | 105,659               | 15,659                                 |
| Interest and Rents                                            | 287,292               | 287,292               | 277,379               | (9,913)                                |
| Intergovernmental                                             | 667,647               | 667,647               | 876,736               | 209,089                                |
| Charges for Services                                          | 813,997               | 813,997               | 724,168               | (89,829)                               |
| Miscellaneous                                                 | 500                   | 500                   | -                     | (500)                                  |
| <b>Total Revenues</b>                                         | <b>\$ 15,780,493</b>  | <b>\$ 15,780,493</b>  | <b>\$ 16,443,010</b>  | <b>\$ 662,517</b>                      |
| <b>EXPENDITURES</b>                                           |                       |                       |                       |                                        |
| General Government                                            | \$ 1,592,732          | \$ 1,592,732          | \$ 1,366,777          | \$ 225,955                             |
| Public Safety - Police                                        | 6,134,716             | 6,134,716             | 5,472,623             | 662,093                                |
| Public Safety - Fire                                          | 275,800               | 275,800               | 461,218               | (185,418)                              |
| Public Safety - Other                                         | 660,237               | 660,237               | 639,014               | 21,223                                 |
| Public Works                                                  | 2,693,134             | 2,693,134             | 2,456,044             | 237,090                                |
| Culture and Recreation - Parks                                | 1,534,058             | 1,534,058             | 1,491,420             | 42,638                                 |
| Culture and Recreation - Library                              | 184,300               | 184,300               | 184,340               | (40)                                   |
| Culture and Recreation - Cable                                | 395,321               | 395,321               | 350,748               | 44,573                                 |
| Culture and Recreation - Other                                | 36,200                | 36,200                | 31,152                | 5,048                                  |
| Miscellaneous/Insurance                                       | 414,806               | 414,806               | 334,242               | 80,564                                 |
| <b>Total Expenditures</b>                                     | <b>\$ 13,921,304</b>  | <b>\$ 13,921,304</b>  | <b>\$ 12,787,578</b>  | <b>\$ 1,133,726</b>                    |
| <b>Excess ( Deficiency) of Revenues<br/>over Expenditures</b> | <b>\$ 1,859,189</b>   | <b>\$ 1,859,189</b>   | <b>\$ 3,655,432</b>   | <b>\$ 1,796,243</b>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                         |                       |                       |                       |                                        |
| Sale of Assets                                                | \$ 2,500              | \$ 2,500              | \$ 8,503              | \$ 6,003                               |
| Refund Prior Year Expenses                                    | -                     | -                     | 48,360                | 48,360                                 |
| Operating Transfers In                                        | -                     | -                     | 21,919                | 21,919                                 |
| Operating Transfers Out                                       | (3,145,220)           | (3,145,220)           | (2,712,670)           | 432,550                                |
| <b>Total Other Financing Sources (Uses)</b>                   | <b>\$ (3,142,720)</b> | <b>\$ (3,142,720)</b> | <b>\$ (2,633,888)</b> | <b>\$ 508,832</b>                      |
| <b>NET CHANGE IN FUND BALANCES</b>                            | <b>\$ (1,283,531)</b> | <b>\$ (1,283,531)</b> | <b>\$ 1,021,544</b>   | <b>\$ 2,305,075</b>                    |
| FUND BALANCE - JANUARY 1, 2019                                | 1,283,531             | 1,283,531             | 6,291,616             | 5,008,085                              |
| Prior Period Adjustment                                       | -                     | -                     | 286,701               | 286,701                                |
| <b>FUND BALANCE - DECEMBER 31, 2019</b>                       | <b>\$ -</b>           | <b>\$ -</b>           | <b>\$ 7,599,861</b>   | <b>\$ 7,599,861</b>                    |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF MOON**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2019**

|                                           | <u>AGENCY FUND</u>       | <u>POLICE<br/>PENSION FUND</u> | <u>NON-UNIFORM<br/>PENSION FUND</u> |
|-------------------------------------------|--------------------------|--------------------------------|-------------------------------------|
| <b>ASSETS</b>                             |                          |                                |                                     |
| Cash and Cash Equivalents                 | \$ 45,040                | \$ -                           | \$ -                                |
| Investments, at Fair Value:               |                          |                                |                                     |
| Money Market Funds                        | -                        | 586,965                        | -                                   |
| Mutual Funds                              | -                        | 22,341,126                     | 12,687,994                          |
| Due from Other Funds                      | 64,827                   | -                              | -                                   |
| Accrued Interest                          | -                        | 9,369                          | -                                   |
| <b>TOTAL ASSETS</b>                       | <b><u>\$ 109,867</u></b> | <b><u>\$ 22,937,460</u></b>    | <b><u>\$ 12,687,994</u></b>         |
| <b>LIABILITIES</b>                        |                          |                                |                                     |
| Due to Other Funds                        | \$ 171                   | \$ -                           | \$ -                                |
| Other Current Liabilities                 | 109,696                  | -                              | -                                   |
| <b>TOTAL LIABILITIES</b>                  | <b><u>\$ 109,867</u></b> | <b><u>\$ -</u></b>             | <b><u>\$ -</u></b>                  |
| <b>NET POSITION</b>                       |                          |                                |                                     |
| Held in Trust for Pension Benefits        |                          | \$ 22,937,460                  | \$ 12,687,994                       |
| <b>TOTAL NET POSITION</b>                 |                          | <b><u>\$ 22,937,460</u></b>    | <b><u>\$ 12,687,994</u></b>         |
| <b>TOTAL LIABILITIES AND NET POSITION</b> |                          | <b><u>\$ 22,937,460</u></b>    | <b><u>\$ 12,687,994</u></b>         |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF MOON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                                      | <u>POLICE<br/>PENSION FUND</u> | <u>NON-UNIFORM<br/>PENSION PLAN</u> |
|------------------------------------------------------|--------------------------------|-------------------------------------|
| <b>ADDITIONS</b>                                     |                                |                                     |
| Contributions                                        |                                |                                     |
| Employer                                             | \$ 283,349                     | \$ 332,395                          |
| Plan Members                                         | 252,178                        | 162,828                             |
| Total Contributions                                  | <u>\$ 535,527</u>              | <u>\$ 495,223</u>                   |
| Investment Earnings                                  |                                |                                     |
| Net Increase (Decrease) in Fair Value of Investments | \$ 3,359,397                   | \$ 2,288,426                        |
| Interest and Dividends                               | 682,609                        | -                                   |
| Total Investment Earnings                            | <u>\$ 4,042,006</u>            | <u>\$ 2,288,426</u>                 |
| Less Investment Expense                              | -                              | -                                   |
| Net Investment Earnings                              | <u>\$ 4,042,006</u>            | <u>\$ 2,288,426</u>                 |
| <b>Total Additions</b>                               | <b><u>\$ 4,577,533</u></b>     | <b><u>\$ 2,783,649</u></b>          |
| <b>DEDUCTIONS</b>                                    |                                |                                     |
| Benefits                                             | \$ 1,399,563                   | \$ 539,135                          |
| Administrative Expenses                              | 100,584                        | 4,682                               |
| <b>Total Deductions</b>                              | <b><u>\$ 1,500,147</u></b>     | <b><u>\$ 543,817</u></b>            |
| <b>CHANGE IN NET POSITION</b>                        | <b>\$ 3,077,386</b>            | <b>\$ 2,239,832</b>                 |
| NET POSITION - JANUARY 1, 2019                       | <u>19,860,074</u>              | <u>10,448,162</u>                   |
| <b>NET POSITION - DECEMBER 31, 2019</b>              | <b><u>\$ 22,937,460</u></b>    | <b><u>\$ 12,687,994</u></b>         |

The accompanying notes are an integral part of these financial statements

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The Township of Moon was incorporated under the provisions governing the creation of municipal corporations in the Commonwealth of Pennsylvania. The administration of the Township consists of a five-member Board of Supervisors, a Township Manager and Assistant Township Manager. Members of the Board of Supervisors are elected by the voting public. The Supervisors appoint a Township Manager to administer the day-to-day operations of the Township. The major functions of the Township include public safety, maintenance of Township infrastructure (roads), maintenance of parks and other recreational facilities for use by Township residents, and general administrative functions necessary to facilitate Township responsibilities and resident needs.

A reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the Township of Moon consists of all funds, departments, boards and agencies that are not legally separate from the Township. Generally accepted accounting principles defines component units as legally separate entities that are included in the Township's reporting entity because of the significance of their operating or financial relationships with the Township. In accordance with this guidance, a legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met:

- The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents.
- The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization.
- The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

Based on the application of the above criteria, the Moon Township Public Library meets the criteria as a component unit of the Township of Moon. Separate financial statements of the Library can be obtained through the Library located at 1700 Beaver Grade Road, Suite 100, Moon Township, PA 15108.

**FINANCIAL STATEMENT PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** – The statement of net position – modified cash basis (Exhibit A) and the statement of activities – modified cash basis (Exhibit B) report information about the Township as a whole. These financial statements combine all of the financial activity of the primary government excluding the fiduciary funds. As a general rule, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services. The Township of Moon does not have any business-type activities.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FINANCIAL STATEMENT PRESENTATION (Continued)**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS** - The statement of activities – modified cash basis (Exhibit B) presents a comparison between direct expenses and program revenues for each function of the Township's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, and grants, subsidies and contributions that are restricted to meeting the operational or capital requirements of a particular program.

**FUND FINANCIAL STATEMENTS** – Fund financial statements report detailed information about the Township. The focus of governmental fund financial statements is on major funds. Major funds represent the Township's most important funds with the General Fund always considered a major fund. Each other major governmental fund is presented in a separate column and non-major governmental funds are segregated and combined in a single column. Fiduciary funds are reported separately.

**BASIS OF ACCOUNTING AND MEASUREMENT FOCUS**

The basis of accounting determines when transactions are recorded in the financial records and reported in the financial statements. The financial statements of the Township of Moon are presented on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). Under the modified cash method, revenue is recognized at the time cash is received rather than when earned, and expenses are recognized when paid rather than when obligations are incurred. Additionally, the basis of accounting has been modified from the cash basis of accounting to present liabilities related to payroll, certain escrow liabilities, interfund advances, and unrealized gains and losses on investments. These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

**FUND ACCOUNTING**

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Borough functions or activities. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are classified into two categories: governmental and fiduciary. Fund categories are defined as follows:

**Governmental Funds** – Governmental funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the Township's major and non-major governmental funds:

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND ACCOUNTING (Continued)**

**MAJOR GOVERNMENTAL FUNDS:**

**GENERAL FUND** - Established under 'The Second-Class Township Code' of the Commonwealth of Pennsylvania and is used for the general operations of the Township. Income in this fund is derived mainly from assessed revenue such as real estate taxes, local taxes established under Act 511 and other miscellaneous revenues not designated for other restricted fund purposes. These revenues are used for general ongoing government services such as public safety, public works, general administration of the Township and other miscellaneous operating expenses.

**CAPITAL RESERVE FUND (CAPITAL PROJECT FUND)** - Established to accumulate monies appropriated from the General Fund, and other restricted donations, for the renovation of Township property and the acquisition of certain items of capital equipment.

**NON-MAJOR GOVERNMENTAL FUNDS:**

**HIGHWAY AID FUND (SPECIAL REVENUE)** - Established and restricted under Act 655 of the Commonwealth of Pennsylvania. Funding is received from the Commonwealth and is restricted in use for the maintenance, repair and construction of roads, streets and bridges for which the Township is responsible.

**MOONCREST FUND (SPECIAL REVENUE)** - Established to account for grant funds received from the Department of Community and Economic Development to benefit the Mooncrest Neighborhood Association. The Township acts in the capacity as a pass-through entity for this grant. This Fund was closed during calendar year 2019.

**SPONSORSHIP FUND (SPECIAL REVENUE)** - Established to account for donations received for various Township activities.

**MILITARY BANNER FUND (SPECIAL REVENUE)** – Established to account for monies received for the purchase of banners to honor members of the United States Armed Forces

**SINKING FUND #2 (DEBT SERVICE)** - Established to provide for the payment of principal and interest on the Township's General Obligation Bonds - Series of 2012. This Fund was closed during calendar year 2019.

**Fiduciary Funds** – Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the Township under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the Township's own programs. Agency funds are custodial in nature and do not involve measuring income or any other results from operations. The Township maintains one agency fund. The Township has two pension trust funds (police pension and general services employee pension).

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**BUDGETS**

In November of 2018, the Township of Moon adopted its 2019 annual budget for its General Fund totaling \$17,066,524 in accordance with the provisions of the Commonwealth of Pennsylvania Township Code. The budget is prepared utilizing the modified cash basis of accounting. Budgetary transfers among various expenditure line items are performed as approved by the Board of Supervisors. The adjusted budgetary amounts, if any, are reflected in these financial statements (Exhibit E). All appropriations of the General Fund lapse at the end of each calendar year.

The Township uses the following procedures in establishing this budgetary data:

- a. In accordance with the Commonwealth of Pennsylvania Second-Class Township Code, beginning at least 30 days prior to the adoption of the budget, which shall not be later than December 31, a proposed budget for the ensuing year shall be prepared. The proposed budget shall be kept on file with the Township and made available for public inspection for a period of twenty days. Notice that the proposed budget is available for inspection is published in a newspaper of general circulation. After expiration of the twenty days, the Board of Supervisors makes such revisions in the budget as deemed advisable and shall adopt the budget by motion.
- b. Transfers of budget amounts are authorized between departments within any fund. However, any revisions that alter the total appropriations of any fund must be approved by the Board of Supervisors.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include amounts in demand deposit accounts and all highly liquid short-term investments with original maturity terms of less than three months. Cash and cash equivalents – restricted of \$1,220,063 is comprised of **1)** \$22,500 of funds donated by Lamar Advertising earmarked for specific for future expenses, **2)** \$104,919 from the Department of Justice for police expenditures, **3)** \$74,274 in monies restricted for use in accordance with the Robin Hill Trust, **4)** \$945,205 in monies restricted under Act 655 for use in highway and road related costs, and **5)** \$73,165 in monies restricted by donors for sponsorship related costs.

**INVESTMENTS**

Provisions of Section 3204 of the Second-Class Township Code authorize the following investments:

- I. U.S. Treasury Bills.
- II. Short-term obligations of the United States Government or its agencies or instrumentalities.
- III. Deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), Federal Savings and Loan Insurance Corporation and National Credit Union Share Insurance Fund.
- IV. Obligations of the United States of America, the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth of Pennsylvania, or any of their agencies or instrumentalities backed by the full faith and credit of these governmental units.



**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INVESTMENTS (Continued)**

- V. Shares of an investment company registered under the Investment Company Act of 1940; whose shares are registered under the Securities Act of 1933.
- VI. Any investment authorized by 20 Pa. C.S. Ch. 73 relating to fiduciaries investments.

Governmental investments are funds pooled for investment purposes with the Pennsylvania Local Government Investment Trust (PLGIT). Fiduciary fund type investments include mutual funds invested by the Township's designated asset managers (PNC Retirement and Investment Services and ICMA Retirement Corporation) for the Township police and non-uniform pension plan. Investments are recorded at fair value. The Township's portfolio is on compliance with these statutes at December 31, 2019.

**SHORT-TERM INTERFUND RECEIVABLES/PAYABLES**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as 'due from/to other funds' on the balance sheet. For the purposes of the government-wide statement of net position, governmental inter-fund receivables and payables have been eliminated. A summary of the Township's interfund balances as of December 31, 2019 is as follows:

| <u>FUND</u>          | <u>DUE TO</u>     | <u>DUE FROM</u>   |
|----------------------|-------------------|-------------------|
| General Fund         | \$ 45,897         | \$ 622,087        |
| Capital Reserve Fund | 561,718           | 16,219            |
| Highway Aid Fund     | -                 | 25,074            |
| Sponsorship Fund     | 2,741             | 11,632            |
| Agency Fund          | 64,827            | 171               |
| <b>TOTAL</b>         | <b>\$ 675,183</b> | <b>\$ 675,183</b> |

During calendar year 2019, the General Fund made transfers to the Debt Service Fund totaling \$747,888 for the payment of principal and interest due on the Series of 2012 General Obligation Bond issue. In addition, the General Fund transferred \$1,964,782 to the Capital Reserve Fund for capital acquisitions and renovations, and to defray the Township's public safety costs. The Mooncrest and Debt Service Funds of the Township were closed during calendar year 2019, and the remaining balances in the Funds totaling \$16,900 and \$5,019 respectively, were transferred to the General Fund.

**CAPITAL ASSETS**

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**LONG TERM DEBT**

Long term debt arising from cash transactions of governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures.

**LONG-TERM DEBT FINANCING COSTS**

Bond and note issuance costs are recorded as expenditures in the year paid. During the 2019 calendar year, the Township did not incur any bond or note issuance costs.

**COMPENSATED ABSENCES**

Unused sick days are accumulated and paid in accordance with the terms of the Township's various collective bargaining agreements. The terms of the collective bargaining agreement between the Township and the Moon Township Police Officers provide for the payment of \$75 per day for accumulated unused sick leave up to a maximum of 120 days. The terms of the collective bargaining agreement between the Township and the Parks and Road employees provide for the payment of ½ the employees hourly rate of pay for accumulated unused sick leave up to a maximum of 60 days. Administrative personnel are entitled to \$50 per day for accumulated unused sick leave up to a maximum of 60 days. For governmental fund financial statements, compensated absences are recorded as an expenditure when paid rather than accrued when earned as the likelihood of payment in the 2019 calendar year with available expendable resources is not assured.

**NET POSITION**

Net position is classified into three categories according to external donor or legal restrictions or availability of assets to satisfy Township obligations. Net position is classified as follows:

- Net Investment in Capital Assets – This component of net position consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of debt that is attributable to the acquisition, construction and improvement of the capital assets, plus deferred outflows of resources less deferred inflows of resources related to those assets.
- Restricted Net Position – This component of net position consists of restricted assets reduced by liabilities and deferred inflows related to those assets.
- Unrestricted – Consists of net position that does not meet the definition of 'restricted' or 'net investment in capital assets'.

When an expenditure can be paid using either restricted or unrestricted resources (net position), the Township's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**FUND EQUITY**

In the Balance Sheet – Governmental Funds (Exhibit C), fund balances are reported in specific categories to make the nature and extent of the constraints placed on any entity's fund balance more transparent in accordance with GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory and prepaid expenses) or are required to be maintained intact
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation
- Committed fund balance – amounts constrained to specific purposes by the Township itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the Township takes the same highest-level action to remove or change the constraint.
- Assigned fund balance – amounts the Township intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority
- Unassigned fund balance – amounts that are available for any purpose

The Township has not adopted a formal GASB 54 policy.

**ADOPTION OF GASB PRONOUNCEMENTS**

The requirements of the following GASB Statement was adopted for the Township's 2019 financial statements. Except where noted, the adoption of this pronouncement did not have a significant impact on the Borough's financial statements.

GASB Statement No. 88, *'Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements'*. The primary objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt (See Note 5).

**PENDING GASB PRONOUNCEMENTS**

GASB Statement No. 83, *'Certain Asset Retirement Obligations'*. The primary objective of this Statement is to provide financial statement users with information about 'asset retirement obligations (ARO) that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. The provisions of this Statement are effective for the Township's December 31, 2020 financial statements.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

GASB Statement No. 84, *'Fiduciary Activities'*. The primary objective of this Statement is to enhance the consistency and comparability of fiduciary activity reporting by state and local governments. This Statement also is intended to improve the usefulness of fiduciary activity information primarily for assessing the accountability of governments in their roles as fiduciaries. The provisions of this Statement are effective for the Township's December 31, 2020 financial statements.

GASB Statement No. 87, *'Leases'*. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

GASB Statement No. 89, *'Accounting for Interest Cost Incurred before the end of a Construction Period'*. The primary objectives of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and, (b) to simplify accounting for certain interest costs. The provisions of this Statement are effective for the Township's December 31, 2021 financial statements.

GASB Statement No. 90, *'Majority Equity Interests (an amendment of GASB Statements No. 14 and No. 61)'*. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. The provisions of this Statement are effective for the Township's December 31, 2020 financial statements.

GASB Statement No. 91, *'Conduit Debt Obligations'*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

GASB Statement No. 92, *'Omnibus 2020'*. The primary objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of GASB Statement Nos. 73, 74, 84, and 87. In addition the Statement addresses various topics and includes specific provisions concerning the following:

- Measurement of liabilities (and assets, if any) related to asset retirement obligations (ARO) in a government acquisition
- Reporting by entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

The provisions of this Statements are effective for the Township's December 31, 2021 and December 31, 2022 financial statements.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**PENDING GASB PRONOUNCEMENTS (Continued)**

GASB Statement No. 93, 'Replacement of Interbank Offered Rates'. The primary objectives of this Statement are to address the accounting and financial reporting implications that result from the replacement of an interbank offering rate (IBOR). The provisions of this Statement are effective for the Township's December 31, 2022 financial statements.

GASB Statement No. 94, 'Public-Private and Public-Public Partnerships and Availability Payment Arrangements'. The primary objectives of this Statement are to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and provide guidance for accounting and financial reporting for availability payment arrangements (APAs). The provisions of this Statement are effective for the Township's December 31, 2023 financial statements.

The implementation dates of the aforementioned pending GASB Statements have been updated to include the delayed implementation dates as set forth in recently issued (May 2020) GASB Statement No. 95. The effects of implementing these Statements on the Township's financial statements have not yet been determined.

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**CASH DEPOSITS:**

At December 31, 2019, the Township of Moon had the following carrying values on their cash and cash equivalent accounts:

|                         | <b>Bank Balance</b>  | <b>(Memo Only)<br/>Book Balance</b> |
|-------------------------|----------------------|-------------------------------------|
| General Fund            | \$ 6,521,940         | \$ 6,480,088                        |
| Capital Project Fund    | 3,411,360            | 2,821,912                           |
| Capital Project Fund CD | 1,048,043            | 1,048,043                           |
| Non-Major Funds         | 1,018,370            | 1,018,370                           |
| Agency Fund             | 45,040               | 45,040                              |
| <b>Total</b>            | <b>\$ 12,044,753</b> | <b>\$ 11,413,453</b>                |

Cash deposits for the Capital Projects Fund include a certificate of deposit. Due to its maturity term, the certificate of deposit for the Capital Projects Fund totaling \$1,048,043, is shown as investment in the accompanying financial statements. The difference between the bank balance and the book balance represents year-end reconciling items such as deposits in transit and outstanding checks. The Federal Deposit Insurance Corporation (FDIC) coverage threshold for government account \$250,000 per official custodian. This coverage includes checking and savings accounts, money market deposit accounts, and certificates of deposit.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**CASH DEPOSITS (Continued)**

**Custodial Credit Risk:**

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a separate policy for custodial credit risk in addition to the requirements of the Township Code. As of December 31, 2019, \$11,794,753 of the Township's bank balance total is exposed to custodial credit risk as this amount represents uninsured deposits collateralized with securities held by the pledging financial institution or by its trust department or agent, but not in the Township's name. In accordance with Act Number 72-1971 Session of the Commonwealth of Pennsylvania, the aforementioned deposits, in excess of \$250,000, are collateralized by securities pledged to a pooled public funds account with the Federal Reserve System.

**INVESTMENTS:**

The fair value and maturity term of the Township's investments as of December 31, 2019 is as follows:

|                      | <b><u>Fair Value</u></b> | <b><u>No Stated<br/>Maturity</u></b> |
|----------------------|--------------------------|--------------------------------------|
| <b>Governmental:</b> |                          |                                      |
| PLGIT                | \$ 2,416,949             | \$ 2,416,949                         |
| <b>Fiduciary:</b>    |                          |                                      |
| Money Market Funds   | \$ 586,965               | \$ 586,965                           |
| Mutual Funds         | 35,029,120               | 35,029,120                           |
|                      | <u>\$ 35,616,085</u>     | <u>\$35,616,085</u>                  |

The purpose of the Pennsylvania Local Government Investment Trust (PLGIT) is to enable governmental units to pool their available funds for investments authorized under the Intergovernmental Cooperation Act of 1972. The funds operate in a manner consistent with the SEC's Rule 2(a)7 of the Investment Company Act of 1940. The funds use amortized cost to report net position to compute share prices. These funds maintain net asset values of \$1 per share. Accordingly, the fair value of the position in these funds is the same as the value of these shares. These funds are rated by a nationally recognized statistical rating organization. Copies of the PLGIT annual report can be obtained by contacting their website at [www.plgit.com](http://www.plgit.com).

**Custodial Credit Risk:**

For an investment, custodial credit risk is the risk that in the event of the counterparty, the Township will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. PLGIT, PNC Retirement and ICMA Retirement Funds, excluding the certificate of deposit investments, have the characteristics of open-end mutual funds and are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form. The Township does not have a policy that would limit its investment choices to those with certain credit ratings.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**INVESTMENTS (Continued)**

**Credit Risk:**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Township has no formal investment policy that limits its investment choices based on credit ratings by nationally recognized rating organizations.

**Interest Rate Risk:**

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Concentration of Credit Risk:**

The Township places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements:**

The Township of Moon's investments are reported at fair value within the fair value hierarchy established by generally accepted accounting principles. Generally accepted accounting standards establishes a three-level fair value hierarchy that prioritizes the inputs to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable (level 3 measurements). The three levels of the fair value hierarchy are described below:

- **Level 1** – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
- **Level 2** – Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data.
- **Level 3** – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability including assumptions about risk such as bid/ask spreads and liquidity discounts.

The following schedule presents the Investments of the Township by level within the fair value hierarchy:

|              | <b>Value</b>       | <b>Fair Value Measurements</b> |                |                |
|--------------|--------------------|--------------------------------|----------------|----------------|
|              | <b>at 12/31/19</b> | <b>Level 1</b>                 | <b>Level 2</b> | <b>Level 3</b> |
| Mutual Funds | \$ 35,616,085      | \$ 586,965                     | \$ 35,029,120  | \$ -           |

Investments held in external investment pools such as PLGIT are not subject to the provisions of fair value measurements as they are recorded at amortized cost.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 3 - PROPERTY TAXES**

The Township of Moon levies property taxes during the first week of April each calendar year. The calendar dates for payment of these taxes is as follows:

**PAYMENT PERIOD**

|                        |                   |
|------------------------|-------------------|
| April 1 - May 31, 2019 | (Discount period) |
| June 1 - July 31, 2019 | (Face period)     |
| August 1 and after     | (Penalty period)  |

Taxpayers are entitled to a 2% discount if taxes are paid prior to June 1st. Collections after July 31st are assessed a 10% penalty. Unpaid taxes are sent to the Townships Delinquent Real Estate Tax Collector for collection or subsequent lien with Allegheny County. Unpaid taxes as of December 31, 2019 totaling \$59,358 represent 1.0% of the assessment for 2019 of \$6,232,554. The tax millage assessment for the 2019 calendar year is 2.74 mills on the assessed value of land and buildings, which represents \$2.74 of revenue for every \$1,000 of assessed value. The millage rate is comprised of 2.54 mills for general purposes and .20 mills to purchase and maintain fire apparatus, fire houses and to provide fire training.

**NOTE 4 – OTHER CURRENT LIABILITIES**

Other current liabilities of \$693,337 as reflected in Exhibits A and C, represents developer performance bonds and planning escrow deposits.

**NOTE 5 - GENERAL LONG-TERM DEBT OBLIGATIONS**

**BONDS PAYABLE**

In January of 2012, the Township of Moon issued \$10,505,000 in General Obligation Bonds - Series of 2012 to provide funds for 1) the current refunding of the outstanding portion of the Township's Series of 2005 and 2006 General Obligation Bond Issues, 2) to provide additional funds for various capital related projects within the Township and 3) to pay the costs relative to the issuance of the bonds. The bonds were issued in denominations of \$5,000, with interest payable semi-annually on May 15 and November 15 at rates ranging between .6% and 5.0%. The bonds provide for early redemption options as detailed in the Official Statement of Issue. The bonds are scheduled to mature on November 15, 2031. A summary of the debt service obligations on the Township's general obligation bonds payable as of December 31, 2019 is as follows:

| <b>Year End</b> | <b>PRINCIPAL</b>           | <b>INTEREST</b>            | <b>TOTAL</b>               |
|-----------------|----------------------------|----------------------------|----------------------------|
| <b>Dec 31</b>   |                            |                            |                            |
| 2020            | \$ 485,000                 | \$ 264,888                 | \$ 749,888                 |
| 2021            | 500,000                    | 250,338                    | 750,338                    |
| 2022            | 520,000                    | 230,338                    | 750,338                    |
| 2023            | 545,000                    | 204,338                    | 749,338                    |
| 2024            | 565,000                    | 183,900                    | 748,900                    |
| 2025-2029       | 3,125,000                  | 627,287                    | 3,752,287                  |
| 2030-2031       | 1,415,000                  | 85,400                     | 1,500,400                  |
|                 | <b><u>\$ 7,155,000</u></b> | <b><u>\$ 1,846,489</u></b> | <b><u>\$ 9,001,489</u></b> |



**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 5 - GENERAL LONG-TERM DEBT OBLIGATIONS (Continued)**

**BONDS PAYABLE (Continued)**

In connection with the Township's former General Obligation Bond Issue – Series of 2005, the Township entered into a lease agreement with the Moon Township Recreation Authority (MTRA) whereby MTRA will operate the Bon Air Golf Course and Clubhouse Facility owned by the Township. The terms of the lease, scheduled to expire on September 29, 2054, call for the Authority to pay the Township in three installments annually (June, July, and September) at a base rate which is commensurate to the Township's general obligation debt service payment on the portion of the Series of 2005 bond issue related to the acquisition of the golf course facilities. Subsequently, on September 30, 2005, the Township of Moon entered into a loan agreement with the Recreation Authority, whereby the Township agreed to lend the Authority \$465,000 for the operation of the Bon Air Golf Facility. The loan was factored into the calculation of the rental payments due the Township under the Golf Course lease agreement dated October 1, 2005.

In connection with the Township's former General Obligation Bonds - Series of 2006, the Township used a portion of these funds to purchase property adjacent to the Bon Air Golf Course, referred to as the Heinlein Property. This purchase was added to the long-term lease with the Recreation Authority. As a result of the Township's issuance of the Series of 2012 General obligation Bonds, the lease agreement with the MTRA was restructured. A summary of the lease payments due the Township from the Authority under restructured lease agreement is as follows:

| <b>Year End</b> | <b>AMOUNT</b>              |
|-----------------|----------------------------|
| <b>Dec 31</b>   |                            |
| 2020            | \$ 167,142                 |
| 2021            | 167,142                    |
| 2022            | 167,142                    |
| 2023            | 167,142                    |
| 2024            | 167,142                    |
| 2025-2029       | 835,712                    |
| 2030-2034       | 835,712                    |
| 2035            | 167,142                    |
|                 | <b><u>\$ 2,674,276</u></b> |

**DEFAULT PROVISIONS ON BONDS**

The General Obligation Bonds – Series of 2012 are general obligations of the Township. The Bonds are secured by the full faith, credit, and taxing power of the Township. Such pledge is specifically enforceable but is subject to the limitations of bankruptcy, insolvency, and other laws or equitable principles affecting creditor rights generally. The Pennsylvania Local Government Debt Act prescribes certain remedies to the registered owners of the bonds in the event of default. If the Township fails to make adequate provision in its budget, for any year, the sum payable on the bonds, or fails to appropriate or pay the monies necessary in such year for the payment of maturing principal and interest on the bonds, the registered owners may bring suit in the Court of Common Pleas of Allegheny County directing the Township to make such obligated payments. If the default continues for a period of thirty days, or if the Township fails to comply with any provision of either the bonds or ordinance, the bond holders of 25% in aggregate principal amount of the bonds outstanding may appoint a trustee to represent the bond holders to commence a lawsuit to enforce the rights of all registered bondholders. All taxable real estate in the Township is subject to ad valorem taxation without limitation as to rate or amount to pay debt service on the bonds

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 5 - GENERAL LONG-TERM DEBT OBLIGATIONS (Continued)**

**DIRECT BORROWING – CAPITAL LEASE OBLIGATION**

In June of 2016, the Township of Moon entered into a lease agreement with Laurel Capital Corporation for the purchase of equipment (Horizontal Grinder) totaling \$399,561. The lease calls for forty (40) quarterly payments of \$11,774 at an interest rate of approximately 3.481%, scheduled to expire in January of 2026. The remaining principal balance due on the lease as of December 31, 2019 is \$263,427. The future minimum lease payments due as of December 31, 2019 are as follows:

| <b>Year End</b> |                   |                  |                   |  |
|-----------------|-------------------|------------------|-------------------|--|
| <b>31-Dec</b>   | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |  |
| 2020            | \$ 38,400         | \$ 8,696         | \$ 47,096         |  |
| 2021            | 39,758            | 7,338            | 47,096            |  |
| 2022            | 41,164            | 5,932            | 47,096            |  |
| 2023            | 42,620            | 4,476            | 47,096            |  |
| 2024            | 44,127            | 2,969            | 47,096            |  |
| 2025-2026       | 57,358            | 1,511            | 58,869            |  |
|                 | <u>\$ 263,427</u> | <u>\$ 30,922</u> | <u>\$ 294,349</u> |  |

**DEFAULT PROVISIONS – CAPITAL LEASE OBLIGATION**

The terms of the lease agreement provide for a 'Non-appropriation clause' in the event that sufficient funds are not available in the Township's budget to make contract payments for the calendar year. In the event of non-appropriation by the Township, the equipment is required to be returned to Laurel Capital Corporation. In the event of default by the Township as defined in Section 19 of the Master Lease Purchase Agreement dated June 12, 2013, Laurel Capital Corporation may exercise any and all remedies as provided for in Section 20 of the aforementioned agreement. In addition, the Township will remain liable for all covenants and indemnities under this lease and for all legal fees and other costs and expenses, including court costs, incurred by Laurel Capital Corporation with respect to the enforcement of any of the remedies listed in Section 20 or any other remedy available.

The following represents the changes in the Township's long-term liabilities during the 2019 calendar year:

|                          | <b>Balance</b>      |                  |                   | <b>Balance</b>      | <b>Due Within</b> |
|--------------------------|---------------------|------------------|-------------------|---------------------|-------------------|
|                          | <b>1/1/2019</b>     | <b>Additions</b> | <b>Reductions</b> | <b>12/31/2019</b>   | <b>One Year</b>   |
| General Obligation Bonds | \$ 7,615,000        | \$ -             | \$ 460,000        | \$ 7,155,000        | \$ 485,000        |
| Direct Borrowings:       |                     |                  |                   |                     |                   |
| Lease Obligations        | 300,515             | -                | 37,088            | 263,427             | 38,400            |
|                          | <u>\$ 7,915,515</u> | <u>\$ -</u>      | <u>\$ 497,088</u> | <u>\$ 7,418,427</u> | <u>\$ 523,400</u> |

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 6 – LEASE RENTAL DEBT (GUARANTY AGREEMENT)**

In March of 2007, the Moon Transportation Authority issued PNC Bank a Guaranteed Revenue Obligation Note - Series of 2007 for \$3,200,000 to provide funds for the development and construction of certain road improvements to Cherrington Parkway Extension and Ewing Road. The terms of the note call for semi-annual principal and interest payments on March 20 and September 20 of approximately \$131,342.81 at an interest rate of 4.33%. In November of 2011, the Authority issued a Series of 2011 Note in the amount of \$187,132 with an interest rate of 3.33% and refinanced a portion of the outstanding principal on the Series of 2007 Note, reducing the interest rate from 4.33% to 3.33%. The note is scheduled to expire on March 20, 2027. The note is secured by a pledge of all of the Authority's revenues, and is further secured by the full faith and taxing power of the Township of Moon through a Guaranty Agreement (lease rental debt) with PNC Bank dated March 20, 2007. The balance on the note as of December 31, 2019 is \$1,666,949.

**NOTE 7 – OPERATING LEASE**

In December of 1999, the Township of Moon entered into an agreement with the Allegheny County Airport Authority to lease certain premises located on Authority property for use as a garage for the Township's Public Works Department. The terms of the agreement currently call for an annual lease payment of \$26,467 for a period of twenty-five (25) years.

**NOTE 8 - TOWNSHIP PENSION PLANS**

The following is a summary of the Township's police and non-uniform pension plans:

**POLICE PENSION PLAN** - The Township of Moon Police Pension Plan is a single-employer defined benefit pension plan controlled by the provisions of Ordinance Number 92, as restated by Ordinance Number 403, adopted pursuant to Act 600. The plan is governed by the Moon Township Board of Supervisors who are responsible for the management of plan assets. The Board of Supervisors has delegated the authority to manage certain plan assets to PNC Bank.

Plan membership as of January 1, 2019 was comprised of:

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| Active employees                                                        | 25 |
| Retirees and beneficiaries currently receiving benefits                 | 29 |
| Terminated employees entitled to benefits<br>but not yet receiving them | 1  |
| Total                                                                   | 55 |

The summary of the plan's provisions are as follows:

- PARTICIPANTS** - All full-time policemen of the Township of Moon police department.
- ELIGIBILITY** - All participants are eligible for retirement benefits provided that they have completed twenty-five years of aggregate service as a Township employee and have attained the age of fifty.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 8 - TOWNSHIP PENSION PLANS (Continued)**

**POLICE PENSION PLAN (Continued)**

- BENEFITS** - Based on 50 percent of the participant's average monthly average salary earned during the final 36 months of employment plus a service increment of \$5 for each completed year of aggregate service in excess of 25 years up to a maximum of \$100.
- TERMINATION OR DEATH** - The plan provides the surviving spouse fifty percent of a deceased members pension benefit.
- FUNDING** - Employee contributions and Township contributions are to be determined by the actuary. Township and plan member contributions for 2019 were \$283,349 and \$252,178 respectively.
- VESTING** - Participants are 100% vested after twelve years of service.

**NON-UNIFORM PENSION PLAN** - The Township of Moon Non-uniform Pension Plan is a single-employer defined contribution pension plan controlled by the provisions of Ordinance Number 359 which adopts a prototype money purchase plan and trust adoption agreement. The plan is governed by the Moon Township Board of Supervisors who are responsible for the management of plan assets. The Board of Supervisors has delegated the authority to manage certain plan assets to ICMA Retirement Corporation effective January 1, 1991. As of December 31, 2019, the plan had 49 participants. Contributions as a percentage of payroll for employers and employees were 10% and 5% respectively. Total estimated payroll for active members for the year 2019 was \$3,072,505. During the year 2019, employer and employee contributions totaled \$332,395 and \$162,828 respectively.

The non-uniform pension plan investment in mutual funds through ICMA Retirement Corporation represents 100% of the plan's total investments as of December 31, 2019.

**NOTE 9 - DEFERRED COMPENSATION PLAN**

The Township of Moon established a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code. All amounts of compensation deferred under the plan, all property and rights purchased with such amounts and all income attributable to such amounts remains the property of the Township until distribution, subject only to the claims of the Township's general creditors.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 10 – POST EMPLOYMENT BENEFITS OTHER THAN PENSION**

The Township of Moon established a Post-Employment Health Benefit Plan (PEHP) for its non-bargaining unit and bargaining unit employees in accordance with Section 501('C)(9) of the Internal Revenue Code. The Township is responsible for paying 1% of annual salary or \$300, whichever is greater, to the plan for non-bargaining unit employees. Bargaining unit employees shall receive PEHP benefits consistent with their current contract. During the year 2019, the Township contributed \$55,017 to the plan.

In addition to the pension benefits as described in Note 8, and the aforementioned Post-Employment Health Benefit Plan (PEHP), the Township provides health insurance benefits to employees subsequent to their retirement in accordance with the terms of the collective bargaining agreement with the police officers.

**NOTE 11 - COMMITMENTS AND CONTINGENT LIABILITIES**

**LEGAL MATTERS**

The Township of Moon, in the normal course of operations, is party to various legal matters normally associated with municipalities such as real estate tax assessment appeals, personnel wage and benefits, and other miscellaneous legal matters. As of December 31, 2019, the Township is unaware of any pending litigation that would be material to the financial position of the Township of Moon.

**FEDERAL AND STATE FUNDING**

The Township of Moon's state and federally funded programs, including its pension funds, are subject to program compliance audits by various governmental agencies. The audit scopes of these program compliance audits are different than the scope of financial audits performed by an outside, independent certified public accounting firm. The Township is potentially liable for any expenditure disallowed by the results of these program compliance audits. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

**NOTE 12 – RISK MANAGEMENT**

The Township of Moon 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 the past three years.

**NOTE 13 – PRIOR PERIOD ADJUSTMENT**

The prior period adjustment totaling \$1,279,300 to the January 1, 2019 fund balances of the Township's governmental funds, as reflected on Exhibit D, represents the effects of changing the Township's basis of accounting used prior to January 1, 2019 from the modified accrual basis to the modified cash basis commencing with calendar year 2019.

**TOWNSHIP OF MOON**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2019**

**NOTE 14 – SUBSEQUENT EVENTS**

In early 2020, a new strain of the coronavirus (COVID-19) spread through China as well as other countries including the United States. The impact of the virus varies from region to region and from day to day, and any significant additional spreading of the virus could adversely affect the Township's business. The outbreak of the COVID-19 virus is likely to have a further negative impact in 2020 on the global and local economy and, in the future, might impact the Township's financial results in 2020 and beyond. Given the dynamic nature of this outbreak, however, the extent to which the COVID-19 virus impacts the Township's results will depend on future developments, which remain highly uncertain and cannot be predicted at this time.

Management has determined that there are no other additional events subsequent to December 31, 2019 through the June 23, 2020 date of the 'Independent Auditor's Report' date, which is the date the financial statements were available to be issued, that require additional disclosure in the financial statements.

***SUPPLEMENTARY  
INFORMATION***

**TOWNSHIP OF MOON**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2019**

**SCHEDULE 1**

|                                                    | <b>HIGHWAY<br/>AID<br/>FUND</b> | <b>MOONCREST<br/>FUND</b> | <b>SPONSORSHIP<br/>FUND</b> | <b>DEBT<br/>SERVICE<br/>FUND</b> | <b>MILITARY<br/>BANNER<br/>FUND</b> | <b>TOTAL<br/>NON-MAJOR<br/>GOVERNMENTAL<br/>FUNDS</b> |
|----------------------------------------------------|---------------------------------|---------------------------|-----------------------------|----------------------------------|-------------------------------------|-------------------------------------------------------|
| <b>ASSETS:</b>                                     |                                 |                           |                             |                                  |                                     |                                                       |
| Cash and Cash Equivalents - Restricted             | \$ 945,205                      | \$ -                      | \$ 73,165                   | \$ -                             | \$ -                                | \$ 1,018,370                                          |
| Due from Other Funds                               | -                               | -                         | 2,741                       | -                                | -                                   | 2,741                                                 |
| <b>TOTAL ASSETS</b>                                | <b>\$ 945,205</b>               | <b>\$ -</b>               | <b>\$ 75,906</b>            | <b>\$ -</b>                      | <b>\$ -</b>                         | <b>\$ 1,021,111</b>                                   |
| <br><b>LIABILITIES AND FUND BALANCES</b>           |                                 |                           |                             |                                  |                                     |                                                       |
| <b>LIABILITIES:</b>                                |                                 |                           |                             |                                  |                                     |                                                       |
| Due to Other Funds                                 | \$ 25,074                       | \$ -                      | \$ 11,632                   | \$ -                             | \$ -                                | \$ 36,706                                             |
| <b>TOTAL LIABILITIES</b>                           | <b>\$ 25,074</b>                | <b>\$ -</b>               | <b>\$ 11,632</b>            | <b>\$ -</b>                      | <b>\$ -</b>                         | <b>\$ 36,706</b>                                      |
| <br><b>FUND BALANCES:</b>                          |                                 |                           |                             |                                  |                                     |                                                       |
| Restricted                                         | \$ 920,131                      | \$ -                      | \$ 64,274                   | \$ -                             | \$ -                                | \$ 984,405                                            |
| <b>TOTAL FUND BALANCES</b>                         | <b>\$ 920,131</b>               | <b>\$ -</b>               | <b>\$ 64,274</b>            | <b>\$ -</b>                      | <b>\$ -</b>                         | <b>\$ 984,405</b>                                     |
| <br><b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <br><b>\$ 945,205</b>           | <br><b>\$ -</b>           | <br><b>\$ 75,906</b>        | <br><b>\$ -</b>                  | <br><b>\$ -</b>                     | <br><b>\$ 1,021,111</b>                               |

The accompanying notes are an integral part of these financial statements



**TOWNSHIP OF MOON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

|                                                              | HIGHWAY<br>AID<br>FUND | MOONCREST<br>FUND  | SPONSORSHIP<br>FUND | DEBT<br>SERVICE<br>FUND | MILITARY<br>BANNER<br>FUND | TOTAL<br>NON-MAJOR<br>GOVERNMENTAL<br>FUNDS |
|--------------------------------------------------------------|------------------------|--------------------|---------------------|-------------------------|----------------------------|---------------------------------------------|
| <b>REVENUES</b>                                              |                        |                    |                     |                         |                            |                                             |
| Interest and Rents                                           | \$ 12,517              | \$ -               | \$ -                | \$ -                    | \$ -                       | \$ 12,517                                   |
| Intergovernmental                                            | 733,333                | -                  | -                   | -                       | -                          | 733,333                                     |
| Contributions and Donations                                  | -                      | -                  | 70,980              | -                       | -                          | 70,980                                      |
| <b>Total Revenue</b>                                         | <b>\$ 745,850</b>      | <b>\$ -</b>        | <b>\$ 70,980</b>    | <b>\$ -</b>             | <b>\$ -</b>                | <b>\$ 816,830</b>                           |
| <b>EXPENDITURES</b>                                          |                        |                    |                     |                         |                            |                                             |
| General Government                                           | \$ 2                   | \$ -               | \$ -                | \$ -                    | \$ -                       | \$ 2                                        |
| Public Works                                                 | 609,046                | -                  | -                   | -                       | -                          | 609,046                                     |
| Sponsorship Expenses                                         | -                      | -                  | 41,953              | -                       | -                          | 41,953                                      |
| Debt Service                                                 | -                      | -                  | -                   | 747,888                 | -                          | 747,888                                     |
| <b>Total Expenditures</b>                                    | <b>\$ 609,048</b>      | <b>\$ -</b>        | <b>\$ 41,953</b>    | <b>\$ 747,888</b>       | <b>\$ -</b>                | <b>\$ 1,398,889</b>                         |
| <b>Excess ( Deficiency) of Revenue<br/>over Expenditures</b> | <b>\$ 136,802</b>      | <b>\$ -</b>        | <b>\$ 29,027</b>    | <b>\$ (747,888)</b>     | <b>\$ -</b>                | <b>\$ (582,059)</b>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                        |                    |                     |                         |                            |                                             |
| Operating Transfers Out                                      | \$ -                   | \$ (16,900)        | \$ -                | \$ (5,019)              | \$ -                       | \$ (21,919)                                 |
| Operating Transfers In                                       | -                      | -                  | -                   | 747,888                 | -                          | 747,888                                     |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>\$ -</b>            | <b>\$ (16,900)</b> | <b>\$ -</b>         | <b>\$ 742,869</b>       | <b>\$ -</b>                | <b>\$ 725,969</b>                           |
| <b>NET CHANGE IN FUND BALANCES</b>                           | <b>\$ 136,802</b>      | <b>\$ (16,900)</b> | <b>\$ 29,027</b>    | <b>\$ (5,019)</b>       | <b>\$ -</b>                | <b>\$ 143,910</b>                           |
| FUND BALANCE - JANUARY 1, 2019                               | 747,143                | 16,900             | 34,890              | 5,019                   | -                          | 803,952                                     |
| Prior Period Adjustment                                      | 36,186                 | -                  | 357                 | -                       | -                          | 36,543                                      |
| <b>FUND BALANCE - DECEMBER 31, 2019</b>                      | <b>\$ 920,131</b>      | <b>\$ -</b>        | <b>\$ 64,274</b>    | <b>\$ -</b>             | <b>\$ -</b>                | <b>\$ 984,405</b>                           |

The accompanying notes are an integral part of these financial statements