

**HAMPTON TOWNSHIP
SCHOOL DISTRICT
ALLISON PARK, PENNSYLVANIA**



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2024**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**HAMPTON TOWNSHIP
SCHOOL DISTRICT
ALLISON PARK, PA**

FISCAL YEAR ENDED JUNE 30, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

of

HAMPTON TOWNSHIP SCHOOL DISTRICT

Allison Park, Pennsylvania

Fiscal Year Ended June 30, 2024

BOARD OF SCHOOL DIRECTORS

Jill Hamlin, President
Matthew Jarrell, Vice President
Robert Shages, Treasurer
Denise Balason, Secretary
Jenny Kennedy
Joy Midgley
Maureen Perkins
Gregory A. Stein
Lawrence Vasko

Dr. Michael Loughead, Superintendent of Schools

Report Issued by the Hampton Township School District Business Office

Jeffrey Kline, Director of Administrative Services
Tammi Kinzel, Assistant Director of Administrative Services

HAMPTON TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

INTRODUCTORY SECTION

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| Transmittal Letter | | 1-5 |
| List of District Officials | | 6 |
| Organization Chart | | 7 |
| 2022-23 GFOA Award of Financial Reporting Achievement | | 8 |

FINANCIAL SECTION

| | | |
|--|---|-------|
| Independent Auditor's Report | | 9-11 |
| Management's Discussion and Analysis | | 12-29 |
| Basic Financial Statements | | |
| Government-Wide Financial Statements | | |
| Statement of Net Position | 1 | 30 |
| Statement of Activities | 2 | 31 |
| Fund Financial Statements | | |
| Balance Sheet - Governmental Funds | 3 | 32 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position | 4 | 33-34 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 5 | 35 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities | 6 | 36-37 |

HAMPTON TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

| | <u>Exhibit</u> | <u>Page</u> |
|---|----------------|-------------|
| FINANCIAL SECTION (CONT'D) | | |
| Fund Financial Statements (Cont'd) | | |
| Statement of Net Position - Proprietary Funds | 7 | 38 |
| Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds | 8 | 39 |
| Statement of Cash Flows - Proprietary Fund Types | 9 | 40 |
| Statement of Net Position - Fiduciary Funds | 10 | 41 |
| Statement of Changes in Net Position - Fiduciary Funds | 11 | 42 |
| Notes to Financial Statements | | 43-78 |
| Required Supplementary Information | | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance General Fund - Budget and Actual | | 79-85 |
| Note to Required Supplementary Information | | 86 |
| Schedule of School District's Contributions to PSERS | | 87 |
| Schedule of School District's Proportionate Share of Net Pension Liability (PSERS) | | 88 |
| Schedule of Changes in the Total OPEB Liability and Related Ratios | | 89 |
| Schedule of School District's Contributions - PSERS OPEB Plan | | 90 |
| Schedule of School District's Proportionate Share of the Net OPEB Liability - PSERS OPEB Plan | | 91 |
| Supplementary Information | | |
| Combining and Individual Fund Statements | | |
| Combining Balance Sheet - Nonmajor Governmental Funds | | 92 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | | 93 |

HAMPTON TOWNSHIP SCHOOL DISTRICT

TABLE OF CONTENTS

STATISTICAL SECTION

| | <u>Table</u> | <u>Page</u> |
|--|--------------|-------------|
| <u>Financial Trend Data</u> | | |
| Net Position by Component Last Ten Fiscal Years (Accrual Basis of Accounting) | 1 | 94 |
| Expenses, Program Revenues and Net (Expense)/Revenue Last Ten Fiscal Years (Accrual Basis of Accounting) | 2 | 95 |
| General Revenues and Total Change in Net Position Last Ten Fiscal Years (Accrual Basis of Accounting) | 3 | 96 |
| Fund Balances, Governmental Funds Last Ten Fiscal Years (Accrual Basis of Accounting) | 4 | 97 |
| Governmental Funds Revenue Last Ten Fiscal Years (Accrual Basis of Accounting) | 5 | 98 |
| Governmental Funds Expenditures and Debt Service Ratio Last Ten Fiscal Years (Accrual Basis of Accounting) | 6 | 99 |
| Other Financing Sources and Uses and Net Change in Fund Balance Last Ten Fiscal Years (Accrual Basis of Accounting) | 7 | 100 |
| <u>Revenue Capacity Statistics</u> | | |
| Real Estate Tax Levy and Collection History Last Ten Fiscal Years | 8 | 101 |
| Assessed Value and Actual Value of Taxable Property Last Ten Fiscal Years | 9 | 102 |
| Construction Costs and Property Values Last Ten Calendar Years | 10 | 103 |
| Ten Largest Real Estate Taxpayers Comparison 2023-24 Fiscal Year and 2014-15 Fiscal Year | 11 | 104 |
| Direct and Overlapping Property Tax Rates Last Ten Fiscal Years | 12 | 105 |
| Major Employers Within the School District Comparison 2023-24 Fiscal Year and 2014-15 Fiscal Year | 13 | 106 |
| <u>Debt Capacity Statistics</u> | | |
| Outstanding Debt Analysis Last Ten Fiscal Years | 14 | 107 |
| Legal Debt Margin Information Last Ten Fiscal Years | 15 | 108 |

HAMPTON TOWNSHIP SCHOOL DISTRICT

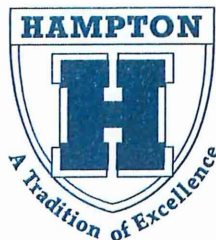
TABLE OF CONTENTS

| | <u>Table</u> | <u>Page</u> |
|--|--------------|-------------|
| STATISTICAL SECTION (CONT'D) | | |
| <u>Debt Capacity Statistics (Cont'd)</u> | | |
| Direct and Overlapping Government Debt as of June 30, 2024 | 16 | 109 |
| <u>Demographic and Economic Statistics</u> | | |
| Demographic and Economic Statistics Last Ten Fiscal Years | 17 | 110 |
| <u>Operating Statistics</u> | | |
| Operating Statistics Last Ten Fiscal Years | 18 | 111 |
| Full Time Equivalent Employees by Classification Last Ten Fiscal Years | 19 | 112 |
| Instructor's Base Salaries Last Ten Fiscal Years | 20 | 113 |
| School Building Information Last Ten Fiscal Years | 21 | 114-115 |
| Cash Flow Analysis 2023-24 General Fund | 22 | 116 |
| Allegheny County School District Millage Rates Last Ten Fiscal Years | 23 | 117 |
| Profile and History | | 118 |

SINGLE AUDIT SECTION

| | <u>Exhibit</u> | <u>Page</u> |
|--|----------------|-------------|
| Letter of Transmittal | | 119 |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> | A | 120-121 |
| Independent Auditor's Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance | B | 122-124 |
| Schedule of Findings and Questioned Costs | C | 125-126 |
| Schedule of Expenditures of Federal Awards | D | 127-129 |
| List of Report Distribution | E | 130 |

INTRODUCTORY SECTION



December 20, 2024

HAMPTON TOWNSHIP BOARD OF SCHOOL DIRECTORS:

The Hampton Township School District (School District) Administration presents our Annual Comprehensive Financial Report (ACFR) for the School District for the year ended June 30, 2024. Pennsylvania State law requires that every School District publish within six months of the close of each fiscal year a complete set of audited financial statements. Our data is accurately presented in all material respects and is presented in a manner to fairly present the financial position and results of operations of the School District as measured by the financial activity of the various funds. All disclosures necessary to enable a reader to gain a maximum understanding of the School District's finances have been included. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the School District. Hosack, Specht, Muetzel and Wood LLP, Certified Public Accountants, have issued an unmodified opinion on the School District's financial statements for the year ended June 30, 2024. Their independent auditor's report is located within this report.

PROFILE OF THE GOVERNMENT

The Hampton Township School District is a suburban public school district located in southwestern Pennsylvania. During the 2023-24 school year, the district educated 2,676 students residing in Hampton Township; a 16-square mile municipality located 12 miles northeast of Pittsburgh. A nine-member board of school directors governs the School District. The School District educates students in grades kindergarten through twelve and operates five schools - a high school, middle school and three elementary schools. Instructional areas include regular education, special education, vocational education and all necessary support services. Vocational education is provided through a jointure agreement with eight other districts with the Northern Area Special Purpose Schools as described in Note 1, Part D "Joint Venture."

During the 2023-24 school year the district employed 208 teachers, 66 paraeducators, 42 maintenance / custodial staff, 29 administrative professionals, 20 administrators, 4 food service staff and 34 other staff members. The District's Mission Statement and Vision as approved in its Pennsylvania Department of Education Comprehensive Plan are as follows:

Mission Statement:

Hampton Township School District works collaboratively with the community in support of every child becoming creative and innovative problem-solvers and communicators. The District maintains high expectations by furthering our tradition of excellence as our students develop the knowledge, character and integrity to impact the world.

Vision Statement:

A culture of high expectations encourages creative and innovative thinking while inspiring students to achieve their personal best.

PROFILE OF THE GOVERNMENT (Continued)

Budget Development

The development of the School District budget is nearly a year-round process. The District's fiscal year begins July 1st and the next year's budget planning begins shortly thereafter with a review of the prior year's process and implementation of necessary changes. The bidding process for supplies is initiated in October when prior year bid lists are distributed to the building levels for review and updating. In November, the Superintendent and Director of Administrative Services establish a budget calendar for the upcoming year. After the budget calendar is established, tentative allocations are developed for each of the building level administrator budgets, along with allocations for technology, textbooks and athletics. These allocations are based on a per pupil amount with an additional weighting for the pupils at the secondary level. However, all administrators are required to prepare their budgets utilizing a zero-based budgeting approach. Rationale for all projected expenditures are presented to and reviewed by the Superintendent. In January, the School District Planning Document, a report that details the results of operations for the previous five years and projects the results for the next five, is shared with the board at a public meeting. At the same meeting, the estimated budget (including projected millage requirements) and the allocations are discussed and reviewed. The Board decides in January whether it will seek additional revenue above the State Act 1 Index allowance or whether it will approve a resolution stating that it will not raise taxes above the State Act 1 Index.

Upon completion of all items outlined above, a preliminary budget is generated and reviewed by the Superintendent and administration. After these meetings, adjustments are made if necessary and the preliminary budget is finalized and presented to the Board of School Directors and the public in April. After discussion of the budget in public, any further changes deemed necessary are made and the final budget is considered by the Board of School Directors in June. The budget process will be accelerated by four months in years that the District will need to seek Act 1 exceptions or voter referendum approval for any millage increase that exceeds the State Act 1 Index.

The administration has established procedures to monitor the use of budgeted funds after the board has approved the annual operating budget and authorized the expenditure of funds. The procedures have been categorized as budget responsibility, expenditure controls, budgetary transfers and management reporting. Initially, each administrator is assigned responsibility for spending within his/her area. Expenditure controls are established through a requisition/purchase order system within the School District's financial accounting software. Budgetary transfers are required by each administrator to ensure program budgets are not overspent. Finally, administrators are provided with monthly budget reports from the Business Office to monitor the progress of spending in their area of responsibility.

Internal Controls

Internal controls within the School District are developed by the Business Office administrators to provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, as well as to provide reliability of the financial records. These controls and procedures are documented in the Business Office Procedures Manual. Additionally, modifications to internal controls evolve from a variety of other sources, including other School District administrators, the audit professionals and the Board of School Directors. The goal of the School District's internal accounting control system is to adequately safeguard assets and to provide reasonable assurance as to the proper recording and tracking of financial activity. The School District's financial data are subject to a comprehensive audit at the end of each fiscal year by a firm of independent certified public accountants in accordance with U.S. generally accepted governmental auditing standards.

PROFILE OF THE GOVERNMENT (Continued)

LOCAL ECONOMY

The School District is coterminous with the Township of Hampton, a suburban community located northeast of the City of Pittsburgh. The School District encompasses 16 square miles and is made up mainly of residential housing, along with light industrial and retail enterprises. Enrollment has decreased from 2,967 students in the 2014-15 year to 2,676 students in the 2023-24 year (a 9.8% decrease.) The decrease in enrollment is similar to other suburban school districts in the region.

Hampton's current 2024-25 real estate tax millage rate of 23.00 mills is 8.72% lower than the Allegheny County average and thirteen Districts in the County have a lower tax rate; while twenty-eight have higher tax rates. When preparing the annual budget for the District, the School Board and Administration carefully consider the burden imposed on the School District taxpayers along with the expectations of the District's parents and students to continue providing a high-quality education.

LONG TERM FINANCIAL PLANNING

Allegheny County Assessments and Common Level Ratio

The District's taxable assessed value growth and tax base are under stress due to the decrease in the Allegheny County common level ratio. In 2022, Allegheny County was sued by a group of taxpayers who challenged the accuracy of the common level ratio (CLR). The CLR is a state statistic derived annually from sales data. The CLR provides a method to adjust a current sales price to reflect what the property would have sold for in the 2012 base year. In 2023, the CLR was reduced from 81.1% to 63.6% and the 2024 CLR was set at 54.5%. The reduction of the CLR and future CLR reductions have and will continue to have a negative impact on the district's taxable assessed value as a result of tax appeals and new assessments. The District's overall taxable assessed value growth has slowed since the 2022 tax year and has decreased between May 2024 and November 2024, despite new construction additions.

Pennsylvania School Employees' Retirement System Contributions

Actuarial projections for employer contributions to the Pennsylvania School Employees' Retirement System predict sustained high employer contribution rates. Details of the impact on the School District are included in the Management Discussion & Analysis Section under "Future Economic Considerations."

State School District Funding - Act 1 of Special Session 2006(The Taxpayer Relief Act) as amended by Act 25 of 2011

As a result of the Pennsylvania Taxpayer Relief Act, through Act 1 of 2006 and Act 25 of 2011, Pennsylvania School Districts became subject to a change in their taxing structure. Details of Act 1 and Act 25 are included in the "Management Discussion & Analysis" Section under "Future Economic Considerations."

Fund Balance

The School District ended the 2023-24 fiscal year with an unassigned general fund balance of \$3,456,040. The unassigned fund balance is 5.35% of the 2024-25 general fund budget, which is within the 8% maximum amount of unassigned fund balance permitted by the Pennsylvania Department of Education for a district requesting to raise its tax rate.

DISTRICT AWARDS AND ACCOMPLISHMENTS

- The Hampton Township School District was recognized as having the No. 1 ranked teachers in Pennsylvania in the 2025 *Niche* “Best Schools and Districts.” *Niche* ranked the District No. 1 out of 496 schools in Pennsylvania and 19th out of 11,116 in the US.
- In 2024, The *Pittsburgh Business Times* ranked Hampton 5th out of 105 southwest PA school districts and 9th out of 481 schools in the state in its annual Guide to Southwestern Pennsylvania Schools.
- Hampton Township School District was recognized as a 2024 -25 “Common Sense School District” by *Common Sense*, the national organization dedicated to assisting students in the world of media and technology.
- Hampton Middle School was once again awarded the PA Don Eichhorn Schools: “Schools to Watch” for 2025 from the Pennsylvania Association of Middle Level Education.
- In April 2022, Hampton High School was ranked #4 in the Pittsburgh region and #15 in Pennsylvania by *U.S. News and World Report*.
- The Hampton Township School District was inducted into the “League of Innovative Schools” by the *Digital Promise League* in August 2019. Selection to the league is competitive. School districts are selected from a competitive national pool of applicants based on their leadership, evidence of results, innovative vision for learning and commitment to equity and excellence. Presently, there are 114 school districts in 34 states who are members.
- Hampton High School was named as a “National Blue-Ribbon School” for 2016. Hampton High School was one of only 328 schools nationwide to receive this prestigious award. National Blue-Ribbon Schools are selected for the honor based on their overall academic excellence or their progress in closing achievement gaps among student subgroups. According to the U.S. Department of Education, the award is confirmation of the hard work of students, educators, families and communities in creating safe and welcoming schools, where students master challenging content.
- Eleven Hampton High School students earned awards in the prestigious “Scholastic Art & Writing” competition. The Scholastic Art & Writing awards are the nation’s longest-running and most prestigious recognition program for creative teens.
- The Hampton High School play “Something Rotten” won six awards at the 32nd Annual Pittsburgh Gene Kelly Awards for Excellence in High School musical theater.
- A Hampton High School student achieved a perfect score on the Advanced Placement (AP) Research exam in May 2023. The student was one of only 357 worldwide to receive a perfect score on the exam.
- In April, 2015, the online magazine, *NerdWallet* ranked Hampton Township School District as the 4th “Best School District for your Buck” in Pennsylvania. *Nerdwallet stated the following:* “Boasting “a tradition of excellence,” it’s no surprise to see Hampton Township School District high on our list. The district’s graduation rate of 98.8% is the highest in our top 20, and 86.9% of those graduates go on to higher education. The high school offers over 16 AP courses, and requires students to perform at least 40 hours of community service before graduation. The district, where median home values are \$204,700, has been consistently recognized over the past decade for its academic accomplishments.”

FINANCIAL REPORTING

The Government Finance Officers Association (GFOA) awards a Certificate of Achievement to school districts that prepare an Annual Comprehensive Financial Report (ACFR) that meets the rigorous standards of the GFOA. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to each of the program's standards. Such reports must satisfy both Generally Accepted Accounting Principals (GAAP) and applicable legal requirements. The School District received the award for its 2022-23 ACFR, which is included in this report. We believe our 2023-24 ACFR meets the Certificate of Achievement Program requirements and are submitting it to the GFOA to determine its eligibility for certification.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the efforts of Tammi Kinzel, Assistant Director of Administrative Services and the business office staff.

Sincerely,



Dr. Michael Loughhead
Superintendent of Schools



Jeffrey Kline
Director of Administrative Services

HAMPTON TOWNSHIP SCHOOL DISTRICT

BOARD OF SCHOOL DIRECTORS

Jill Hamlin, President

Matthew Jarrell, Vice President

Robert Shages, Treasurer

Denise Balason, Secretary

Jenny Kennedy

Joy Midgley

Maureen Perkins

Gregory A. Stein

Lawrence Vasko

Donald J. Palmer, Solicitor (Non-Member)

Michelle Ambrose, Recording Secretary (Non-Member)

Hosack, Specht, Muetzel and Wood, External Auditor (Non-Member)

CENTRAL OFFICE ADMINISTRATION

Dr. Michael Loughead, Superintendent

Dr. Rebecca Cunningham, Assistant Superintendent

Dr. Jacqueline Removcik, Assistant Superintendent

Mr. Jeffrey Kline, Director of Administrative Services

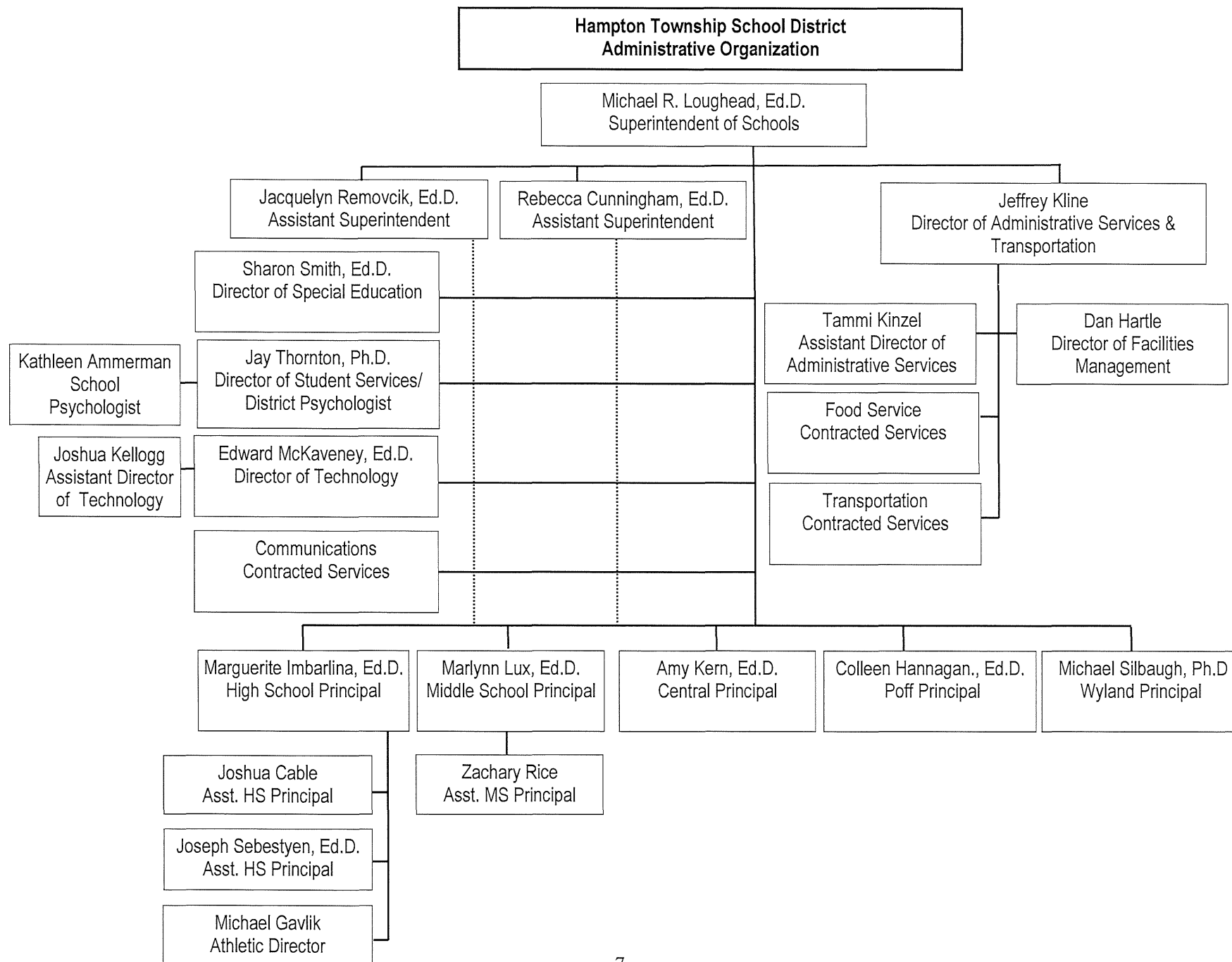
Ms. Tammi Kinzel, Assistant Director of Administrative Services

Dr. Jay Thornton, District Psychologist / Director of Student Services

Ms. Sharon Smith, Director of Special Education

Dr. Edward McKaveney, Technology Director

Mr. Dan Hartle, Director of Facilities Management





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Hampton Township School District
Pennsylvania**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS
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Independent Auditor's Report

Members of the Board
Hampton Township School District
Allison Park, Pennsylvania

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Hampton Township School District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, post-employment benefit information and pension information, as shown in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hampton Township School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2024, on our consideration of Hampton Township School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Hampton Township School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hampton Township School District's internal control over financial reporting and compliance.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 20, 2024

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

The discussion and analysis of Hampton Township School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the transmittal letter and notes to the basic financial statements to enhance their understanding of the School District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for the State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in this MD&A.

Financial Highlights

General Fund

Preparation and Approval of the 2023/24 General Fund Budget

The 2023/24 general fund budget was approved by the Hampton Township School District Board of Directors in June 2023 with revenues of \$60,991,889 and expenditures of \$61,391,889. The deficit was balanced with the utilization of \$400,000 of the District's committed fund balance (Stabilization funds). The budget included a 0.86 mill or 4.1% real estate tax increase. The increase was necessary to balance the additional \$1,562,621 shortfall that existed at the 2022/23 millage rate of 20.99 mills.

The final expenditure budget included an increase in expenditures of \$2,394,195 or 4.06% from the 2022/23 budget. The primary components of the expenditure budget increase were as follows:

- The total budgeted salary increases were \$711,739 or 2.53%.
- Employee health insurance was projected to increase by \$488,715 or 13.2% primarily due to a 14% increase in medical premiums.
- The special education budget (not including salaries & benefits) was projected to increase by \$240,585 or 22%.
- Utilities were budgeted to increase by \$165,000 or 18% due to anticipated rate increases for electricity and water/sewage.
- Debt service payments were budgeted to increase by \$140,510 or 2.7%. The increase was for scheduled debt payments for the 3rd High School Phase I bond issue.

2023/24 Actual Financial Results

Actual 2023/24 general fund revenues (including other financing sources) were \$62,723,505 and actual expenditures (including other financing uses) were \$63,514,442 resulting in a deficit of \$790,937 and an ending fund balance at June 30, 2024 of \$4,578,801 of which \$3,456,040 was unassigned. The deficit of \$790,937 was unfavorable by \$390,937 when compared to the budgeted deficit of \$400,000. The significant budget items that impacted the School District's financial results as compared to the budget during 2023/24 are summarized below.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Financial Highlights (Cont'd)

General Fund (Cont'd)

Revenues

School District revenues (including other financing sources) exceeded the amount budgeted by \$1,731,616 for a favorable variance of 2.8%. The significant revenue budget variances are outlined below.

- Proceeds from financing agreements exceeded the budgeted amount by \$507,865. The budget variance is due to the purchase of technology equipment whose gross amounts were not included in the 2023/24 budget. This positive variance is offset by the expenditure recording, the assets acquisitions and the variance for debt service redemption of principal as noted below.
- Earnings on investments exceeded the budgeted amount by \$411,576. The projected interest rate included in the 2023/24 budget was 4.5% and actual interest rates were as high as 5.25% during the 2023/24 fiscal year.
- Current earned income tax collections exceeded the budgeted amount by \$369,535. The favorable percentage variance is 7.7% and is due to continuing wage earnings growth within the District.
- The basic education subsidy exceeded the budgeted amount by \$162,016. The favorable percentage variance is 2.8%. The District budget included a 3.5% increase in basic education funding and the actual Commonwealth basic education subsidy increase was 6.4%. Variances between the District budget and Commonwealth budget are common as the District's budget is approved in early June and the Commonwealth budget is normally ratified in late June.

Expenditures

School District expenditures (including other financing uses) exceeded the amount budgeted by \$2,122,553 for an unfavorable financial variance of 3.5%. The significant expenditure budget variances are outlined below.

- Regular programs employee benefits exceeded the budgeted amount by \$497,823 or 5.3%. The unfavorable financial budget variance is attributable to unanticipated additional employees electing into the District's medical, vision and dental programs and multiple employees on paid leaves who receive District paid insurance as well as the replacement substitute teachers.
- Debt service redemption of principal exceeded the budget by \$452,573. This expenditure is for payments of principal for financed technology equipment and is offset by "proceeds from financing agreements" as previously noted.
- Special programs purchased professional and technical services exceeded the budget by \$292,630 for a negative financial budget variance of 50%. This unfavorable financial variance is due to unanticipated additional tuition for special education student placements and additional contracted nursing support services for students.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Financial Highlights (Cont'd)

Expenditures (Cont'd)

- Operation and maintenance of plant services supplies exceeded the budgeted amount by \$282,722 or 27%. The primary reasons for the variance is higher utilization for electricity. The District experimented with expanded heating and cooling of buildings to 9:00 PM, rather than 4:00 PM. The District has since reverted back to the 4:00 PM temperature setbacks.
- Refunds of prior year's receipts exceeded the budgeted amount by \$244,090; an unfavorable variance of 976%. The refunds were for previous year's real estate tax receipts that were refunded to property owners. The refunds were the result of the Allegheny County common level ratio (CLR) recalculation that reduced the CLR from 81.1% to 63.6% in 2023. The revised CLR resulted in numerous property owner tax assessment appeals for the years 2021 to 2023. The refunds from tax years 2020, 2021 and 2022 are included in the refund of prior year's receipts line item. The 2023 refunds are netted against the real estate tax revenues.
- Regular programs salary expenditures exceeded the budgeted amount by \$165,277 for a negative financial variance of 0.99%. The negative variance was due to paid leaves for several staff members along with the salary of long-term substitute teachers to replace them.
- Operation and maintenance of plant services salaries exceeded the budgeted amount by \$164,201 resulting in a negative financial variance of 6.6%. The negative financial variance is primarily due to additional unanticipated overtime for maintenance and custodial employees.
- Regular programs property expenditures exceeded the budgeted amount by \$138,591 for a negative financial budget variance of 36%. The reason for the variance is due to District's financing of student and staff computers and devices. The 2023-24 budget only included the scheduled annual debt payments for the computers and devices.
- Student Activities other purchased services exceeded the budgeted amount by \$102,024 or 59%. The district had additional travel needs for local and state playoffs and additional miles for season games due to athletic division realignments.

Using the Annual Financial Report

The audit report consists of an introductory section and a financial section that provide additional information regarding the School District and a single audit section which is issued to comply with federal guidelines as required in the U. S. Office of Management & Budget (OMB) Circular A-133 Compliance Supplement. Within this financial section are the management's discussion and analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can understand Hampton Township School District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Using the Annual Financial Report (Cont'd)

The first two statements are government-wide financial statements - the statement of net position and the statement of activities. These provide both long-term and short-term information about the School District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the School District's operations in more detail than the government-wide statements. The governmental funds statements detail how general School District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short-term and long-term financial information about the activities that the School District operates like a business – specifically the food service fund. Fiduciary fund statements provide information about financial relationships where the School District holds assets in a trustee or custodial capacity for the benefit of others.

The financial statements also include notes to explain some of the information in the financial statements and provide more detailed data.

Figure A-1 shows how the required parts of the financial section are arranged and relate to one another:

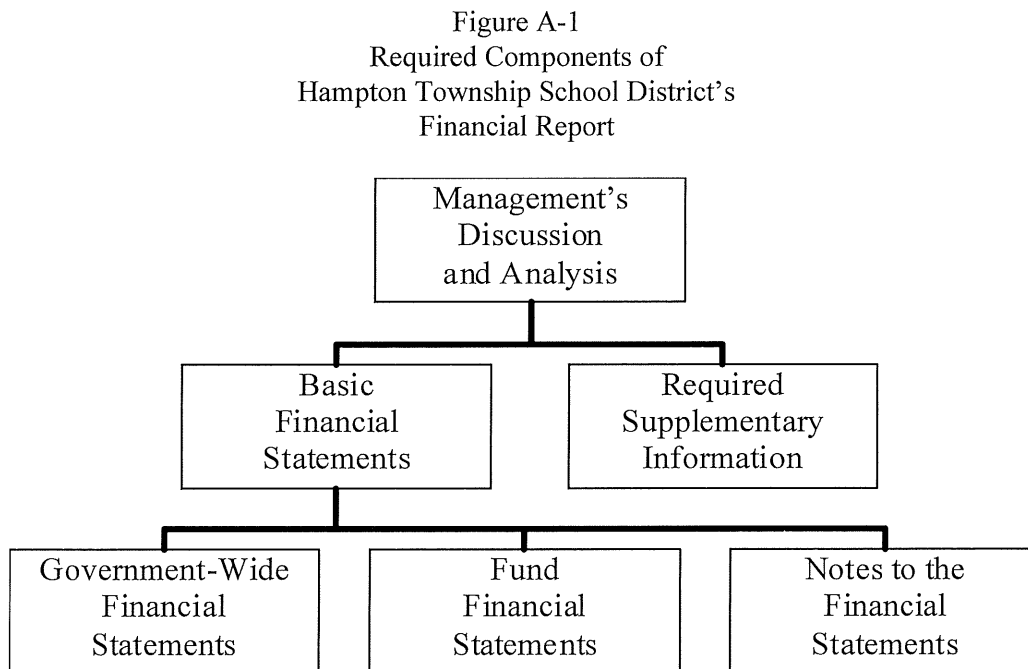


Figure A-2 summarizes the major features of the School District's financial statements, including the portion of the School District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Using the Annual Financial Report (Cont'd)

Figure A-2
Major Features of Hampton Township School District's
Government-Wide and Fund Financial Statements

| | Government-Wide Statements | Fund Statements | | |
|--|--|--|---|--|
| | | Governmental Funds | Proprietary Funds | Fiduciary Funds |
| Scope | Entire School District (except fiduciary funds) | The activities of the School District that are not proprietary or fiduciary, such as education, administration and community services | Activities the School District operates similar to private business - food services | Instances in which the School District is the trustee or agent to someone else's resources |
| Required financial statements | Statement of net position; statement of activities | Balance sheet; statement of revenues, expenditures, and changes in fund balance | Statement of net position; statement of revenues, expenses and changes in net position; statement of cash flows | Statement of fiduciary net position; statement of changes in fiduciary net position |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| Type of asset/liability information | All assets and liabilities, both financial and capital, and short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included | All assets and liabilities, both financial and capital, and short-term and long-term | All assets and liabilities, both short-term and long-term |
| Type of in-flow/outflow information | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

Overview of Financial Statements

Government-Wide Statements

The government-wide statements report information about the School District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Overview of Financial Statements (Cont'd)

Government-Wide Statements (Cont'd)

The two government-wide statements report the School District's net position and changes in net position. Net position, the difference between the School District's assets and liabilities, is only one way to measure the School District's financial health or position.

Over time, increases or decreases in the School District's net position are an indication of whether its financial health is improving or deteriorating, respectively.

To assess the overall health of the School District, you should consider additional factors, such as academic performance and demographic data and trends.

The government-wide financial statements of the School District are divided into two categories:

- Governmental activities - All of the School District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.
- Business-type activities - The School District operates a food service operation and charges fees to staff, students and visitors to help it cover the costs of the food service operation.

Fund Financial Statements

The School District's fund financial statements provide detailed information about the most significant funds - not the School District as a whole. Some funds are required by state law and bond requirements.

Governmental funds - Most of the School District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the School District's programs. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is reconciled in the financial statements.

Proprietary funds - These funds are used to account for the School District activities that are similar to business operations in the private sector; or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of funding through user charges. When the School District charges customers for services it provides - whether to outside customers or to other units in the School District - these services are generally reported in proprietary funds. The food service fund is the School District's proprietary fund and is the same as the business-type activities we report in the government-wide statements, but provide more detail and additional information, such as cash flows.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Overview of Financial Statements (Cont'd)

Fund Financial Statements (Cont'd)

Fiduciary funds - The School District holds assets in a custodial capacity for its student activity funds. All of the School District's fiduciary activities are reported in separate statements of fiduciary net position in Exhibit 10 and the statement of changes in fiduciary net position in Exhibit 11. We exclude these activities from the School District's other financial statement because the School District cannot use these assets to finance its operations.

Financial Analysis of the School District as a Whole

The School District's total net position was (\$65,389,883) at June 30, 2024 and (\$68,260,672) at June 30, 2023.

Table A-1
Years Ended June 30, 2024 and 2023
Net Position

| | 2024 | | | 2023 | | |
|--------------------------------------|----------------------------|---------------------------------|-----------------------|----------------------------|---------------------------------|-----------------------|
| | Governmental Activities | Business- Type Activities | Totals | Governmental Activities | Business- Type Activities | Totals |
| Current and Other Assets | \$ 15,650,454 | \$913,880 | \$ 16,564,334 | \$ 17,442,674 | \$703,815 | \$ 18,146,489 |
| Capital Assets | <u>61,962,870</u> | <u>84,432</u> | <u>62,047,302</u> | <u>62,866,850</u> | <u>77,747</u> | <u>62,944,597</u> |
| Total Assets | <u>77,613,324</u> | <u>998,312</u> | <u>78,611,636</u> | <u>80,309,524</u> | <u>781,562</u> | <u>81,091,086</u> |
| Deferred Outflows of Resources | | | | | | |
| Amounts related to Pensions | 13,832,221 | 75,095 | 13,907,316 | 13,833,775 | 76,454 | 13,910,229 |
| Amounts related to OPEB | 1,579,041 | 3,317 | 1,582,358 | 1,824,021 | 4,484 | 1,828,505 |
| Deferred Charge on Refunding | <u>988,965</u> | <u>-</u> | <u>988,965</u> | <u>1,122,867</u> | <u>-</u> | <u>1,122,867</u> |
| Total Deferred Outflows of Resources | 16,400,227 | 78,412 | 16,478,639 | 16,780,663 | 80,938 | 16,861,601 |
| Current and Other Liabilities | 9,065,260 | 256,960 | 9,322,220 | 8,948,074 | 104,970 | 9,053,044 |
| Noncurrent Liabilities | | | | | | |
| Due Within One Year | 4,280,260 | - | 4,280,260 | 4,112,715 | - | 4,112,715 |
| Due in More Than One Year | <u>142,164,659</u> | <u>441,376</u> | <u>142,606,035</u> | <u>147,893,670</u> | <u>486,667</u> | <u>148,380,337</u> |
| Total Liabilities | <u>155,510,179</u> | <u>698,336</u> | <u>156,208,515</u> | <u>160,954,459</u> | <u>591,637</u> | <u>161,546,096</u> |
| Deferred Inflows of Resources | | | | | | |
| Amounts related to Pensions | 3,167,932 | 17,068 | 3,185,000 | 3,393,268 | 19,732 | 3,413,000 |
| Amounts related to OPEB | 1,082,510 | 4,133 | 1,086,643 | 1,241,005 | 5,191 | 1,246,196 |
| Deferred Grant Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>8,067</u> | <u>-</u> | <u>8,067</u> |
| Total Deferred Inflows of Resources | 4,250,442 | 21,201 | 4,271,643 | 4,642,340 | 24,923 | 4,667,263 |
| Net Position | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | 4,399,438 | 84,432 | 4,483,870 | 4,361,898 | 77,747 | 4,439,645 |
| Restricted | 25,010 | - | 25,010 | 23,749 | - | 23,749 |
| Unrestricted | <u>(70,171,518)</u> | <u>272,755</u> | <u>(69,898,763)</u> | <u>(72,892,259)</u> | <u>168,193</u> | <u>(72,724,066)</u> |
| Total Net Position | <u>\$(65,747,070)</u> | <u>\$357,187</u> | <u>\$(65,389,883)</u> | <u>\$(68,506,612)</u> | <u>\$245,940</u> | <u>\$(68,260,672)</u> |

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Financial Analysis of the School District as a Whole (Cont'd)

The increase in net position of \$2,870,789 from (\$68,260,672) to (\$65,389,883) is primarily due to the net pension liability (including deferred outflows, deferred inflows and net pension liability) decreasing by \$1,910,087 due to the PSERS measurement date change from June 30, 2022 to June 30, 2023 and the slight decrease in Hampton's percentage of the overall PSERS liability.

Most of the School District's net position is invested in capital assets (buildings, land, and equipment). The remaining unrestricted net position is combined of restricted and unrestricted amounts. The difference between total net position and the general fund balance exists due to the current depreciated value of the School District's buildings and equipment being less than the sum of future debt payments and that land is valued at historical costs (under generally accepted accounting principles), rather than current or appraised value. The School District's land was acquired at little or no cost many years ago; however, it has significant market value. Another factor for the difference between total net position and general fund balance is due to the inclusion of the unfunded PSERS liability when calculating net position. These future costs are being funded annually by the District and there are no plans or ability for the District to fully fund the pension liability.

The results of the year's operations as a whole are reported in the statement of activities. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the School District's activities that are supported by other general revenues. The two largest general revenues are the local taxes assessed to School District taxpayers and the basic education subsidy provided by the state of Pennsylvania.

Table A-2 utilizes the information from that statement and rearranges it slightly to present revenues for the year.

Table A-2
Years Ended June 30, 2024 and 2023
Changes in Net Position

| | 2024 | | | 2023 | | |
|---------------------------------|----------------------------|---------------------------------|-------------------|----------------------------|---------------------------------|-------------------|
| | Governmental Activities | Business- Type Activities | Totals | Governmental Activities | Business- Type Activities | Totals |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ - | \$ 937,757 | \$ 937,757 | \$ - | \$ 923,223 | \$ 923,223 |
| Operating Grants and Contribs. | 9,905,266 | 767,633 | 10,672,899 | 9,904,741 | 757,364 | 10,622,105 |
| Capital Grants and Contribs. | 573,911 | - | 573,911 | 560,222 | - | 560,222 |
| General Revenues | | | | | | |
| Property Taxes | 37,570,938 | - | 37,570,938 | 36,426,576 | - | 36,426,576 |
| Other Taxes | 5,791,644 | - | 5,791,644 | 5,424,907 | - | 5,424,907 |
| Grants, Subsidies and Contribs. | | | | | | |
| Unrestricted | 7,063,940 | - | 7,063,940 | 6,705,311 | - | 6,705,311 |
| Investment Earnings | 1,062,077 | 20,699 | 1,082,776 | 756,920 | 10,774 | 767,694 |
| Other | <u>7,380</u> | <u>-</u> | <u>7,380</u> | <u>38,089</u> | <u>-</u> | <u>38,089</u> |
| Total Revenues | <u>61,975,156</u> | <u>1,726,089</u> | <u>63,701,245</u> | <u>59,816,766</u> | <u>1,691,361</u> | <u>61,508,127</u> |

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Financial Analysis of the School District as a Whole (Cont'd)

Table A-2 (Cont'd)
Years Ended June 30, 2024 and 2023
Changes in Net Position

| | 2024 | | | 2023 | | |
|-------------------------------|----------------------------|---------------------------------|-----------------------|----------------------------|---------------------------------|-----------------------|
| | Governmental Activities | Business- Type Activities | Totals | Governmental Activities | Business- Type Activities | Totals |
| Expenses | | | | | | |
| Instruction | \$ 36,266,558 | \$ - | \$ 36,266,558 | \$ 34,082,197 | \$ - | \$ 34,082,197 |
| Instructional Student Support | 4,029,824 | - | 4,029,824 | 3,517,806 | - | 3,517,806 |
| Admin. and Financial | | | | | | |
| Support Svcs | 6,019,076 | - | 6,019,076 | 5,660,200 | - | 5,660,200 |
| Operation and Maintenance | | | | | | |
| of Plant Services | 6,748,570 | - | 6,748,570 | 6,182,022 | - | 6,182,022 |
| Pupil Transportation | 2,884,582 | - | 2,884,582 | 2,607,763 | - | 2,607,763 |
| Student Activities | 1,654,505 | - | 1,654,505 | 1,676,576 | - | 1,676,576 |
| Interest on Long-Term Debt | 1,612,499 | - | 1,612,499 | 1,666,137 | - | 1,666,137 |
| Food Service | - | 1,614,842 | 1,614,842 | - | 1,557,256 | 1,557,256 |
| Total Expenses | <u>59,215,614</u> | <u>1,614,842</u> | <u>60,830,456</u> | <u>55,392,701</u> | <u>1,557,256</u> | <u>56,949,957</u> |
| Change in Net Position | 2,759,542 | 111,247 | 2,870,789 | 4,424,065 | 134,105 | 4,558,170 |
| Beginning Net Position | (68,506,612) | 245,940 | (68,260,672) | (72,930,677) | 111,835 | (72,818,842) |
| Ending Net Position | <u>\$(65,747,070)</u> | <u>\$ 357,187</u> | <u>\$(65,389,883)</u> | <u>\$(68,506,612)</u> | <u>\$ 245,940</u> | <u>\$(68,260,672)</u> |

Summary of Significant Year-to-Year Variances

Governmental Activities

Total governmental revenues increased by \$2,158,390 from \$59,816,766 to \$61,975,156. This increase was primarily due to the following:

- Revenues from property taxes increased by \$1,144,362, due to the 0.86 real estate tax millage rate increase.
- Revenues from other taxes increased by \$366,737 primarily due to an increase in earned income tax revenue.
- Unrestricted grants, subsidies and contributions increased by \$358,629. This is due to the increases in state subsidies for basic education, special education and PSERS reimbursement.
- Investment earnings increased by \$305,157 due to the higher interest rates for district investments.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Summary of Significant Year-to-Year Variances (Cont'd)

Governmental Activities (Cont'd)

Total governmental expenses increased by \$3,822,913 from \$55,392,701 to \$59,215,614, due to the anticipated and unanticipated increases in general fund expenditures as previously outlined.

Business-Type Activities

Total business-type revenues in the food service fund increased by \$34,278 or 2.0% from \$1,691,361 to \$1,726,089

Total business-type expenses in the food service fund increased by \$57,586 or 3.7% from \$1,557,256 to \$1,614,842.

The following tables present the expenses of both the governmental activities and the business-type activities of the School District.

Table A-3 analyzes the School District's largest functions: instructional programs; instructional student support; administrative; operation and maintenance of plant services; pupil transportation; student activities; food service; as well as each program's net cost (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants, subsidies and contributions to show the remaining financial needs supported by local taxes and other miscellaneous revenues.

Table A-3
Years Ended June 30, 2024 and 2023
Governmental Activities

| | 2024 | | 2023 | |
|---------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| Functions/Programs | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Instruction | \$36,266,558 | \$29,343,953 | \$34,082,197 | \$27,180,061 |
| Instructional Student Support | 4,029,824 | 3,422,807 | 3,517,806 | 2,969,919 |
| Administrative and Fin. Support | | | | |
| Svcs. | 6,019,076 | 5,384,406 | 5,660,200 | 5,036,877 |
| Oper. and Maintenance of Plant | | | | |
| Svcs. | 6,748,570 | 6,030,979 | 6,182,022 | 5,351,664 |
| Pupil Transportation | 2,884,582 | 2,061,654 | 2,607,763 | 1,839,802 |

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Summary of Significant Year-to-Year Variances (Cont'd)

Table A-3 (Cont'd)
Years Ended June 30, 2024 and 2023
Governmental Activities

| | 2024 | | 2023 | |
|--|---------------------------|-------------------------|---------------------------|-------------------------|
| Functions/Programs | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Student Activities | \$ 1,654,505 | \$ 1,429,050 | \$ 1,676,576 | \$ 1,443,500 |
| Interest on Long-Term Debt | <u>1,612,499</u> | <u>1,063,588</u> | <u>1,666,137</u> | <u>1,105,915</u> |
| Total Governmental Activities | \$59,215,614 | \$48,736,437 | \$55,392,701 | \$44,927,738 |
| Less: | | | | |
| Unrestricted Grants, Subsidies | | (7,063,940) | | (6,705,311) |
| Total Needs from Local Taxes and Other Revenues | | <u>\$41,672,497</u> | | <u>\$38,222,427</u> |

The total needs from local taxes and other revenues increased by \$3,450,070. The need was partially met with the 0.86 mill or 4.1% increase in the real estate tax rate, the increase in earned income tax collections and investment earnings.

Table A-4 reflects the activities of the food service program, the only business-type activity of the School District.

Table A-4
Years Ended June 30, 2024 and 2023
Business-Type Activities

| | 2024 | | 2023 | |
|--------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| Functions/Programs | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| Food Service | <u>\$1,614,842</u> | <u>\$ (90,548)</u> | <u>\$1,557,256</u> | <u>\$ (123,331)</u> |
| Add: Investment Earnings | | (20,699) | | (10,774) |
| | | <u>\$ (111,247)</u> | | <u>\$ (134,105)</u> |

The food service fund net results were relatively consistent between the two years, decreasing slightly by \$22,858 from a net profit of \$134,105 to a net profit of \$111,247.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

School District Funds

At June 30, 2024, the School District's governmental funds reported a combined fund balance of \$5,718,096, which is a decrease of \$1,819,856 from the July 1, 2023 combined fund balance of \$7,537,952. The total general fund balance decreased by \$790,937 as outlined in the "Financial Highlights" section of the Management's Discussion and Analysis. The capital projects fund balance decreased by \$1,030,180 from \$2,144,465 to \$1,114,285. The decrease in the capital projects fund balance is due to the 2023/24 expenditures for the High School renovation project. The non-major funds fund balance increased by \$1,261 from \$23,749 to \$25,010 due to interest earnings.

General Fund Budget

During the fiscal year, the Board of School Directors authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year. A schedule detailing the School District's original and final budget amounts compared with amounts actually paid and received is provided in the financial statements.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2024, the School District had \$61,962,870 invested in capital assets, including land, buildings, furniture and equipment and intangible right-to-use assets. This amount represents a net decrease (including additions, deletions and depreciation) of \$903,980, or 1.4% from the previous year. This decrease is attributable to depreciation expense of \$2,717,581 exceeding construction in progress of and equipment additions of \$1,813,601. More detailed information about the School District's capital assets is included in Note 5 to the financial statements.

Table A-5
Governmental Activities
Capital Assets - Net of Depreciation

| | 2024 | 2023 |
|--|--------------|--------------|
| Land | \$ 1,081,390 | \$ 1,081,390 |
| Land Improvements | 1,408,320 | 1,463,824 |
| Buildings and Building Improvements | 57,331,843 | 36,846,595 |
| Furniture and Equipment | 1,907,194 | 1,192,941 |
| Construction in Progress | 180,917 | 22,127,288 |
| Intangible Right-to-Use Assets | 53,206 | 154,812 |

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Capital Assets and Debt Administration (Cont'd)

Debt Administration

As of July 1, 2023, the School District's total outstanding debt principal (for bonds and notes) was \$63,516,445.

During the 2023/24 year, there was \$277,856 in accretion of the series of 1995 zero coupon bonds. The School District made payments toward the principal outstanding on the series 1995, 2018A, 2020, 2021A, 2021B, 2021C, 2021D, 2021E, 2021F, 2022 and 2023 bonds in the total amount of \$3,735,000. The School District also made payments toward the principal of the 2016 general obligation note in the amount of \$101,657 for its share of the A. W. Beattie Career and Technical School general obligation note.

The fiscal year debt activity resulted in ending outstanding debt as of June 30, 2024, of \$59,957,644, a decrease of \$3,558,801 or 5.6%. A comprehensive analysis of the School District's long-term debt is included in the notes to the financial statements.

Table A-6
Outstanding Debt

| General Obligation Bonds/Notes | As of 06/30/24 | As of 06/30/23 |
|--------------------------------|----------------|----------------|
| Bonds - Series of 1995 | \$3,217,932 | \$4,665,076 |
| Bonds -- Series 2018A | -0- | 260,000 |
| Bonds -- Series 2018B | 890,000 | 890,000 |
| Bonds -- Series 2020 | 9,985,000 | 9,990,000 |
| Bonds -- Series 2021A | 8,600,000 | 9,715,000 |
| Bonds -- Series 2021B | 1,370,000 | 1,705,000 |
| Bonds -- Series 2021C | 635,000 | 640,000 |
| Bonds -- Series 2021D | 6,670,000 | 6,695,000 |
| Bonds -- Series 2021E | 6,730,000 | 6,900,000 |
| Bonds -- Series 2021F | 8,195,000 | 8,280,000 |
| Bonds -- Series 2022 | 9,990,000 | 9,995,000 |
| Bonds -- Series 2023 | 3,110,000 | 3,115,000 |
| Notes -- Series of 2016 | 564,712 | 666,369 |

Other long-term obligations include financing agreements, accrued vacation pay and sick leave for specific employees of the School District, termination benefits, and subscription asset liabilities. More detailed information about the School District's long-term liabilities is included in Notes 8 and 9 to the financial statements.

In March 2023, Standard & Poor's re-assigned the School District a credit rating of "AA-/Negative"

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Economic Factors and the 2024/25 Budget and Tax Rates

The general fund budget for the 2024/25 year was adopted by the Hampton Township School District School Board in June 2024. The 2024/25 expenditure budget of \$64,497,548 was an increase of \$3,105,659, or 5.1% from the 2023/24 final budget. The School District's revenues at the existing millage rate of 21.85 mills were projected at \$62,222,548 resulting in a deficit of \$2,275,000. The School District was able to offset the budget deficit through the utilization of \$300,000 of its updated stabilization fund (Year 5 of 7) and a real estate tax rate increase of 1.15 mills from 21.85 mills to 23.00 mills.

The comparison of budgeted revenues and expenditures categories are as follows:

Table A-7

| | Budgeted Revenues | |
|---------------------|-----------------------|---------|
| | 2024/25 | 2023/24 |
| Local | 72.6% | 72.8% |
| State | 26.5% | 26.7% |
| Federal/Other | 0.9% | 0.5% |
| | | |
| | Budgeted Expenditures | |
| | 2024/25 | 2023/24 |
| Instruction | 57.3% | 57.5% |
| Support Services | 30.7% | 31.0% |
| Noninstructional | 2.3% | 2.5% |
| Fund Transfers/Debt | 9.7% | 9.0% |

Future School District Economic Considerations

Allegheny County Assessments Common Level Ratio Adjustment

Allegheny County completed a county-wide real estate reassessment in 2013. The updated assessments were first used by the District for the 2013/2014 budget year. The District reduced its 2013/2014 real estate tax rate to create revenue neutrality for the change in assessed value.

The history of the School District's gross real estate taxable assessed value subsequent to the 2013 assessment is as follows:

| | | | |
|----------|-----------------|-----------|-----------------|
| May 2012 | \$1,699,505,200 | May 2019 | \$1,738,316,361 |
| May 2013 | 1,662,351,045 | May 2020 | 1,756,266,517 |
| May 2014 | 1,655,929,545 | May 2021 | 1,781,457,317 |
| May 2015 | 1,659,933,573 | May 2022 | 1,805,456,617 |
| May 2016 | 1,671,119,843 | May 2023 | 1,819,695,189 |
| May 2017 | 1,691,645,763 | May 2024 | 1,825,047,164 |
| May 2018 | 1,717,530,333 | Nov. 2024 | 1,819,700,964 |

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Future School District Economic Considerations (Cont'd)

Allegheny County Assessments Common Level Ratio Adjustment (Cont'd)

In 2022, Allegheny County was sued by a group of taxpayers who challenged the accuracy of the common level ratio (CLR). The CLR is a state statistic derived annually from sales data. The CLR provides a method to adjust a current sales price to reflect what the property would have sold for in the 2012 base year. In 2023, the CLR was reduced from 81.1% to 63.6% and the 2024 CLR was set at 54.5%. The reduction of the CLR and future CLR reductions have and will continue to have a negative impact on the district's taxable assessed value through the county appeals process by both the district and taxpayers as well as lower assessed values for new properties. The District's overall taxable assessed value growth as noted above has slowed since the 2022 tax year and has decreased between May 2024 and November 2024, despite new construction additions.

Public School Employees' Retirement System (PSERS) Contributions

Actuarial projections for future School District contributions to PSERS continue to forecast increases in the employer contribution rate. The forecast projects an increase in the employer contribution rate to 35.94% in the 2027/28 fiscal year as outlined below:

| Fiscal Year | Employer Contribution Rate | Hampton Township School District Annual PSERS Cost Net of State Reimbursement | Hampton Township School District Increase (Decrease) in Annual Net PSERS Cost |
|-------------|----------------------------------|---|---|
| 2010/11 | 5.64% | \$ 610,000 | \$ - |
| 2011/12 | 8.65% | 923,000 | 313,000 |
| 2012/13 | 12.36% | 1,341,000 | 418,000 |
| 2013/14 | 16.93% | 1,791,000 | 450,000 |
| 2014/15 | 21.40% | 2,354,000 | 563,000 |
| 2015/16 | 25.84% | 2,922,000 | 568,000 |
| 2016/17 | 30.03% | 3,427,000 | 505,000 |
| 2017/18 | 32.57% | 3,845,000 | 418,000 |
| 2018/19 | 33.43% | 4,081,000 | 236,000 |
| 2019/20 | 34.29% | 4,243,000 | 162,000 |
| 2020/21 | 34.51% | 4,559,000 | 316,000 |
| 2021/22 | 34.94% | 4,633,000 | 74,000 |
| 2022/23 | 35.26% | 4,797,000 | 164,000 |
| 2023/24 | 34.00% | 4,784,000 | (13,000) |
| 2024/25 | 33.90% | 4,861,000 | 77,000 |
| 2025/26 | *34.71% | 5,125,000 | 264,000 |
| 2026/27 | *35.41% | 5,375,000 | 250,000 |
| 2027/28 | *35.94% | 5,625,000 | 250,000 |

*-Projected Rates

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Future School District Economic Considerations (Cont'd)

Public School Employees' Retirement System (PSERS) Contributions (Cont'd)

Although half of the School District's contributions are reimbursed by the state, the PSERS rate increases have a tremendous financial impact on the School District. The increase in contribution rate from 5.64% in 2010/11 to 33.90% in 2024/25 has added \$4,251,000 to the District's budget (net of state reimbursement). The contribution rates are projected to plateau and the certified 2024/25 rate was a welcome decrease. However, the sustained high contribution rates will add an additional \$764,000 (net of state reimbursement) to the District's budget by the 2026/27 budget year.

The District was proactive in preparing for the higher PSERS contribution rates. The District established the PSERS Rate Stabilization Fund during the 2009/10 fiscal year. The fund allocated \$6.4 million towards future PSERS expenses and included a formula to allocate the funds for fifteen budget years. In preparation for the 2020/21 budget amid the uncertainty due to the COVID-19 Pandemic, the District adjusted the original PSERS Rate Stabilization fund for the 2020/21 budget and renamed it the "Stabilization Fund." The goal of the updated Stabilization Fund was to add support to the next (3) budget years to maintain educational programs during the period of economic uncertainty.

The PSERS Rate Stabilization Fund had \$1.794 million remaining on July 1, 2020 to allocate to future PSERS expenses as follows:

| | |
|---------------------|---------------------|
| 2020/21 - \$505,000 | 2023/24 - \$265,000 |
| 2021/22 - \$430,000 | 2024/25 - \$172,000 |
| 2022/23 - \$352,000 | 2025/26 - \$70,000 |

The District used \$425,000 of savings related to the spring 2020 "in-person" school closure school savings and \$500,000 or 50% of the existing debt service stabilization fund that is reserved for variable rate debt increases. The readjusted "Stabilization Fund" had \$2.719 million to allocate as follows:

| | |
|---------------------|---------------------|
| 2020/21 - \$625,000 | 2024/25 - \$300,000 |
| 2021/22 - \$575,000 | 2025/26 - \$200,000 |
| 2022/23 - \$525,000 | 2026/27 - \$94,000 |
| 2023/24 - \$400,000 | |

Hampton High School Renovation Project

The District is renovating Hampton High School to improve infrastructure and the learning environment. Phase I focused on infrastructure improvements with a final cost of approximately \$22 million. The District issued Series 2021, Series 2022 and Series 2023 bonds to fully fund Phase I. Future construction for Phase II is expected to begin in the 2025/26 fiscal year and will require additional funding.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Future School District Economic Considerations (Cont'd)

Act 1 of Special Session 2006 (the Taxpayer Relief Act) as amended by Act 25 of 2011

Under the Taxpayer Relief Act (Act 1), signed by the Governor of Pennsylvania on June 27, 2006, Pennsylvania school districts became subject to a change in their taxing structure. Act 1 expanded Pennsylvania's property tax and rent rebate programs for senior citizens and provided for a local referendum to consider increases to the local earned income tax or a change to a local personal income tax in order to fund dollar for dollar decreases in local property taxes.

The voters of Hampton Township rejected the proposed tax shift from the current earned income tax at 0.5% to a personal income tax at 1.2% in May 2007. The School District's tax structure will remain unchanged unless the tax shift is proposed for a future referendum.

However, the School District is still subject to a back-end referendum for future millage increases. Without voter approval by referendum, school districts may not increase the rate of any tax by more than the annual state index, nor may they increase or levy any new taxes. The state index is the average of the percentage increase in the state-wide average weekly wage (as reported by the Pennsylvania Department of Labor and Industry) and the national employment cost index (as reported by the Federal Bureau of Labor Statistics) for elementary and secondary schools. The back-end referendum requirement originally had ten exceptions under Act 1 of 2006, but was amended to include only three exceptions by Act 25 of 2011.

The three remaining referendum exceptions are outlined below:

1. To pay interest and principal on debt incurred prior to the effective date of Act 1.
2. To pay for special education cost increases above the index (net of state special education payments).
3. To make employer contributions to PSERS when the increase in the PSERS employer contribution rate exceeds the index, as determined by the Department of Education using the School District's total compensation for the year the exception is being sought or the School District's total compensation from the 2011/12 year, whichever is less. This change to the PSERS exception will reduce the revenue available from the exception as salaries increase over a period of years.

The School District has not applied for nor utilized any of the Act 1 exceptions in eleven of the twelve budget years since the advent of Act 1. The School District did apply for and receive PA Department of Education approval for the use of the PSERS exception for the 2011/12 budget year, but only used a portion of the available exception to balance the 2011/12 budget with a 0.47 mill or 2.25% real estate tax increase.

The School District Administration and School Board prepare the budget each year in order to balance the needs of the students with the resources of the community. The School District is proud that its 2024/25 real estate tax rate of 23.00 mills is 2.20 mills, or 8.72% lower than the average school district in Allegheny County. There are thirteen Allegheny County school districts with a lower 2024/25 millage rate than Hampton Township School District and twenty-eight with a higher millage rate.

**Hampton Township School District
Management's Discussion and Analysis
June 30, 2024**

Contacting the School District Financial Management

The School District's financial report is designed to provide its citizens, taxpayers, parents, students, investors, and creditors with a general overview of the School District's finances and to show the Board's accountability for the funds it receives. If you have questions about this report or wish to request additional financial information, please contact Mr. Jeffrey Kline, Director of Administrative Services of Hampton Township School District, 4591 School Road, Allison Park, PA 15101, 412-492-6308 or by email at kline@ht-sd.org.

Hampton Township School District
Statement of Net Position
June 30, 2024

Exhibit 1

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 9,949,510 | \$ 873,022 | \$ 10,822,532 |
| Taxes Receivable, Net | 1,749,182 | - | 1,749,182 |
| Due From Other Governments | 2,663,115 | 7,833 | 2,670,948 |
| Other Receivables | 369,032 | 697 | 369,729 |
| Inventories | - | 32,328 | 32,328 |
| Prepaid Items | 527,316 | - | 527,316 |
| Long-Term Prepayments (net of amortization) | 392,299 | - | 392,299 |
| Capital Assets not Being Depreciated | | | |
| Land | 1,081,390 | - | 1,081,390 |
| Construction in Progress | 180,917 | - | 180,917 |
| Capital Assets, Net | | | |
| Land Improvements | 1,408,320 | - | 1,408,320 |
| Building & Building Improvements | 57,331,843 | - | 57,331,843 |
| Furniture & Equipment | 1,907,194 | 84,432 | 1,991,626 |
| Intangible Right-to-Use Assets | 53,206 | - | 53,206 |
| TOTAL ASSETS | <u>77,613,324</u> | <u>998,312</u> | <u>78,611,636</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred Charge on Refunding | 988,965 | - | 988,965 |
| Amounts Related to OPEB | 1,579,041 | 3,317 | 1,582,358 |
| Amounts Related to Pension | 13,832,221 | 75,095 | 13,907,316 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>16,400,227</u> | <u>78,412</u> | <u>16,478,639</u> |
| LIABILITIES | | | |
| Accounts Payable | 972,184 | 184,993 | 1,157,177 |
| Accrued Salaries and Benefits | 6,681,528 | - | 6,681,528 |
| Payroll Deductions and Withholdings | 669,067 | - | 669,067 |
| Unearned Revenues | 166,000 | 15,235 | 181,235 |
| Other Current Liabilities | 576,481 | 56,732 | 633,213 |
| Noncurrent Liabilities: | | | |
| Due Within One Year | 4,280,260 | - | 4,280,260 |
| Due in More Than One Year: | | | |
| Notes Payable | 457,886 | - | 457,886 |
| Financing Agreements | 217,550 | - | 217,550 |
| Subscription Assets Payable | 37,195 | - | 37,195 |
| Compensated Absences | 955,367 | - | 955,367 |
| Bonds Payable | 57,115,199 | - | 57,115,199 |
| Other Post-Employment Benefits | 4,664,568 | 17,270 | 4,681,838 |
| Net Pension Liability | 78,716,894 | 424,106 | 79,141,000 |
| TOTAL LIABILITIES | <u>155,510,179</u> | <u>698,336</u> | <u>156,208,515</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Amounts Related to OPEB | 1,082,510 | 4,133 | 1,086,643 |
| Amounts Related to Pension | 3,167,932 | 17,068 | 3,185,000 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>4,250,442</u> | <u>21,201</u> | <u>4,271,643</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 4,399,438 | 84,432 | 4,483,870 |
| Restricted for: | | | |
| Permanent Endowment - Expendable | 4,610 | - | 4,610 |
| Permanent Endowment - Nonexpendable | 20,400 | - | 20,400 |
| Unrestricted | (70,171,518) | 272,755 | (69,898,763) |
| TOTAL NET POSITION | <u>\$ (65,747,070)</u> | <u>\$ 357,187</u> | <u>\$ (65,389,883)</u> |

See Accompanying Notes

Hampton Township School District
Statement of Activities
Year Ended June 30, 2024

Exhibit 2

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|--|---------------|----------------------------|--|--|--|---------------------------------|-----------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business- Type Activities | Total |
| Governmental activities: | | | | | | | |
| Instruction | \$ 36,266,558 | \$ - | \$ 6,922,605 | \$ - | \$ (29,343,953) | \$ - | \$ (29,343,953) |
| Instructional Student Support | 4,029,824 | - | 607,017 | - | (3,422,807) | - | (3,422,807) |
| Administrative and Financial Support Services | 6,019,076 | - | 634,670 | - | (5,384,406) | - | (5,384,406) |
| Operation and Maintenance of Plant Services | 6,748,570 | - | 692,591 | 25,000 | (6,030,979) | - | (6,030,979) |
| Pupil Transportation | 2,884,582 | - | 822,928 | - | (2,061,654) | - | (2,061,654) |
| Student Activities | 1,654,505 | - | 225,455 | - | (1,429,050) | - | (1,429,050) |
| Interest on Long-Term Debt | 1,612,499 | - | - | 548,911 | (1,063,588) | - | (1,063,588) |
| Total Governmental Activities | 59,215,614 | - | 9,905,266 | 573,911 | (48,736,437) | - | (48,736,437) |
| Business-type activities: | | | | | | | |
| Food Service | 1,614,842 | 937,757 | 767,633 | - | - | 90,548 | 90,548 |
| Total Primary Government | \$ 60,830,456 | \$ 937,757 | \$ 10,672,899 | \$ 573,911 | (48,736,437) | 90,548 | (48,645,889) |
| General Revenues | | | | | | | |
| Taxes | | | | | | | |
| Property Taxes Levied for General Purposes, Net | | | | | 37,570,938 | - | 37,570,938 |
| Earned Income Taxes | | | | | 5,239,725 | - | 5,239,725 |
| Real Estate Transfer Taxes | | | | | 515,492 | - | 515,492 |
| Other Taxes Levied for General Purposes, Net | | | | | 36,427 | - | 36,427 |
| Grants, Subsidies and Contributions not Restricted | | | | | 7,063,940 | - | 7,063,940 |
| Investment Earnings | | | | | 1,062,077 | 20,699 | 1,082,776 |
| Miscellaneous Income | | | | | 7,380 | - | 7,380 |
| Total General Revenues | | | | | 51,495,979 | 20,699 | 51,516,678 |
| Change in Net Position | | | | | 2,759,542 | 111,247 | 2,870,789 |
| Net Position - July 1, 2023 | | | | | (68,506,612) | 245,940 | (68,260,672) |
| Net Position - June 30, 2024 | | | | | \$ (65,747,070) | \$ 357,187 | \$ (65,389,883) |

See Accompanying Notes

**Hampton Township School District
Balance Sheet
Governmental Funds
June 30, 2024**

Exhibit 3

| | General Fund | Capital Projects Funds | Nonmajor Funds | Total Governmental Funds |
|---|-----------------------------|------------------------------|-------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 8,558,559 | \$ 1,365,941 | \$ 25,010 | \$ 9,949,510 |
| Taxes Receivable, Net | 1,749,182 | - | - | 1,749,182 |
| Due from Other Funds | - | 166,000 | - | 166,000 |
| Due from Other Governments | 2,663,115 | - | - | 2,663,115 |
| Other Receivables | 338,544 | 30,488 | - | 369,032 |
| Prepaid Items | 506,686 | - | - | 506,686 |
| TOTAL ASSETS | <u>\$ 13,816,086</u> | <u>\$ 1,562,429</u> | <u>\$ 25,010</u> | <u>\$ 15,403,525</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities | | | | |
| Due to Other Funds | \$ 166,000 | \$ - | \$ - | \$ 166,000 |
| Accounts Payable | 690,040 | 282,144 | - | 972,184 |
| Contracts Payable | - | - | - | - |
| Retainage Payable | - | - | - | - |
| Accrued Salaries and Benefits | 6,681,528 | - | - | 6,681,528 |
| Payroll Deductions and Withholdings | 669,067 | - | - | 669,067 |
| Other Current Liabilities | 241,335 | - | - | 241,335 |
| Total Liabilities | <u>8,447,970</u> | <u>282,144</u> | <u>-</u> | <u>8,730,114</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable Revenues - Property Taxes | 789,315 | - | - | 789,315 |
| Unavailable Revenues - Grants | - | 166,000 | - | 166,000 |
| Total Deferred Inflows of Resources | <u>789,315</u> | <u>166,000</u> | <u>-</u> | <u>955,315</u> |
| Fund Balances | | | | |
| Nonspendable | 506,686 | - | 20,400 | 527,086 |
| Restricted | - | 38,202 | 4,610 | 42,812 |
| Committed | 594,000 | 1,076,083 | - | 1,670,083 |
| Assigned | 22,075 | - | - | 22,075 |
| Unassigned | 3,456,040 | - | - | 3,456,040 |
| Total Fund Balances | <u>4,578,801</u> | <u>1,114,285</u> | <u>25,010</u> | <u>5,718,096</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 13,816,086</u> | <u>\$ 1,562,429</u> | <u>\$ 25,010</u> | <u>\$ 15,403,525</u> |

See Accompanying Notes

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

Exhibit 4

| | | |
|--|----|-----------|
| Total Fund Balances - Governmental Funds | \$ | 5,718,096 |
|--|----|-----------|

Amounts reported for governmental activities in the statement of net position are different because:

| | | |
|---|--|------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of assets is \$126,634,556, and the accumulated depreciation is \$64,724,892. | | 61,909,664 |
|---|--|------------|

| | | |
|--|--|--------|
| Intangible right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The value of these assets is \$91,633 and the accumulated amortization is \$38,427. | | 53,206 |
|--|--|--------|

| | | |
|--|--|---------|
| Property taxes receivable will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are not reported as assets in governmental funds. | | 789,315 |
|--|--|---------|

| | | |
|---|--|-------------|
| Premiums, discounts and insurance on bonds issued and refunded are capitalized and amortized over the life of the bonds in the statement of net position. | | (1,432,097) |
|---|--|-------------|

| | | |
|---|--|---------|
| Deferred charges on refunding bonds issued are amortized over the life of the bonds as deferred outflows of resources in the statement of net position. | | 988,965 |
|---|--|---------|

| | | |
|--|--|---------|
| The payment to the joint venture career and technical center is capitalized and amortized over the life of the notes payable issued. | | 392,299 |
|--|--|---------|

Long-term liabilities, including bonds, notes and capital leases payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

| | | |
|-------------------------------|-----------------|--------------|
| Bonds Payable | \$ (59,392,932) | |
| Accrued Interest on the Bonds | (335,146) | |
| Financing Agreements | (497,929) | |
| Notes Payable | (564,712) | |
| Subscription Assets Payable | (54,790) | |
| Compensated Absences | (985,367) | |
| | | (61,830,876) |

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

Exhibit 4

Some liabilities including net pension and OPEB liabilities, are not due and payable in the current period and, therefore, are not reported in the funds.

| | | |
|------------------------------|---------------------|--------------|
| OPEB Liability District Plan | \$ (1,574,838) | |
| OPEB Liability PSERS Plan | (3,204,730) | |
| Net Pension Liability | <u>(78,716,894)</u> | (83,496,462) |

Deferred outflows and inflows of resources related to pensions and OPEB are applicable to future periods and therefore, are not reported in the funds.

| | | |
|---|------------------|-------------------|
| Deferred Outflows of Resources Related to Pensions | 13,832,221 | |
| Deferred Inflows of Resources Related to Pensions | (3,167,932) | |
| Deferred Outflows of Resources Related to OPEB-District | 965,733 | |
| Deferred Inflows of Resources Related to OPEB-District | (315,643) | |
| Deferred Outflows of Resources Related to OPEB-PSERS | 613,308 | |
| Deferred Inflows of Resources Related to OPEB-PSERS | <u>(766,867)</u> | <u>11,160,820</u> |

| | | |
|--|--|-------------------------------|
| Total Net Position - Governmental Activities | | <u><u>\$ (65,747,070)</u></u> |
|--|--|-------------------------------|

See Accompanying Notes

**Hampton Township School District
Statement of Revenues, Expenditures
and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2024**

Exhibit 5

| | General Fund | Capital Projects Fund | Nonmajor Fund | Total Governmental Funds |
|--|---------------------|-----------------------------|--------------------|--------------------------------|
| Revenues | | | | |
| Local Sources | \$ 45,202,924 | \$ 54,240 | \$ 1,261 | \$ 45,258,425 |
| State Sources | 16,700,323 | - | - | 16,700,323 |
| Federal Sources | <u>308,793</u> | <u>-</u> | <u>-</u> | <u>308,793</u> |
| Total Revenues | <u>62,212,040</u> | <u>54,240</u> | <u>1,261</u> | <u>62,267,541</u> |
| Expenditures | | | | |
| Current | | | | |
| Instruction | 36,172,725 | - | - | 36,172,725 |
| Support Services | 19,599,634 | 501,934 | - | 20,101,568 |
| Noninstructional Services | 1,577,281 | - | - | 1,577,281 |
| Capital Outlay | - | 687,612 | - | 687,612 |
| Debt Service | | | | |
| Principal | 452,573 | - | 3,735,000 | 4,187,573 |
| Interest | 25,735 | - | 1,569,252 | 1,594,987 |
| Other | <u>269,090</u> | <u>-</u> | <u>8,026</u> | <u>277,116</u> |
| Total Expenditures | <u>58,097,038</u> | <u>1,189,546</u> | <u>5,312,278</u> | <u>64,598,862</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>4,115,002</u> | <u>(1,135,306)</u> | <u>(5,311,017)</u> | <u>(2,331,321)</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Financing Agreements | 507,865 | - | - | 507,865 |
| Transfers In | - | 105,126 | 5,312,278 | 5,417,404 |
| Sale/Compensation for Capital Assets | 3,600 | - | - | 3,600 |
| Transfers Out | <u>(5,417,404)</u> | <u>-</u> | <u>-</u> | <u>(5,417,404)</u> |
| Total Other Financing Sources (Uses) | <u>(4,905,939)</u> | <u>105,126</u> | <u>5,312,278</u> | <u>511,465</u> |
| Net Change in Fund Balances | (790,937) | (1,030,180) | 1,261 | (1,819,856) |
| Fund Balances - July 1, 2023 | <u>5,369,738</u> | <u>2,144,465</u> | <u>23,749</u> | <u>7,537,952</u> |
| Fund Balances - June 30, 2024 | <u>\$ 4,578,801</u> | <u>\$ 1,114,285</u> | <u>\$ 25,010</u> | <u>\$ 5,718,096</u> |

See Accompanying Notes

**Hampton Township School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2024**

Exhibit 6

| | | |
|--|----|-------------|
| Total Net Change in Fund Balances - Governmental Funds | \$ | (1,819,856) |
|--|----|-------------|

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the difference between depreciation/amortization and capital outlays in the period.

| | | | |
|---|----|-------------|-----------|
| Depreciation Expense | \$ | (2,615,975) | |
| Intangible Right-to-Use Assets Amortization | | (101,606) | |
| Capital Outlays | | 1,813,601 | (903,980) |

| | |
|--|--------|
| Payments for the intangible right-to-use assets are reported as principal and interest in governmental funds, but in the statement of activities, the asset is amortized and the repayment reduces the long-term liabilities in the statement of net position. | 79,257 |
|--|--------|

| | |
|---|----------|
| Because some property will not be collected for several months after the School District's fiscal year end, they are not considered as "available" revenues in the governmental funds. Unavailable revenues decreased by this amount this year. | (26,895) |
|---|----------|

| | |
|---|-----------|
| Repayment of bond, note and financing agreements principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. | 4,209,973 |
|---|-----------|

| | |
|---|-----------|
| Some capital assets acquired this year were financed through financing agreements. The amount financed is reported in the governmental funds as an other financing source. The financing agreements are not revenues in the statement of activities, but constitute long-term liabilities in the statement of net position. | (507,865) |
|---|-----------|

In the statement of activities, certain operating expenses-compensated absences (sick pay and vacations), other post-employment benefits (OPEB) and termination payments are measured by the amounts earned during the year. In governmental funds, however, expenditures for the items are measured by the amount of financial resources used (essentially, the amounts actually paid.

| | | |
|--------------------------------|----------|----------|
| Compensated absences | (33,696) | |
| Other Post-Employment Benefits | (10,796) | (44,492) |

**Hampton Township School District
Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures
and Changes in Fund Balances
to the Statement of Activities
Year Ended June 30, 2024**

Exhibit 6

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

| | | |
|---|------------------|--------------|
| Net Change in Accrued Interest on Bonds | \$ 28,122 | |
| Accretion of Interest on Capital Appreciation Bonds | <u>(277,856)</u> | \$ (249,734) |

Bond discount, premium, insurance and deferred charges on bonds are reported in the statement of revenues and expenditures of governmental funds as expenditures but are capitalized and amortized over the life of the bonds in the statement of activities.

| | | |
|---|----------------|---------|
| Amortization of Joint Venture Payment | (81,167) | |
| Amortization of Discount, Premium and Deferred Loss on Refunding | <u>238,705</u> | 157,538 |

Governmental funds report School District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned is reported as pension expense

| | | |
|---|--------------------|------------------|
| District pension contributions to PSERS | 9,311,722 | |
| Cost of benefits earned | <u>(7,446,126)</u> | <u>1,865,596</u> |

| | | |
|---|--|----------------------------|
| Change in Net Position of Governmental Activities | | <u><u>\$ 2,759,542</u></u> |
|---|--|----------------------------|

See Accompanying Notes

Hampton Township School District
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit 7

| | |
|--------------------------------------|--------------------------|
| | Food Service Fund |
| ASSETS | |
| Current Assets | |
| Cash and Cash Equivalents | \$ 873,022 |
| Due From Other Governments | 7,833 |
| Other Receivables | 697 |
| Inventories | <u>32,328</u> |
| Total Current Assets | <u>913,880</u> |
| Noncurrent Assets | |
| Machinery and Equipment, Net | <u>84,432</u> |
| TOTAL ASSETS | <u>998,312</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Amounts Related to OPEB PSERS Plan | 3,317 |
| Amounts Related to Pensions | <u>75,095</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>78,412</u> |
| LIABILITIES | |
| Current Liabilities | |
| Accounts Payable | 184,993 |
| Unearned Revenues | 15,235 |
| Other Current Liabilities | <u>56,732</u> |
| Total Current Liabilities | <u>256,960</u> |
| Noncurrent Liabilities | |
| Net OPEB Liability PSERS Plan | 17,270 |
| Net Pension Liability | <u>424,106</u> |
| Total Noncurrent Liabilities | <u>441,376</u> |
| TOTAL LIABILITIES | <u>698,336</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Amounts Related to OPEB PSERS Plan | 4,133 |
| Amounts Related to Pensions | <u>17,068</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>21,201</u> |
| NET POSITION | |
| Invested in Capital Assets | 84,432 |
| Unrestricted | <u>272,755</u> |
| TOTAL NET POSITION | <u><u>\$ 357,187</u></u> |

See Accompanying Notes

Hampton Township School District
Statement of Revenues, Expenses and Changes
in Fund Net Position
Proprietary Funds
Year Ended June 30, 2024

Exhibit 8

| | |
|--|-------------------------|
| | Food Service Fund |
| Operating Revenues | |
| Food Service Revenue | \$ 937,757 |
| Operating Expenses | |
| Salaries | 164,876 |
| Employee Benefits | 90,077 |
| Other Purchased Services | 1,180,986 |
| Supplies | 207,039 |
| Depreciation | 18,351 |
| Total Operating Expenses | 1,661,329 |
| Operating Income (Loss) | (723,572) |
| Nonoperating Revenues (Expenses) | |
| Earnings on Investments | 20,699 |
| State Sources | 187,816 |
| Federal Sources | 579,817 |
| Change in Pension/OPEB | 46,487 |
| Total Nonoperating Revenues (Expenses) | 834,819 |
| Change in Net Position | 111,247 |
| Net Position - July 1, 2023 | 245,940 |
| Net Position - June 30, 2024 | \$ 357,187 |

See Accompanying Notes

**Hampton Township School District
Statement of Cash Flows
Proprietary Fund Types
Year Ended June 30, 2024**

Exhibit 9

| | Food Service Fund |
|---|----------------------------|
| Cash Flows From Operating Activities | |
| Cash Received from Users | \$ 963,415 |
| Cash Payments to Employees for Services | (254,953) |
| Cash Payments to Suppliers for Goods and Services | <u>(1,047,367)</u> |
| Net Cash Provided by (Used for) Operating Activities | <u>(338,905)</u> |
| Cash Flows From Non-Capital Financing Activities | |
| State Sources | 206,699 |
| Federal Sources | <u>467,156</u> |
| Net Cash Provided by (Used for) Non-Capital Financing Activities | <u>673,855</u> |
| Cash Flows From Capital and Related Financing Activities | |
| Facilities Acquisition/Const./Imp.Serv | <u>(25,036)</u> |
| Cash Flows From Investing Activities | |
| Earnings on Investments | <u>20,699</u> |
| Net Increase (Decrease) in Cash and Cash Flows | 330,613 |
| Cash and Cash Equivalents - July 1, 2023 | <u>542,409</u> |
| Cash and Cash Equivalents - June 30, 2024 | <u><u>\$ 873,022</u></u> |
| Operating Income (Loss) | \$ (723,572) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities | |
| Depreciation | 18,351 |
| Donated Commodities | 167,585 |
| (Increase) Decrease in Accounts Receivable | 16,151 |
| (Increase) Decrease in Inventories | 12,506 |
| Increase (Decrease) in Accounts Payable | 160,567 |
| Increase (Decrease) in Other Current Liabilities | <u>9,507</u> |
| Total Adjustments | <u>384,667</u> |
| Cash Provided by (Used for) Operating Activities | <u><u>\$ (338,905)</u></u> |
| Noncash Non-Capital Financing Activities | |
| During the year ended June 30, 2024, the School District received \$149,501 of U.S.D.A Donated Commodities in the food service fund. | |

See Accompanying Notes

Hampton Township School District
Statement of Net Position
Fiduciary Funds
June 30, 2024

Exhibit 10

| | |
|---------------------------|---------------------------------|
| | Custodial Fund |
| ASSETS | |
| Cash and Cash Equivalents | <u>\$ 216,059</u> |
| LIABILITIES | <u>-</u> |
| NET POSITION | |
| Restricted for: | |
| Student Groups | <u>216,059</u> |
| TOTAL NET POSITION | <u><u>\$ 216,059</u></u> |

See Accompanying Notes

Hampton Township School District
Statement of Changes in Net Position
Fiduciary Funds
Year Ended June 30, 2024

Exhibit 11

| | Custodial Fund |
|-------------------------------------|--------------------------|
| Additions | |
| Revenue from Student Activities | <u>\$ 250,863</u> |
| Deductions | |
| Student Activities Program Expenses | <u>262,819</u> |
| Change in Net Position | (11,956) |
| Net Position-July 1, 2023 | <u>228,015</u> |
| Net Position-June 30, 2024 | <u><u>\$ 216,059</u></u> |

See Accompanying Notes

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

Hampton Township School District, located in Allegheny County, Pennsylvania, provides public education, kindergarten through twelfth grade, to the residents of the Township of Hampton. The School District operates under a nine-person elected Board of Directors.

A. Basic Financial Statements - Government-Wide Statements

The School District's basic financial statements include both government-wide (reporting the School District as a whole) and fund financial statements (reporting the School District's major funds). The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Hampton Township School District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. In the government-wide statement of net position, governmental activities are represented on a consolidated basis by column.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payment-in-lieu of taxes and other charges between various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

B. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, revenues and expenditures. Funds are organized into three categories: governmental; proprietary; and fiduciary.

The emphasis in fund financial statements is on the major funds in the governmental category. Nonmajor funds are summarized in a single column. The nonmajor funds are combined in a column in the fund financial statements.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

B. Basic Financial Statements - Fund Financial Statements (Cont'd)

1. Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses, and balances of financial resources) rather than upon net income. The School District reports the following major governmental funds and fund types:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *capital projects fund* accounts for financial resources to be used for the acquisition of construction of major capital facilities or equipment (other than those financed by proprietary funds).

The School District also reports as nonmajor governmental funds the following:

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Permanent funds are used to account for assets held by the School District pursuant to a trust agreement. The principle portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund. The Emily Scott Memorial and Spanos Memorial funds are considered permanent funds. The earnings are to be used for specific school programs.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The School District reports the following proprietary fund type:

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements. The *food service fund* accounts for the revenues, food purchases and other costs and expenses for providing meals to students and/or faculty during the school year.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

B. Basic Financial Statements - Fund Financial Statements (Cont'd)

3. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and are, therefore, not available to support School District programs. The reporting focus is on net position and changes in net position. The School District's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust funds, investment trust funds, private purpose trust fund, and custodial funds). The School District reports the following fiduciary fund type:

The *custodial fund* represents the School District's student activity funds. These funds account for student activities in the high school and middle school.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e. the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements and proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

C. Measurement Focus and Basis of Accounting (Cont'd)

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, intergovernmental revenues, interest, rent and certain miscellaneous income associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund and the custodial fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

D. Joint Venture

The School District is one of nine-member school districts of the A. W. Beattie Career Center (Beattie). Beattie provides vocational-technical training and education to participating students of the member districts. Beattie is controlled and governed by the Joint Board, which is composed of all the school board members of all the member districts. Beattie's operations are the responsibility of the Joint Committee, which consists of two representatives from each participating school district. No member of the Jointure exercises specific control over the fiscal policies or operations of Beattie. The School District's share of annual operating and capital costs for Beattie fluctuates, based on the percentage of enrollment of each member district in the school. The School District's financial obligation to Beattie for the year ended June 30, 2024, was \$749,265 which was paid in the year ended June 30, 2024 to Beattie and reported in the School District's general fund. The School District has no equity interest in Beattie as of June 30, 2024. Complete financial statements for Beattie can be obtained from the administrative offices at 9600 Babcock Boulevard, Allison Park, PA 15101-2091.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

E. Cash and Cash Equivalents

The School District's policy is to maintain cash balances in interest-bearing accounts such as money market or flex funds. The market values of the funds approximate cost. For purposes of the statement of cash flows, the proprietary fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

F. Investments

Investments are stated at fair value except that treasury and agency obligations that have a remaining maturity at the time of purchase of one year or less are shown at amortized cost. Fair value is based on quoted market prices. Funds are invested pursuant to the Public School Code of 1949 and investment policy guidelines established by the School District and approved by the Members of the Board. The School Code states that authorized types of investments shall be: United States Treasury Bills; short-term obligations of the United States Government or its agencies or instrumentalities; deposits in savings accounts, time deposits or share accounts of institutions insured by the FDIC; obligations of the United States or any of its agencies or instrumentalities backed by the full faith and credit of the United States and the Commonwealth of Pennsylvania.

G. Budgets

The School Board approves, prior to the beginning of each year, an annual budget on the modified accrual basis of accounting for the general fund. This is the only fund for which a budget is required and for which taxes may be levied. The general fund is the only fund that has an annual budget that has been legally adopted by the School Board. The Public School Code allows the School Board to authorize budget transfer amendments during the year, but only during the last nine months of the fiscal year. The School Board approved various budget transfers throughout the school year. There were no supplemental budgetary appropriations made during the year ended June 30, 2024.

The final budget data reflected in the financial statements includes the effect of approved budget transfer amendments and, for comparative purposes, the actual amounts have also been presented. Management may amend the budget without seeking prior approval of the Board within a function. Amendments between functions require prior Board approval. Excess of expenditures over appropriations in the general fund is presented in the required supplementary information section.

H. Receivables and Payables

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

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

I. Inventories

On government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis, and are expensed when used.

Inventories in governmental funds are stated at cost by the first-in, first-out method. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, an estimated value of inventories is reported as an asset in the general fund, if considered material. There was no material inventory balance as of June 30, 2024.

The inventory of the food service fund consists of government-donated commodities which were valued at estimated value provided by the USDA and purchased food for sale valued at lower of cost or market and supplies, valued at cost, using the first-in, first-out (FIFO) method. Any unused commodities donated by the federal government at June 30, 2024 are reported as unearned revenue.

J. Prepaid Items

In both the government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

K. Capital Assets

Capital assets, which include property, plant, equipment and land improvements are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the School District as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year. Management has elected to include certain homogeneous asset categories with individual assets less than \$1,500 as composite groups for financial reporting purposes. In addition, capital assets purchased with long-term debt may be capitalized regardless of the thresholds established. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are measured at acquisition value.

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

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

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

K. Capital Assets (Cont'd)

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

| Assets | Years |
|-----------------------|-------|
| Buildings | 50 |
| Building Improvements | 20-40 |
| Land Improvements | 20 |
| Furniture | 5-20 |
| Vehicles | 10 |
| Equipment | 5-10 |
| Computers | 5 |

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

L. Intangible Right-To-Use Assets

The School District has recorded intangible right-to-use assets as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related subscription liability plus any payment made prior to the term, less any incentives, and plus any ancillary charges necessary to place the asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related subscriptions.

M. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discount are reported as deferred charges and amortized over the term of the related debt.

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

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

N. Compensated Absences

The School District's policies regarding vacation and sick time is provided through various contracts. Employees can accumulate sick and/or vacation days which they are paid for upon retirement or termination of service. The amount the employee is compensated and the number of days varies based on their contract and their years of service. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on historical trends. In the fund financial statements, governmental funds report only the amount of reimbursable unused vacation or sick leave to employees who have terminated their employment as of the end of the fiscal year, while the proprietary funds report the liability as it is incurred.

O. Defining Operating Revenues and Expenses

The School District's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the School District's food service fund consist of charges for meals and the costs of providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as nonoperating.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The School District has four items that qualify for reporting in this category. One is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other items in the government-wide statement of net position are related to the participation in the cost-sharing defined benefit pension plan and the School District's OPEB plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District has three items reported in the government-wide statement of net position relating to the cost-sharing defined benefit pension plan and the School District's OPEB plan. The School District also has items, which arise only under the modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and grants. The unavailable grants are also reported in the government-wide statements. These amounts are deferred and recognized as inflows of resources in the period that the amount becomes available.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

Q. Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

Net investment in capital assets - consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position - consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - all other net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Statements - Fund Balance

In accordance with Governmental Accounting Standards Board Statement No. 54, fund balance reporting and governmental fund type definitions, the School District classifies governmental fund balances as follows:

Nonspendable - amounts that cannot be spent because they are either (1) not in a spendable form or (2) legally or contractually required to remain intact.

Restricted - the part of fund balance that is restricted to be spent for a specific purpose. The constraints on these amounts must be externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or by enabling legislation. Enabling legislation authorizes the government to assess, levy, change or mandate payments and includes a legally enforceable requirement on the use of these funds.

Committed - the portion of fund balance that can only be used for specific purposes as a result of formal Board motion, which is approval of a motion by the majority of the School Board. Once the item is committed, it cannot be used for any other purpose unless changed by the same procedures used to initially commit the money.

Assigned - reflects the School District's intent to use the money for a specific purpose but is not considered restricted or committed. The assignment of fund balance can be assigned by management in the business office.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies (Cont'd)

Q. Equity Classifications (Cont'd)

Fund Statements - Fund Balance (Cont'd)

Unassigned - represents the part of spendable fund balance that has not been categorized as restricted, committed or assigned. The general fund is the only fund permitted to have a positive unassigned fund balance.

The School District's policy is that it considers restricted amounts to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. It also considers committed amounts to be spent first when an expenditure is incurred for purposes for which both committed and unassigned fund balance could be used.

The purpose of the nonspendable, restricted, committed and assigned fund balance as of June 30, 2024, is as follows:

General Fund

1. Nonspendable fund balance of \$506,686 is for prepaid items.
2. The committed fund balance of \$594,000 is to add support to the next three budget years to maintain educational programs.
3. The assigned fund balance of \$22,075 is for summer school programs.

Capital Projects Fund

1. The restricted fund balance of \$38,202 is for future capital projects and is from the 2023 bond proceeds.
2. The committed fund balance of \$1,076,083 is for future capital projects.

Nonmajor Funds

1. The nonspendable fund balance of \$20,400 is the principal portion of the permanent fund original contribution which must remain intact.
2. The restricted fund balance of \$4,610 is the earnings in the permanent fund which must be used to achieve the objectives as outlined in the agreement between the School District and the contributor.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 2 - Deposits and Investments

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

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. The School District does not have a deposit policy for custodial credit risk. Deposits in excess of amounts covered by the Federal Deposit Insurance Corporation are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature which requires the institution to pool collateral for all governments and have the collateral held by an approved custodian in the institution's name. As of June 30, 2024, \$2,056,954 of the School District's bank balance of \$3,712,904 was exposed to custodial credit risk as follows:

| | |
|--|--------------------|
| Uninsured and Collateral Held by Pledging | |
| Bank's Agent not in the School District's Name | <u>\$2,056,954</u> |

As of June 30, 2024, the School District had the following investments:

| | |
|-------------|--------------------|
| Investments | Fair Value |
| PSDLAF | <u>\$7,577,424</u> |

Interest Rate Risk - The School District 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.

Credit Risks - The Pennsylvania Public School Code authorizes the types of investments allowed. These are described in Note 1F. The School District has no investment policy that would further limit its investment choices. The School District's investments in Pennsylvania School District Liquid Asset Fund (PSDLAF) is rated AAAM by Standard & Poor's.

Concentration of Credit Risk - The School District places no limit on the amount it may invest in any one issue.

Investments

The Pennsylvania School District Liquid Asset Fund (PSDLAF) was established as a common law trust, organized under laws of the Commonwealth of Pennsylvania. Shares of the fund are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools and municipalities. The purpose of the fund is to enable such governmental units to pool their available funds for investments authorized by Section 440.1 of the Pennsylvania Public School Code of 1949, as amended.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 2 - Deposits and Investments (Cont'd)

Investments (Cont'd)

PSDLAF is governed by an elected board of trustees who are responsible for the overall management of the fund. The trustees are elected from the several classes of local governments participating in the fund. The fund is audited annually by independent auditors. The fund is a local government investment pool and is exempt from the requirement of SEC's Rule 2(a)7 of the Investment Company Act of 1940. The fund measures for financial reporting purposes its assets at amortized cost and maintains a stable net asset value of \$1 per share. Accordingly, the fair value of the position in PSDLAF is the same as the value of PSDLAF shares. There are no limitations or restrictions on withdrawals.

Note 3 - Real Estate Taxes

The municipal tax collector bills and collects real estate taxes on behalf of the School District based upon assessed values provided by the County. The School District's tax rate for all purposes in 2023/2024 was 21.85 mills (\$21.85 per \$1,000 assessed valuation). The tax calendar for real estate taxes levied for 2023/2024 is as follows:

| | |
|---------------------|--------------------------------|
| Tax Levy Date | July 1, 2023 |
| 2% Discount Period | Through October 31, 2023 |
| Face Payment Period | November 1 - December 31, 2023 |
| 10% Penalty Period | January 1, 2024 Until Liened |
| Lien Filing Date | July 1, 2024 |

The amounts shown as delinquent real estate taxes receivable have not been recorded as revenue on the fund statements. These taxes are, however, recorded as deferred revenue on the balance sheet until they are received. The amounts reported for this receivable are reported on the balance sheet in the amount of \$789,315 net of estimated uncollectible of \$87,702, along with other taxes receivable of \$959,867.

Note 4 - Due from Other Governments

Amounts due from other governments represent receivables for revenues earned by the School District. At June 30, 2024, the following amounts are due from other governmental units:

| | Governmental Funds | Business-Type Funds | Totals |
|-----------------------------|-----------------------|------------------------|--------------------|
| Federal (through the state) | \$ 198,168 | \$ 4,866 | \$ 203,034 |
| State | 2,389,566 | 2,967 | 2,392,533 |
| Local | 75,381 | - | 75,381 |
| | <u>\$ 2,663,115</u> | <u>\$ 7,833</u> | <u>\$2,670,948</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 5 - Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

| | Balance 07/01/23 | Additions | Transfers/ Deletions | Balance 06/30/24 |
|--|---------------------|---------------------|-------------------------|---------------------|
| Governmental Activities | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land | \$ 1,081,390 | \$ - | \$ - | \$ 1,081,390 |
| Construction in Progress | <u>22,127,288</u> | <u>189,695</u> | <u>(22,136,066)</u> | <u>180,917</u> |
| Total Capital Assets not Being Depreciated | <u>23,208,678</u> | <u>189,695</u> | <u>(22,136,066)</u> | <u>1,262,307</u> |
| Capital Assets Being Depreciated/Amortized | | | | |
| Land Improvements | 5,477,842 | 14,400 | - | 5,492,242 |
| Building and Building Improvements | 84,082,096 | 466,082 | 22,136,066 | 106,684,244 |
| Furniture and Equipment | 12,052,339 | 1,143,424 | - | 13,195,763 |
| Intangible Right-to-Use Assets | <u>343,243</u> | <u>-</u> | <u>(251,610)</u> | <u>91,633</u> |
| Total Capital Assets Being Depreciated/Amortized | <u>101,955,520</u> | <u>1,623,906</u> | <u>21,884,456</u> | <u>125,463,882</u> |
| Less Accumulated Depreciation/Amortization | | | | |
| Land Improvements | 4,014,018 | 69,904 | - | 4,083,922 |
| Building and Building Improvements | 47,235,501 | 2,116,900 | - | 49,352,401 |
| Furniture and Equipment | 10,859,398 | 429,171 | - | 11,288,569 |
| Intangible Right-to-Use Assets | <u>188,431</u> | <u>101,606</u> | <u>(251,610)</u> | <u>38,427</u> |
| Total Accumulated Depreciation/Amortization | <u>62,297,348</u> | <u>2,717,581</u> | <u>(251,610)</u> | <u>64,763,319</u> |
| Total Capital Assets Being Depreciated/Amortized, Net | <u>39,658,172</u> | <u>(1,093,675)</u> | <u>22,136,066</u> | <u>60,700,563</u> |
| Governmental Activities Capital Assets, Net | <u>\$62,866,850</u> | <u>\$ (903,980)</u> | <u>\$ -</u> | <u>\$61,962,870</u> |
| Business-Type Activities | | | | |
| Furniture and Equipment | \$ 489,855 | \$ 25,036 | \$ - | \$ 514,891 |
| Less Accumulated Depreciation and Equipment | <u>412,108</u> | <u>18,351</u> | <u>-</u> | <u>430,459</u> |
| Business-Type Activities Capital Assets, Net | <u>\$ 77,747</u> | <u>\$ 6,685</u> | <u>\$ -</u> | <u>\$ 84,432</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 5 - Capital Assets (Cont'd)

Depreciation/amortization expense was charged to functions/programs as follows:

Governmental Activities

| | |
|---|---------------------|
| Instruction | \$ 1,909,779 |
| Administration and Financial Support Services | 21,773 |
| Operation and Maintenance of Plant Services | 664,351 |
| Student Activities | <u>121,678</u> |
| Total Depreciation/Amortization Expense | <u>\$ 2,717,581</u> |

| | |
|--------------------------|------------------|
| Business-Type Activities | <u>\$ 18,351</u> |
|--------------------------|------------------|

Note 6 - Interfund Balances

Interfund balances at June 30, 2024, were:

| Fund | Interfund Receivable | Interfund Payable |
|-----------------------|-------------------------|----------------------|
| General Fund | \$166,000 | \$ - |
| Capital Projects Fund | <u>-</u> | <u>166,000</u> |
| | <u>\$166,000</u> | <u>\$166,000</u> |

Balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All the balances above are expected to be collected in the subsequent year.

Note 7 - Interfund Transfers

For the year ended June 30, 2024, interfund transfers consisted of the following:

| | <u>Transfer From</u> |
|-----------------------|----------------------|
| | General Fund |
| <u>Transfer To</u> | |
| Debt Service Fund | \$5,312,278 |
| Capital Projects Fund | <u>105,126</u> |
| | <u>\$5,417,404</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 7 - Interfund Transfers (Cont'd)

The general fund annually transfers monies to the debt service fund to pay the principal and interest due on the outstanding general obligation bonds of the School District. The general fund transferred \$105,126 to the capital projects fund for capital expenses from excess funds.

Note 8 - Long-Term Debt

The following are changes in the long-term liabilities for the fiscal year ended June 30, 2024:

| | Balance 07/01/23 | Additions | Accretion | Reductions | Balance 06/30/24 | Due Within One Year |
|---|-----------------------|-------------------|-------------------|---------------------|-----------------------|------------------------|
| Governmental Activities | | | | | | |
| Bonds Payable | | | | | | |
| General Obligation Bonds | \$ 62,850,076 | \$ - | \$ 277,856 | \$ 3,735,000 | \$ 59,392,932 | \$3,730,460 |
| Plus: Bond Premium | 1,875,778 | - | - | 377,806 | 1,497,972 | - |
| Less: Bond Discount | <u>(48,901)</u> | <u>-</u> | <u>-</u> | <u>(3,656)</u> | <u>(45,245)</u> | <u>-</u> |
| Total Bonds Payable | <u>64,676,953</u> | <u>-</u> | <u>277,856</u> | <u>4,109,150</u> | <u>60,845,659</u> | <u>3,730,460</u> |
| General Obligation Notes | 666,369 | - | - | 101,657 | 564,712 | 106,826 |
| Financing Agreements | 363,380 | 507,865 | - | 373,316 | 497,929 | 280,379 |
| Subscription Asset Liabilities | 134,047 | - | - | 79,257 | 54,790 | 17,595 |
| Compensated Absences | 951,671 | 37,869 | - | 4,173 | 985,367 | 30,000 |
| Net Pension Liability | 80,358,708 | - | - | 1,641,814 | 78,716,894 | - |
| Other Post-Employment Benefits Liability | <u>4,855,257</u> | <u>-</u> | <u>-</u> | <u>75,689</u> | <u>4,779,568</u> | <u>115,000</u> |
| Total Governmental Activities Long Term Obligations as Reported in the Statement of Net Position | <u>\$ 152,006,385</u> | <u>\$ 545,734</u> | <u>\$ 277,856</u> | <u>\$ 6,385,056</u> | <u>\$ 146,444,919</u> | <u>\$ 4,280,260</u> |
| Business Type Activities | | | | | | |
| Net Pension Liability | \$ 467,292 | \$ - | \$ - | \$ 43,186 | \$ 424,106 | \$ - |
| Other Post-Employment Benefits Liability | <u>19,375</u> | <u>-</u> | <u>-</u> | <u>2,105</u> | <u>17,270</u> | <u>-</u> |
| Total Business-Type Activities Long Term Obligations as Reported in the Statement of Net Position | <u>\$ 486,667</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 45,291</u> | <u>\$ 441,376</u> | <u>\$ -</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 8 - Long-Term Debt (Cont'd)

General Obligation Bonds

| | |
|--|---------------------|
| Series of 1995 - Capital Appreciation Bonds; original issuance amount \$882,165; bonds payable in annual installments, final maturity November 15, 2025; yield 7.15% | \$ 3,217,932 |
| Series of 2018B in the amount of \$890,000; 3.125% current interest; bonds payable in semi-annual installments; final payment due August 15, 2032 | 890,000 |
| Series of 2020 in the amount of \$10,000,000; due serially through November 15, 2035; interest rate 1.50% to 2.125% | 9,985,000 |
| Series of 2021A in the amount of \$11,970,000; due serially through September 1, 2027; interest rate 4.00% | 8,600,000 |
| Series of 2021B in the amount of \$2,260,000; due serially through September 1, 2027; interest rate 0.30% to 1.30% | 1,370,000 |
| Series of 2021C in the amount of \$650,000; due serially through November 15, 2032; interest rate 0.65% to 3.00% | 635,000 |
| Series of 2021D in the amount of \$6,710,000; due serially through November 15, 2029; interest rate 3.00% | 6,670,000 |
| Series of 2021E in the amount of \$6,950,000; due serially through August 15, 2031; interest rate 0.35% to 1.80% | 6,730,000 |
| Series of 2021F in the amount of \$8,365,000; due serially through August 15, 2032; interest rate 0.35% to 1.95% | 8,195,000 |
| Series of 2022 in the amount of \$10,000,000; due serially through November 15, 2037; interest rate 2.50% to 3.50% | 9,990,000 |
| Series of 2023 in the amount of \$3,115,000; due serially through November 15, 2037; interest rate 3.25% to 4.00% | <u>3,110,000</u> |
| | <u>\$59,392,932</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 8 - Long-Term Debt (Cont'd)

Notes Payable

Series of 2016 in the amount of \$1,272,005; 0.50% - 5.00%, payable in semi-annual installments; final payment due October 25, 2028 \$ 564,712

Financing Agreements

Agreement dated July 10, 2022 in the amount of \$131,335; due in annual payments of \$44,171 including interest at 0.90% through July 10, 2024 \$ 43,777

Agreement dated August 30, 2022 in the amount of \$278,942; due in annual payments of \$97,348 including interest at 4.38% through August 30, 2024 93,258

Agreement dated July 17, 2023 in the amount of \$148,304; due in monthly payments of \$2,928 including interest at 6.881% through July 31, 2028 124,781

Agreement dated July 1, 2023 in the amount of \$125,752; due in annual payments of \$44,812 including interest at 7.07% through August 30, 2025. 80,940

Agreement dated August 1, 2023 in the amount of \$233,809; due in annual payments of \$78,636 including interest at 5.06% through August 1, 2025. 155,173

\$497,929

The debt service source for the above debt is the general fund. The bonds were issued for capital project purposes. The notes payable were issued to pay for the School District's obligations under the jointure agreement described in Note 1D, not related to capital assets. The general fund typically has been used in prior years to liquidate the liability for financing agreements, subscription asset liabilities, compensated absences and other post-employment benefit liabilities. The net pension liability is allocated between the general fund and proprietary fund as that liability is directly related to and expected to be paid from these two funds.

The annual requirements of School District funds to amortize all debt outstanding (excluding compensated absences and termination benefits) as of June 30, 2024, including interest, sinking fund payments and accretion on the capital appreciation bonds, are as follows:

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 8 - Long-Term Debt (Cont'd)

| Year Ended | General Obligation Bonds | | General Obligation Notes | | Financing Agreements | | |
|-------------------|--------------------------|---------------------|--------------------------|------------------|----------------------|------------------|----------------------|
| June 30, | Principal | Interest | Principal | Interest | Principal | Interest | Totals |
| 2025 | \$ 2,277,278 | \$ 3,017,620 | \$ 106,826 | \$ 12,268 | \$ 280,379 | \$ 19,335 | \$ 5,713,706 |
| 2026 | 2,312,875 | 2,976,388 | 111,134 | 8,486 | 149,529 | 9,446 | 5,567,858 |
| 2027 | 3,900,000 | 1,352,746 | 113,287 | 6,241 | 31,438 | 3,701 | 5,407,413 |
| 2028 | 4,035,000 | 1,214,235 | 115,441 | 3,882 | 33,671 | 1,468 | 5,403,697 |
| 2029 | 4,125,000 | 1,089,536 | 118,024 | 1,328 | 2,912 | 17 | 5,336,817 |
| 2030-2034 | 21,980,000 | 4,000,828 | - | - | - | - | 25,980,828 |
| 2035-2038 | 17,955,000 | 1,277,947 | - | - | - | - | 19,232,947 |
| | 56,585,153 | 14,929,300 | 564,712 | 32,205 | 497,929 | 33,967 | 72,643,266 |
| Accretion to Date | 2,807,779 | (2,807,779) | - | - | - | - | - |
| | <u>\$ 59,392,932</u> | <u>\$12,121,521</u> | <u>\$ 564,712</u> | <u>\$ 32,205</u> | <u>\$ 497,929</u> | <u>\$ 33,967</u> | <u>\$ 72,643,266</u> |

Note 9 - Subscription-Based Information Technology Arrangement Liabilities

The School District entered into subscription-based information technology arrangements for curriculum and technology software. The arrangements were revalued under the provisions of GASB Statement No. 96 "Subscription-Based Information Technology Arrangements" and therefore, have been recorded at present value of the future minimum payments as of the date of their inception. For purposes of discounting future payments, the School District determined an interest rate of 3.75% to be an appropriate discount rate.

As of June 30, 2024, the value of the subscription liability recorded for the above agreements was \$54,790. As a result, the School District has recorded Intangible Right-to-Use assets with a net book value of \$53,206 as of June 30, 2024.

| | Balance 07/01/23 | Additions | Transfers/ Deletions | Balance 06/30/24 |
|---|---------------------|---------------------|-------------------------|---------------------|
| Governmental Activities | | | | |
| Intangible Right-to-use Assets: | | | | |
| Subscription Based Information Technology | <u>\$ 343,243</u> | <u>\$ -</u> | <u>\$251,610</u> | <u>\$ 91,633</u> |
| Less Accumulated Amortization: | <u>188,431</u> | <u>101,606</u> | <u>251,610</u> | <u>38,427</u> |
| Net Intangible Right-to-use Assets | <u>\$ 154,812</u> | <u>\$ (101,606)</u> | <u>\$ -</u> | <u>\$ 53,206</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 9 - Subscription-Based Information Technology Arrangement Liabilities (Cont'd)

Future minimum subscription payments under these agreements are as follows:

| Year Ended June 30, | <u>Subscription Payable</u> | | Totals |
|------------------------|-----------------------------|-----------------|------------------|
| | Principal | Interest | |
| 2025 | \$ 17,595 | \$ 2,055 | \$ 19,650 |
| 2026 | 18,255 | 1,395 | 19,650 |
| 2027 | <u>18,940</u> | <u>710</u> | <u>19,650</u> |
| | <u>\$ 54,790</u> | <u>\$ 4,160</u> | <u>\$ 58,950</u> |

Note 10 - Public School Employees' Retirement System (PSERS)

A. Summary of Significant Accounting Policies

Pensions

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

B. General Information about the Pension Plan

1. Plan Description

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

2. Benefits Provided

PSERS provides retirement, disability, and death benefits. Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least 1 year of credited service; (b) age 60 with 30 or more year of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit reductions for individuals who become new members on or after July 1, 2011.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 10 - Public School Employees' Retirement System (PSERS) (Cont'd)

B. General Information about the Pension Plan (Cont'd)

2. Benefits Provided (Cont'd)

Act 120 created two new membership classes, Membership Class T-E (Class T-E) and Membership Class T-F (Class T-F). To qualify for normal retirement, Class T-E and Class T-F members must work until age 65 with a minimum of 3 years of service or attain a total combination of age and service that is equal to or greater than 92 with a minimum of 35 years of service.

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

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

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

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

**Hampton Township School District
Notes to Financial Statements
June 30, 2024**

Note 10 - Public School Employees' Retirement System (PSERS) (Cont'd)

B. General Information about the Pension Plan (Cont'd)

3. Contributions

Member Contributions

| Member Contribution Rates | | | | |
|---------------------------|-----------------------------|---|----------------------|---|
| Membership Class | Continuous Employment Since | Defined Benefit (DB) Contribution Rate | DC Contribution Rate | Total Contribution Rate |
| T-C | Prior to July 22, 1983 | 5.25% | N/A | 5.25%/6.25% |
| T-C | On or after July 22, 1983 | 6.25% | N/A | 6.25% |
| T-D | Prior to July 22, 1983 | 6.50% | N/A | 6.50% |
| T-D | On or after July 22, 1983 | 7.50% | N/A | 7.50% |
| T-E | On or after July 1, 2011 | 7.50% base rate with shared risk provision | N/A | Prior to 7/1/21: 7.5% After 7/1/21: 8.0% |
| T-F | On or after July 1, 2011 | 10.30% base rate with shared risk provision | N/A | Prior to 7/1/21: 10.3% After 7/1/21: 10.8% |
| T-G | On or after July 1, 2019 | 5.50% base rate with shared risk provision | 2.75% | Prior to 7/1/21: 8.25% After 7/1/21: 9.00% |
| T-H | On or after July 1, 2019 | 4.50% base rate with shared risk provision | 3.00% | Prior to 7/1/21: 7.50% After 7/1/21: 8.25% |
| DC | On or after July 1, 2019 | N/A | 7.50% | 7.50% |

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

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 33.36% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the School District were \$9,362,461 for the year ended June 30, 2024.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 10 - Public School Employees' Retirement System (PSERS) (Cont'd)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the School District reported a liability of \$79,141,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by rolling forward the System's total pension liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net pension liability was calculated utilizing the employer's one-year reported contributions as it relates to the total one-year reported contributions.

At June 30, 2024, the School District's proportion was 0.1779%, which was a decrease of 0.0039% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized pension expense of \$7,452,374. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 18,000 | \$ 1,084,000 |
| Net difference between projected and actual investment earnings | 2,240,000 | - |
| Change in assumptions | 1,181,000 | - |
| Changes in proportions | 975,000 | 2,101,000 |
| Difference between employer contributions and proportionate share of total contributions | 130,855 | - |
| Contributions subsequent to the measurement date | 9,362,461 | - |
| | <u>\$ 13,907,316</u> | <u>\$ 3,185,000</u> |

\$9,362,461 reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | |
|------------------------|---------------------|
| 2025 | \$ 978,142 |
| 2026 | (2,351,850) |
| 2027 | 1,971,252 |
| 2028 | <u>762,311</u> |
| | <u>\$ 1,359,855</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 10 - Public School Employees' Retirement System (PSERS) (Cont'd)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

1. Changes in Actuarial Assumptions

The total pension liability as of June 30, 2023 was determined by rolling forward the System's total pension liability at June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

- Valuation Date - June 30, 2022
- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 7.00%, includes inflation at 2.50%.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2022 and as of June 30, 2023.
- Demographic and economic assumptions approved by the Board for use effective with the June 30, 2021 actuarial valuation:
 - Salary Growth rate – decreased from 5.00% to 4.50%.
 - Real wage growth and merit or seniority increases (components for salary growth) – decreased from 2.75% and 2.25% to 2.50% and 2.00%, Respectively.
 - Mortality rates – Previously based on the RP-2014 Mortality Tables for Males and Females adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale. Effective with the June 30, 2021 actuarial valuation, mortality rates are based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study that was performed for the five year period ending June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 10 - Public School Employees' Retirement System (PSERS) (Cont'd)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

1. Changes in Actuarial Assumptions (Cont'd)

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

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|----------------------|--|
| Global public equity | 30.0% | 5.2% |
| Private equity | 12.0% | 7.9% |
| Fixed Income | 33.0% | 3.2% |
| Commodities | 7.5% | 2.7% |
| Infrastructure/MLPs | 10.0% | 5.4% |
| Real estate | 11.0% | 5.7% |
| Absolute return | 4.0% | 4.1% |
| Cash | 3.0% | 1.2% |
| Leverage | -10.5% | 1.2% |
| | <u>100%</u> | |

The above table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

2. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 10 - Public School Employees' Retirement System (PSERS) (Cont'd)

C. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

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

The following presents the net pension liability, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00%) or 1 percentage point higher (8.00%) than the current rate:

| | (In thousands) | | |
|--|----------------------------|-----------------------------------|----------------------------|
| | 1.00% Decrease 6.00% | Current Discount Rate 7.00% | 1.00% Increase 8.00% |
| School District's proportionate share of the net pension liability | \$102,589 | \$79,141 | \$59,358 |

4. Pension Plan Fiduciary Net Position

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

Note 11 - Contingent Liabilities

Hampton Township School District participates in a number of federally assisted grant programs, principal of which are the Special Education Cluster and National School Lunch Program. The programs are subject to program compliance audits by the grantors or their representatives. The audits of some of these programs for and including the year ended June 30, 2024 have not yet been conducted. Accordingly, the School District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

Note 12 - Other Post-Employment Benefit Plan - School District

A. Plan Description

Hampton Township School District administers a single-employer defined benefit healthcare plan ("The Supplemental Health Plan"). The plan provides medical, prescription drug, dental and vision for all employees. The benefits provided are for the eligible retirees and their spouses through the School District group health insurance plan which covers both active and retired members. The general fund is the fund to liquidate the other post-employment benefit liability. Benefit provisions are mostly established through negotiations between the School District and union or group representing the employees. The plan does not issue a publicly available financial report. The School District has no assets accumulated in a trust to pay related benefits for this OPEB plan.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 12 - Other Post-Employment Benefit Plan - School District (Cont'd)

B. Funding Policy

Medical Benefits

Qualified retirees under PA Act 110 can elect to remain in the School District's medical benefits plan provided they pay 100% of the premium rate.

For employees who retire and remain in the medical plan, they have a choice of either a PPO or an EPO product. Both programs are provided through the Allegheny County Schools Health Insurance Consortium (ACSHIC) and are administered by Highmark. The PPO program is referred to as Community Blue Flex PPO and the EPO is referred to as Community Blue Flex EPO. A summary of the benefits available is as follows:

Eligibility/Contributions

The eligibility criteria are that the employee must meet the "superannuation" criteria under PSERS or qualify under PSERS retirement criteria, which are as follows:

PSERS Superannuation Retirement

- Pension Class T-C or T-D: An employee is eligible for PSERS superannuation retirement upon reaching age 60 with 30 years of PSERS service, age 62 with 1 year of PSERS service or 35 years of PSERS service regardless of age. In general, these pension classes apply to individuals who were members of PSERS prior to July 1, 2011.
- Pension Class T-E or T-F: An employee is eligible for PSERS superannuation retirement upon reaching age 65 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 92 with a minimum of 35 years of PSERS service. In general, these pension classes apply to individuals who became members of PSERS on or after July 1, 2011 and prior to July 1, 2019.
- Pension Class T-G: An employee is eligible for PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS service or upon attainment of a total combination of age plus service equal to or greater than 97 with a minimum of 35 years of PSERS service. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.
- Pension Class T-H: An employee is eligible for PSERS superannuation retirement upon reaching age 67 with 3 years of PSERS Service. In general, this pension class applies to individuals who became members of PSERS on or after July 1, 2019.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 12 - Other Post-Employment Benefit Plan - School District (Cont'd)

B. Funding Policy (Cont'd)

Eligibility/Contributions (Cont'd)

PSERS Retirement

- All individuals are eligible for a special early retirement upon reaching age 55 with 25 years of PSERS service.

Retirees are eligible to purchase medical, prescription drug, dental and vision benefits through the School District's insurance carriers. All retirees must pay 100% of the School District's cost for the purchase of medical, dental and vision benefits. Retirees can opt to purchase medical benefits until they reach the age of 65. Dental and vision benefits may be purchased for as long as the retiree and/or spouse chooses.

Employees Covered by Benefit Terms

At July 1, 2023, the following employees were covered by the benefits terms:

| | |
|----------------------|------------|
| Retired Participants | 22 |
| Active Employees | <u>389</u> |
| | <u>411</u> |

C. Total OPEB Liability

The School District's total OPEB liability of \$1,574,838 was measured as of July 1, 2023, and was determined based on an actuarial valuation as of July 1, 2022 using standard roll-forward techniques to the measurement date.

D. Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2023 measurement date was based on the July 1, 2022 actuarial valuation using standard roll-forward techniques and was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|---|
| Inflation | 3.00% |
| Salary Increases | 4.00% |
| Discount Rate | 4.13% |
| Healthcare Cost Trend Rates | 7.00% for 2023 with 0.5% decrease per year until 5.50% in 2026 decreasing gradually from 5.4% in 2027 to 4.1% in 2075 |

The discount rate was based on the S & P Municipal Bond 20-Year High Grade Rate Index at July 1, 2023.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 12 - Other Post-Employment Benefit Plan - School District (Cont'd)

D. Actuarial Methods and Assumptions (Cont'd)

PubT-2010 headcount-weighted mortality table including rates for contingent survivors for teachers.
 PubG-2010 headcount-weighted mortality table including rates for contingent survivors for all other employees.

The actuarial assumptions used in the July 1, 2022 valuation and the roll forward were selected using input from the School District based upon actual experience.

E. Change in the Total OPEB Liability

| | Total OPEB Liability |
|--|-------------------------|
| Balance at June 30, 2023 | \$1,522,632 |
| Changes for the Year: | |
| Service Cost | 81,006 |
| Interest | 62,604 |
| Changes of Assumptions or Other Inputs | 22,447 |
| Benefit Payments | <u>(113,851)</u> |
| Net Changes | <u>52,206</u> |
| Balance at June 30, 2024 | <u>\$1,574,838</u> |

F. Changes of Assumptions and Other Inputs

- Changed the discount rate from 4.06% to 4.13%.
- The trend assumption was updated.

G. Sensitivity of the Total Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.13%) or one percentage point higher (5.13%) than the current discount rate:

| | 1.00% Decrease 3.13% | Current Discount Rate 4.13% | 1.00% Increase 5.13% |
|----------------------|----------------------------|-----------------------------------|----------------------------|
| Total OPEB Liability | \$1,687,053 | \$1,574,838 | \$1,468,737 |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 12 - Other Post-Employment Benefit Plan - School District (Cont'd)

H. Sensitivity of the Total Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

| | 1.00% Decrease | Healthcare Cost Trend Rates | 1.00% Increase |
|----------------------|-------------------|--------------------------------|-------------------|
| Total OPEB Liability | \$1,409,038 | \$1,574,838 | \$1,768,885 |

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

For the year ended June 30, 2024, the School District recognized OPEB Expense of \$91,702. At June 30, 2024, the School District reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between Expected and Actual Experience | \$668,873 | \$ 67,302 |
| Changes in Assumptions | 195,728 | 248,341 |
| Benefit Payments Subsequent to the Measurement Date | <u>101,132</u> | <u>-</u> |
| | <u>\$965,733</u> | <u>\$315,643</u> |

The \$101,132 amount reported as deferred outflows of resources resulting from the School District's benefit payments subsequent to the measurement date will be recognized as a reduction in next year's total OPEB liability. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | |
|------------------------|------------------|
| 2025 | \$ 49,224 |
| 2026 | 49,224 |
| 2027 | 49,224 |
| 2028 | 49,224 |
| 2029 | 49,224 |
| Thereafter | <u>302,838</u> |
| | <u>\$548,958</u> |

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 13 - Other Post-Employment Benefits - PSERS

A. Summary of Significant Accounting Policies

Other Post-Employment Benefits

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

B. General Information about the Health Insurance Premium Assistance Program

1. Health Insurance Premium Assistance Program

The System provides Premium Assistance which, is a governmental cost-sharing, multiple-employer other postemployment benefit plan (OPEB) for all eligible retirees who qualify and elect to participate. Employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Effective January 1, 2002 under the provisions of Act 9 of 2001, participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program. As of June 30, 2023, there were no assumed future benefit increases to participating eligible retirees.

2. Premium Assistance Eligibility Criteria

Retirees of the System can participate in the Premium Assistance program if they satisfy the following criteria:

- Have 24 ½ or more years of service, or
- Are a disability retiree, or
- Have 15 or more years of service and retired after reaching superannuation age

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

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

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 13 - Other Post-Employment Benefits - PSERS (Cont'd)

B. General Information about the Health Insurance Premium Assistance Program (Cont'd)

3. Pension Plan Description

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

4. Benefits Provided

Participating eligible retirees are entitled to receive premium assistance payments equal to the lesser of \$100 per month or their out-of-pocket monthly health insurance premium. To receive premium assistance, eligible retirees must obtain their health insurance through either their school employer or the PSERS' Health Options Program.

Employer Contributions

The School District's contractually required contribution rate for fiscal year ended June 30, 2024 was 0.64% of covered payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the OPEB plan from the School District were \$181,081 for the year ended June 30, 2024.

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the School District reported a liability of \$3,222,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by rolling forward the System's total OPEB liability as of June 30, 2022 to June 30, 2023. The School District's proportion of the net OPEB liability was calculated utilizing the employer's one-year reported covered payroll as it relates to the total one-year reported covered payroll. At June 30, 2024, the School District's proportion was 0.1781%, which was a decrease of 0.0040% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the School District recognized OPEB expense of \$98,180. At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 13 - Other Post-Employment Benefits - PSERS (Cont'd)

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Difference between Expected and Actual | | |
| Experience | \$ 21,000 | \$ 32,000 |
| Changes in Assumptions | 278,000 | 610,000 |
| Net Difference between Projected and Actual | | |
| Investment Earnings | 7,000 | - |
| Changes in Proportions | 127,000 | 129,000 |
| Difference between Employer Contributions and | | |
| Proportionate Share of Total Contributions | 2,544 | - |
| Contributions Subsequent to the Measurement Date | <u>181,081</u> | <u>-</u> |
| | <u>\$616,625</u> | <u>\$771,000</u> |

\$181,081 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30, | |
|------------------------|---------------------------|
| 2025 | \$ (45,011) |
| 2026 | (72,222) |
| 2027 | (93,458) |
| 2028 | (103,765) |
| 2029 | <u>(21,000)</u> |
| | <u><u>\$(335,456)</u></u> |

1. Actuarial Assumptions

The total OPEB liability as of June 30, 2023 was determined by rolling forward the System's total OPEB liability at June 30, 2022 to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 13 - Other Post-Employment Benefits - PSERS (Cont'd)

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

1. Actuarial Assumptions (Cont'd)

- Actuarial cost method - Entry Age Normal - level % of pay.
- Investment return - 4.13%, S&P 20 Year Municipal Bond Rate.
- Salary growth - Effective average of 4.50%, comprised of inflation of 2.50% and 2.00% for real wage growth and for merit or seniority increases.
- Premium Assistance reimbursement is capped at \$1,200 per year.
- Assumed Healthcare cost trends were applied to retirees with less than \$1,200 in premium assistance per year.
- Mortality rates were based on a blend of 50% PubT-2010 and 50% PubG-2010 Retiree Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Improvement Scale.
- Participation rate:
 - Eligible retirees will elect to participate pre age 65 at 50%.
 - Eligible retirees will elect to participate post age 65 at 70%.

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

The following assumptions were used to determine the contribution rate:

- The results of the actuarial valuation as of June 30, 2021 determined the employer contribution rate for fiscal year 2023.
- Cost Method: Amount necessary to assure solvency of Premium Assistance through the third fiscal year after the valuation date.
- Asset valuation method: Market Value.
- Participation rate: The actual data for retirees benefiting under the Plan as of June 30, 2021 was used in lieu of the 63% utilization assumption for eligible retirees.
- Mortality Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2015 Mortality Improvement Scale.

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

The OPEB plan's policy in regard to the allocation of invested plan assets is established and may be amended by the Board. Under the program, as defined in the retirement code employer contribution rates for Premium Assistance are established to provide reserves in the Health Insurance Account that are sufficient for the payment of Premium Assistance benefits for each succeeding year.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 13 - Other Post-Employment Benefits - PSERS (Cont'd)

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

1. Actuarial Assumptions (Cont'd)

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|-------------|-------------------|--|
| Cash | <u>100%</u> | 1.2% |

The above table was the Board's adopted asset allocation policy and best estimates of geometric real rates of return for each major asset class as of June 30, 2023.

2. Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.13%. Under the plan's funding policy, contributions are structured for short term funding of Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of Premium Assistance through the third fiscal year after the actuarial valuation date. The Premium Assistance account is funded to establish reserves that are sufficient for the payment of Premium Assistance benefits for each succeeding year. Due to the short-term funding policy, the OPEB plan's fiduciary net position was not projected to be sufficient to meet projected future benefit payments, therefore the plan is considered a "pay-as-you-go" plan. A discount rate of 4.13% which represents the S&P 20-year Municipal Bond Rate at June 30, 2023, was applied to all projected benefit payments to measure the total OPEB liability.

3. Sensitivity of System Net OPEB Liability to Change in the Healthcare Cost Trend Rates

Healthcare cost trends were applied to retirees receiving less than \$1,200 in annual Premium Assistance. As of June 30, 2023, retirees Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. As of June 30, 2023, 92,677 retirees were receiving the maximum amount allowed of \$1,200 per year. As of June 30, 2023, 522 members were receiving less than the maximum amount allowed of \$1,200 per year. The actual number of retirees receiving less than the \$1,200 per year cap is a small percentage of the total population and has a minimal impact on Healthcare Cost Trends as depicted below.

The following presents the System net OPEB liability for June 30, 2023 calculated using current Healthcare cost trends as well as what the System net OPEB liability would be if its health cost trends were 1 percentage point lower or 1 percentage point higher than the current rate:

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 13 - Other Post-Employment Benefits - PSERS (Cont'd)

C. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

3. Sensitivity of System Net OPEB Liability to Change in the Healthcare Cost Trend Rates (Cont'd)

| | (In thousands) | | |
|---------------------------|-------------------|-----------------------|-------------------|
| | 1.00% Decrease | Current Trend Rate | 1.00% Increase |
| System Net OPEB Liability | \$3,222 | \$3,222 | \$3,222 |

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

The following presents the net OPEB liability, calculated using the discount rate of 4.13%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.13%) or 1 percentage point higher (5.13%) than the current rate:

| | (In thousands) | | |
|--|----------------------------|-----------------------------------|----------------------------|
| | 1.00% Decrease 3.13% | Current Discount Rate 4.13% | 1.00% Increase 5.13% |
| School District's Proportionate Share of the Net OPEB Liability | \$3,643 | \$3,222 | \$2,870 |

5. OPEB Plan Fiduciary Net Position

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

D. OPEB Expense

Total OPEB expense recognized between both School District plans for the year ended June 30, 2024 was \$189,882.

Hampton Township School District
Notes to Financial Statements
June 30, 2024

Note 14 - Risk Management

The School District is one of forty-six members of the Allegheny County School Health Insurance Consortium (Consortium) which purchases health benefits on behalf of participating public school districts. The School District is billed monthly based on employee count and coverage information at rates established by the Consortium at the beginning of each fiscal year. As the Consortium is self-insured, rates are established with the objective of satisfying estimated claims and other costs, as well as maintaining working capital requirements. Contributions to the Consortium totaled \$5,232,197 and \$4,589,972 for the years ended June 30, 2024 and 2023, respectively.

Participating school districts are permitted to withdraw from the Consortium under terms specified in the agreement. Withdrawing participants are entitled to or responsible for a proportionate share of the Consortium net position or deficiency in net position, respectively, as determined on the fiscal year-end date after withdrawal. As of June 30, 2024, the net position of the Consortium was \$64,607,800 of which \$801,247 is attributable to the School District.

The School District participates in an insurance program offered by a commercial insurance company. It purchases commercial insurance policies for risks of losses for casualty, workmen's compensation and liability claims.

The School District is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

Settled claims for these risks have not exceeded commercial insurance coverage for the past three years.

Note 15 - On-Behalf Payments

The amounts recognized for revenues and expenditures for on-behalf payments relating to fringe benefits for the year ended June 30, 2024 was \$5,932,881. This includes \$4,840,290 recognized for revenues and expenditures relating to pension contributions for its employees that the Commonwealth of Pennsylvania paid to the Public School Employees' Retirement System (PSERS) for pension and \$1,092,591 to the federal government for social security and Medicare taxes for the year ended June 30, 2024. The School District pays these on-behalf payments directly to PSERS and the government and is reimbursed by the Commonwealth for their appropriate share.

Note 16 - Construction Commitment

As of June 30, 2024, the School District had construction commitments in the amount of approximately \$22,500 for the high school project. It is anticipated this portion of the project will be completed in the 2024/2025 fiscal year.

**REQUIRED SUPPLEMENTARY
INFORMATION SECTION**

Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|---------------------------------------|-------------------------|---------------|-------------------|----------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Revenues | | | | |
| Local Sources | | | | |
| Taxes | | | | |
| Current Real Estate Taxes | \$ 37,100,000 | \$ 37,100,000 | \$ 37,113,779 | \$ 13,779 |
| Interim Real Estate Taxes | 75,000 | 75,000 | - | (75,000) |
| Public Utility Realty Taxes | 37,000 | 37,000 | 36,427 | (573) |
| Earned Income Taxes | 4,750,000 | 4,750,000 | 5,119,535 | 369,535 |
| Real Estate Transfer Taxes | 475,000 | 475,000 | 515,492 | 40,492 |
| Delinquent Taxes | 900,000 | 900,000 | 873,334 | (26,666) |
| Earnings on Investments | 620,000 | 620,000 | 1,031,576 | 411,576 |
| Other Local Revenues | | | | |
| Revenue from Student Activities | 85,000 | 85,000 | 84,852 | (148) |
| Other Revenues from IU | - | - | 2,280 | 2,280 |
| Federal Revenues from IU | 325,000 | 325,000 | 392,424 | 67,424 |
| Rentals | 25,000 | 25,000 | 29,445 | 4,445 |
| Refund of Prior Year's Expenditures | - | - | 3,780 | 3,780 |
| Miscellaneous Revenue | 15,000 | 15,000 | - | (15,000) |
| Total Revenues from Local Sources | 44,407,000 | 44,407,000 | 45,202,924 | 795,924 |
| State Sources | | | | |
| Basic Instructional & Oper. Subsidies | | | | |
| Basic Instructional Subsidy | 5,819,303 | 5,819,303 | 5,981,319 | 162,016 |
| Tuition | 85,000 | 85,000 | 90,547 | 5,547 |
| Subsidies for Spec. Educ. Programs | | | | |
| Special Education of Excep. Pupils | 1,727,833 | 1,727,833 | 1,712,376 | (15,457) |
| Subsidies for Noneduc. Programs | | | | |
| Transportation (Regular & Additional) | 760,000 | 760,000 | 816,234 | 56,234 |
| Rentals & Sinking Fund Payments | 553,602 | 553,602 | 548,911 | (4,691) |
| Ready to Learn Block Grant | 294,130 | 294,130 | 294,130 | - |
| Health Services | 58,000 | 58,000 | 58,303 | 303 |
| State Property Tax Reduction | 1,082,621 | 1,082,621 | 1,082,621 | - |
| Other State Revenues | - | - | 25,000 | 25,000 |
| School Safety Grants | 95,000 | 95,000 | 190,387 | 95,387 |
| Social Security Payments | 1,080,800 | 1,080,800 | 1,086,375 | 5,575 |
| State Retirement Revenue | 4,722,600 | 4,722,600 | 4,814,120 | 91,520 |
| Total Revenues from State Sources | 16,278,889 | 16,278,889 | 16,700,323 | 421,434 |

**Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024**

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|--|-------------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Federal Sources | | | | |
| Restricted Grants-In-Aid from the Fed. Gov't. through the Commonwealth | | | | |
| Title I | 150,000 | 150,000 | 98,488 | (51,512) |
| Title II | 50,000 | 50,000 | 44,733 | (5,267) |
| Title IV | - | - | 8,519 | 8,519 |
| Other Federal Grants | 25,000 | 25,000 | - | (25,000) |
| Medical Assistance - Access | 80,000 | 80,000 | 155,858 | 75,858 |
| Medical Assistance - Admin. | - | - | 1,195 | 1,195 |
| | <u>305,000</u> | <u>305,000</u> | <u>308,793</u> | <u>3,793</u> |
| Total Revenues from Federal Sources | | | | |
| | <u>60,990,889</u> | <u>60,990,889</u> | <u>62,212,040</u> | <u>1,221,151</u> |
| Other Financing Sources | | | | |
| Proceeds from Financing Agreements | - | - | 507,865 | 507,865 |
| Sale of Capital Assets | 1,000 | 1,000 | 3,600 | 2,600 |
| | <u>1,000</u> | <u>1,000</u> | <u>511,465</u> | <u>510,465</u> |
| Total Other Financing Sources | | | | |
| | <u>60,991,889</u> | <u>60,991,889</u> | <u>62,723,505</u> | <u>1,731,616</u> |
| Total Revenues and Other Financing Sources | | | | |
| Expenditures | | | | |
| Current | | | | |
| Instruction | | | | |
| Regular Program | | | | |
| Personal Services | | | | |
| Salaries | 16,745,486 | 16,745,486 | 16,910,763 | (165,277) |
| Employee Benefits | 9,384,319 | 9,384,319 | 9,882,142 | (497,823) |
| Purchased Prof. and Tech. Services | 165,676 | 165,676 | 235,101 | (69,425) |
| Purchased Property Services | 98,692 | 98,642 | 56,060 | 42,582 |
| Other Purchased Services | 336,180 | 334,580 | 239,929 | 94,651 |
| Supplies | 667,097 | 671,551 | 707,596 | (36,045) |
| Property | 376,066 | 379,040 | 517,631 | (138,591) |
| Other Objects | 6,714 | 6,459 | 2,585 | 3,874 |
| | <u>27,780,230</u> | <u>27,785,753</u> | <u>28,551,807</u> | <u>(766,054)</u> |
| Total Regular Program | | | | |

**Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024**

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|------------------------------------|-------------------------|-------------------|----------------------|--|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Special Programs | | | | |
| Personal Services | | | | |
| Salaries | 3,134,505 | 3,134,505 | 3,043,317 | 91,188 |
| Employee Benefits | 1,746,414 | 1,746,414 | 1,669,066 | 77,348 |
| Purchased Prof. and Tech. Services | 585,387 | 580,816 | 873,446 | (292,630) |
| Purchased Property Services | - | - | 120 | (120) |
| Other Purchased Services | 1,106,730 | 1,107,096 | 1,052,496 | 54,600 |
| Supplies | <u>55,038</u> | <u>59,243</u> | <u>102,558</u> | <u>(43,315)</u> |
| Total Special Programs | <u>6,628,074</u> | <u>6,628,074</u> | <u>6,741,003</u> | <u>(112,929)</u> |
| Vocational Education Programs | | | | |
| Other Purchased Services | <u>868,402</u> | <u>868,402</u> | <u>868,402</u> | <u>-</u> |
| Other Instructional Programs | | | | |
| Personal Services | | | | |
| Salaries | 14,000 | 14,000 | 3,845 | 10,155 |
| Employee Benefits | <u>7,800</u> | <u>7,800</u> | <u>2,190</u> | <u>5,610</u> |
| Total Other Instructional Programs | <u>21,800</u> | <u>21,800</u> | <u>6,035</u> | <u>15,765</u> |
| Nonpublic School Programs | | | | |
| Purchased Prof. and Tech. Services | - | - | 3,959 | (3,959) |
| Supplies | <u>-</u> | <u>-</u> | <u>1,519</u> | <u>(1,519)</u> |
| Total Nonpublic School Programs | <u>-</u> | <u>-</u> | <u>5,478</u> | <u>(5,478)</u> |
| Total Instruction | <u>35,298,506</u> | <u>35,304,029</u> | <u>36,172,725</u> | <u>(868,696)</u> |
| Support Services | | | | |
| Pupil Personnel | | | | |
| Personal Services | | | | |
| Salaries | 1,397,377 | 1,397,377 | 1,352,182 | 45,195 |
| Employee Benefits | 779,727 | 779,727 | 762,008 | 17,719 |
| Purchased Prof. and Tech. Services | 55,385 | 55,385 | 58,248 | (2,863) |
| Other Purchased Services | 180 | 180 | 3,152 | (2,972) |
| Supplies | 128,925 | 128,570 | 26,937 | 101,633 |
| Other Objects | <u>945</u> | <u>945</u> | <u>793</u> | <u>152</u> |
| Total Pupil Personnel | <u>2,362,539</u> | <u>2,362,184</u> | <u>2,203,320</u> | <u>158,864</u> |

**Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024**

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|------------------------------------|-------------------------|------------------|----------------------|--|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Instructional Staff | | | | |
| Personal Services | | | | |
| Salaries | 716,029 | 716,029 | 733,509 | (17,480) |
| Employee Benefits | 371,970 | 371,970 | 448,639 | (76,669) |
| Purchased Prof. and Tech. Services | 72,981 | 72,981 | 80,211 | (7,230) |
| Purchased Property Services | 2,700 | 2,700 | 1,168 | 1,532 |
| Other Purchased Services | 14,100 | 14,000 | 18,255 | (4,255) |
| Supplies | 168,474 | 163,604 | 122,095 | 41,509 |
| | <u>1,346,254</u> | <u>1,341,284</u> | <u>1,403,877</u> | <u>(62,593)</u> |
| Total Instructional Staff | | | | |
| | <u>1,346,254</u> | <u>1,341,284</u> | <u>1,403,877</u> | <u>(62,593)</u> |
| Administration | | | | |
| Personal Services | | | | |
| Salaries | 2,348,255 | 2,348,255 | 2,369,476 | (21,221) |
| Employee Benefits | 1,314,822 | 1,314,822 | 1,326,889 | (12,067) |
| Purchased Prof. and Tech. Services | 485,800 | 485,800 | 495,640 | (9,840) |
| Purchased Property Services | 3,000 | 3,000 | 3,247 | (247) |
| Other Purchased Services | 102,699 | 102,399 | 101,761 | 638 |
| Supplies | 45,388 | 45,468 | 23,968 | 21,500 |
| Property | 270 | 270 | 4,001 | (3,731) |
| Other Objects | 50,708 | 50,708 | 52,718 | (2,010) |
| | <u>4,350,942</u> | <u>4,350,722</u> | <u>4,377,700</u> | <u>(26,978)</u> |
| Total Administration | | | | |
| | <u>4,350,942</u> | <u>4,350,722</u> | <u>4,377,700</u> | <u>(26,978)</u> |
| Pupil Health | | | | |
| Personal Services | | | | |
| Salaries | 370,006 | 370,006 | 365,001 | 5,005 |
| Employee Benefits | 206,154 | 206,154 | 173,599 | 32,555 |
| Purchased Prof. and Tech. Services | 12,750 | 12,750 | 12,428 | 322 |
| Purchased Property Services | 300 | 300 | - | 300 |
| Other Purchased Services | 678 | 700 | 488 | 212 |
| Supplies | 10,185 | 10,185 | 9,112 | 1,073 |
| | <u>600,073</u> | <u>600,095</u> | <u>560,628</u> | <u>39,467</u> |
| Total Pupil Health | | | | |
| | <u>600,073</u> | <u>600,095</u> | <u>560,628</u> | <u>39,467</u> |

**Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024**

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|---------------------------------------|-------------------------|------------------|-------------------|----------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Business | | | | |
| Personal Services | | | | |
| Salaries | 272,653 | 272,653 | 284,032 | (11,379) |
| Employee Benefits | 152,305 | 152,305 | 161,967 | (9,662) |
| Purchased Prof. and Tech. Services | 12,900 | 12,900 | 3,965 | 8,935 |
| Purchased Property Services | 2,000 | 2,000 | 1,314 | 686 |
| Other Purchased Services | 2,500 | 2,500 | 1,267 | 1,233 |
| Supplies | 7,750 | 7,750 | 6,321 | 1,429 |
| Property | - | - | 4,001 | (4,001) |
| Other Objects | 1,500 | 1,500 | 25,459 | (23,959) |
| | <u>451,608</u> | <u>451,608</u> | <u>488,326</u> | <u>(36,718)</u> |
| Total Business | | | | |
| | <u>451,608</u> | <u>451,608</u> | <u>488,326</u> | <u>(36,718)</u> |
| Oper. and Maint. of Plant Svcs. | | | | |
| Personal Services | | | | |
| Salaries | 2,492,268 | 2,492,268 | 2,656,469 | (164,201) |
| Employee Benefits | 1,388,956 | 1,388,956 | 1,431,256 | (42,300) |
| Purchased Prof. and Tech. Services | - | - | 5,900 | (5,900) |
| Purchased Property Services | 365,941 | 365,941 | 432,212 | (66,271) |
| Other Purchased Services | 266,891 | 266,891 | 280,979 | (14,088) |
| Supplies | 1,035,000 | 1,035,000 | 1,317,722 | (282,722) |
| Property | 137,559 | 137,559 | 215,226 | (77,667) |
| | <u>5,686,615</u> | <u>5,686,615</u> | <u>6,339,764</u> | <u>(653,149)</u> |
| Total Oper. and Maint. of Plant Svcs. | | | | |
| | <u>5,686,615</u> | <u>5,686,615</u> | <u>6,339,764</u> | <u>(653,149)</u> |
| Student Transportation Services | | | | |
| Personal Services | | | | |
| Salaries | 37,858 | 37,858 | 32,184 | 5,674 |
| Employee Benefits | 21,093 | 21,093 | 18,720 | 2,373 |
| Purchased Prof. and Tech. Services | 8,500 | 8,500 | 8,171 | 329 |
| Other Purchased Services | 2,879,585 | 2,879,585 | 2,827,684 | 51,901 |
| Supplies | - | - | 38 | (38) |
| | <u>2,947,036</u> | <u>2,947,036</u> | <u>2,886,797</u> | <u>60,239</u> |
| Total Student Transportation Services | | | | |
| | <u>2,947,036</u> | <u>2,947,036</u> | <u>2,886,797</u> | <u>60,239</u> |

**Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024**

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|------------------------------------|-------------------------|-------------------|-------------------|----------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Central | | | | |
| Personal Services | | | | |
| Salaries | 561,500 | 561,500 | 564,871 | (3,371) |
| Employee Benefits | 313,345 | 313,345 | 311,598 | 1,747 |
| Purchased Prof. and Tech. Services | 72,650 | 72,650 | 131,364 | (58,714) |
| Purchased Property Services | 86,156 | 86,156 | 82,377 | 3,779 |
| Other Purchased Services | 58,264 | 58,264 | 70,696 | (12,432) |
| Supplies | 134,310 | 134,310 | 126,660 | 7,650 |
| Total Central | <u>1,226,225</u> | <u>1,226,225</u> | <u>1,287,566</u> | <u>(61,341)</u> |
| Other | | | | |
| Other Purchased Services | <u>51,645</u> | <u>51,645</u> | <u>51,656</u> | <u>(11)</u> |
| Total Support Services | <u>19,022,937</u> | <u>19,017,414</u> | <u>19,599,634</u> | <u>(582,220)</u> |
| Noninstructional Services | | | | |
| Student Activities | | | | |
| Personal Services | | | | |
| Salaries | 785,331 | 785,331 | 804,864 | (19,533) |
| Employee Benefits | 319,152 | 319,152 | 285,240 | 33,912 |
| Purchased Prof. and Tech. Services | 29,100 | 29,100 | 29,070 | 30 |
| Purchased Property Services | 17,750 | 17,750 | 23,143 | (5,393) |
| Other Purchased Services | 173,830 | 173,830 | 275,854 | (102,024) |
| Supplies | 147,505 | 147,505 | 143,579 | 3,926 |
| Other Objects | 18,400 | 18,400 | 15,531 | 2,869 |
| Total Student Activities | <u>1,491,068</u> | <u>1,491,068</u> | <u>1,577,281</u> | <u>(86,213)</u> |
| Total Noninstructional Services | <u>1,491,068</u> | <u>1,491,068</u> | <u>1,577,281</u> | <u>(86,213)</u> |

**Hampton Township School District
Schedule of Revenues, Expenditures
and Changes in Fund Balance
General Fund - Budget and Actual
Year Ended June 30, 2024**

| | <u>Budgeted Amounts</u> | | Actual | Variance with |
|---|-------------------------|---------------------|---------------------|----------------------------------|
| | Original | Final | (Budgetary Basis) | Final Budget Positive (Negative) |
| Debt Service | | | | |
| Interest | - | - | 25,735 | (25,735) |
| Refunds of Prior Year's Receipts | 25,000 | 25,000 | 269,090 | (244,090) |
| Redemption of Principal | - | - | 452,573 | (452,573) |
| Total Debt Service | <u>25,000</u> | <u>25,000</u> | <u>747,398</u> | <u>(722,398)</u> |
| Total Expenditures | <u>55,837,511</u> | <u>55,837,511</u> | <u>58,097,038</u> | <u>(2,259,527)</u> |
| Other Financing Uses | | | | |
| Fund Transfers | | | | |
| Debt Service Fund | 5,334,252 | 5,334,252 | 5,312,278 | 21,974 |
| Capital Projects Fund | 105,126 | 105,126 | 105,126 | - |
| Budgetary Reserve | <u>115,000</u> | <u>115,000</u> | <u>-</u> | <u>115,000</u> |
| Total Other Financing Uses | <u>5,554,378</u> | <u>5,554,378</u> | <u>5,417,404</u> | <u>136,974</u> |
| Total Expenditures and Other Financing Uses | <u>61,391,889</u> | <u>61,391,889</u> | <u>63,514,442</u> | <u>(2,122,553)</u> |
| Net Change in Fund Balance | (400,000) | (400,000) | (790,937) | (390,937) |
| Fund Balance - July 1, 2023 | <u>5,210,157</u> | <u>5,210,157</u> | <u>5,369,738</u> | <u>159,581</u> |
| Fund Balance - June 30, 2024 | <u>\$ 4,810,157</u> | <u>\$ 4,810,157</u> | <u>\$ 4,578,801</u> | <u>\$ (231,356)</u> |

Hampton Township School District
Note to Required Supplementary Information
Budget Comparison
June 30, 2024

Note 1 - Budgetary Information

Budgets are adopted on a basis consistent with U. S. generally accepted accounting principles. Annual appropriated budgets are adopted for the general fund. All annual appropriations lapse at year-end.

All budget amounts presented in the accompanying required supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions to the annual budget during the year).

**Hampton Township School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS
Last Ten Years**

| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 9,428,701 | \$ 9,366,504 | \$ 9,116,366 | \$ 8,857,116 | \$ 8,299,424 | \$ 7,984,871 | \$ 7,466,500 | \$ 6,596,768 | \$ 5,601,481 | \$ 4,435,082 |
| Contributions in Relation to the Contractually Required Contribution | <u>9,428,701</u> | <u>9,366,504</u> | <u>9,116,366</u> | <u>8,857,116</u> | <u>8,299,424</u> | <u>7,984,871</u> | <u>7,466,500</u> | <u>6,596,768</u> | <u>5,601,481</u> | <u>4,435,082</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District's Covered Payroll | \$28,216,935 | \$27,287,344 | \$26,770,347 | \$26,335,648 | \$24,901,705 | \$24,595,453 | \$23,701,265 | \$22,899,667 | \$22,758,140 | \$22,098,877 |
| Contributions as a Percentage of Covered Payroll | 33.42% | 34.33% | 34.05% | 33.63% | 33.33% | 32.46% | 31.50% | 28.81% | 24.61% | 20.07% |

The covered-payroll amount reported for June 30, 2023 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2024.

Hampton Township School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net Pension Liability
PSERS
Last Ten Years
(Dollar Amount in Thousands)

| | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| School District's Proportion of the Net Pension Liability (Asset) | 0.1779% | 0.1818% | 0.1853% | 0.1772% | 0.1783% | 0.1760% | 0.1720% | 0.1757% | 0.1717% | 0.1657% |
| School District's Proportionate Share of the Net Pension Liability (Asset) | \$ 79,141 | \$ 80,826 | \$ 76,078 | \$ 87,252 | \$ 83,413 | \$ 84,489 | \$ 84,948 | \$ 87,071 | \$ 74,373 | \$ 65,585 |
| School District's Covered Payroll | \$ 27,287 | \$ 26,770 | \$ 26,336 | \$ 24,902 | \$ 24,595 | \$ 23,701 | \$ 22,899 | \$ 22,758 | \$ 22,090 | \$ 21,198 |
| School District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll | 290.03% | 301.93% | 288.87% | 350.38% | 339.15% | 356.48% | 370.97% | 382.60% | 336.68% | 309.39% |
| Plan Fiduciary Net Position as a Percentage of The Total Pension Liability | 61.85% | 61.34% | 63.67% | 54.32% | 55.66% | 54.00% | 51.84% | 50.14% | 54.36% | 57.24% |

**Hampton Township School District
Required Supplementary Information
Schedule of Changes in the Total OPEB Liability
and Related Ratios
Last Eight Years**

| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
|--|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability | | | | | | | | |
| Service cost | \$ 81,006 | \$ 74,173 | \$ 74,440 | \$ 41,498 | \$ 41,055 | \$ 53,393 | \$ 50,133 | \$ - |
| Interest | 62,604 | 24,976 | 20,234 | 23,853 | 21,741 | 26,984 | 20,630 | - |
| Difference between expected and actual experience | - | 682,113 | - | 128,380 | - | (124,986) | - | - |
| Changes of assumptions and other inputs | 22,447 | (255,987) | (26,855) | 215,284 | (17,285) | 1,128 | 41,248 | |
| Benefit payments | <u>(113,851)</u> | <u>(52,126)</u> | <u>(69,254)</u> | <u>(57,865)</u> | <u>(74,757)</u> | <u>(79,063)</u> | <u>(84,695)</u> | <u>-</u> |
| Net Change in Total OPEB Liability | 52,206 | 473,149 | (1,435) | 351,150 | (29,246) | (122,544) | 27,316 | - |
| Total OPEB Liability - Beginning | <u>1,522,632</u> | <u>1,049,483</u> | <u>1,050,918</u> | <u>699,768</u> | <u>729,014</u> | <u>851,558</u> | <u>824,242</u> | <u>-</u> |
| Total OPEB Liability - Ending | <u>\$ 1,574,838</u> | <u>\$ 1,522,632</u> | <u>\$ 1,049,483</u> | <u>\$ 1,050,918</u> | <u>\$ 699,768</u> | <u>\$ 729,014</u> | <u>\$ 851,558</u> | <u>\$ 824,242</u> |
| Covered-Employee Payroll | \$ 26,260,366 | \$ 26,260,366 | \$ 25,512,345 | \$ 25,512,345 | \$ 22,679,628 | \$ 22,679,628 | \$ 22,505,222 | N/A |
| Total OPEB Liability as a Percentage of Covered-Employee Payroll | 6.00% | 5.80% | 4.11% | 4.12% | 3.09% | 3.21% | 3.78% | N/A |

Notes to Schedule:

GASB 75 was implemented beginning with fiscal year ended June 30, 2018.

Assumption Changes:

Discount rate used for fiscal year ending:

| | |
|------|-------|
| 2024 | 4.13% |
| 2023 | 4.06% |

The trend assumption was updated.

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

The School District has no assets accumulated in a trust to pay related benefits for this OPEB plan.

**Hampton Township School District
Required Supplementary Information
Schedule of School District's Contributions
PSERS OPEB Plan
Last Seven Years**

| | June 30, 2024 | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 181,081 | \$ 205,169 | \$ 214,542 | \$ 217,178 | \$ 210,058 | \$ 204,951 | \$ 197,836 |
| Contributions in Relation to the Contractually Required Contribution | <u>181,081</u> | <u>205,169</u> | <u>214,542</u> | <u>217,178</u> | <u>210,058</u> | <u>204,951</u> | <u>197,836</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| School District's Covered Payroll | \$ 28,216,935 | \$ 27,287,344 | \$ 26,770,347 | \$ 26,359,263 | \$ 24,901,705 | \$ 24,595,453 | \$ 23,701,265 |
| Contributions as a Percentage of Covered Payroll | 0.64% | 0.75% | 0.80% | 0.82% | 0.84% | 0.83% | 0.83% |

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

The covered-payroll amount reported for June 30, 2023 has been revised from the prior year presentation to reflect adjustments processed by PSERS during fiscal year 2024.

**Hampton Township School District
Required Supplementary Information
Schedule of School District's Proportionate Share
of the Net OPEB Liability
PSERS OPEB Plan
Last Seven Years**

| | June 30, 2023 | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| School District's Proportion of the Net OPEB Liability (Asset) | 0.1781% | 0.1821% | 0.1858% | 0.1774% | 0.1783% | 0.1760% | 0.1720% |
| School District's Proportionate Share of the Net OPEB Liability (Asset) | \$ 3,222 | \$ 3,352 | \$ 4,403 | \$ 3,833 | \$ 3,792 | \$ 3,670 | \$ 3,504 |
| School District's Covered Payroll | \$ 27,287 | \$ 26,770 | \$ 26,336 | \$ 24,902 | \$ 24,595 | \$ 23,701 | \$ 22,899 |
| School District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll | 11.81% | 12.52% | 16.72% | 15.39% | 15.42% | 15.48% | 15.30% |
| Plan Fiduciary Net Position as a Percentage of The Total OPEB Liability | 7.22% | 6.86% | 5.30% | 5.69% | 5.56% | 5.56% | 5.73% |

The information reported above is the information which was available upon implementation of the new reporting standard; 10 years of information will be reported when available.

**SUPPLEMENTARY
INFORMATION SECTION**

NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE

The debt service fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

PERMANENT FUNDS

The permanent funds are used to account for assets held by the School District to a trust agreement. The earnings are to be used for specific school programs.

Hampton Township School District
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

| | Debt Service Fund | Permanent Fund | Total Nonmajor Govenmental Funds |
|-------------------------------------|----------------------|-------------------|--|
| ASSETS | | | |
| Cash & Cash Equivalents | <u>\$ -</u> | <u>\$ 25,010</u> | <u>\$ 25,010</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts Payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund Balances | | | |
| Nonspendable | - | 20,400 | 20,400 |
| Restricted | - | 4,610 | 4,610 |
| Committed | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Fund Balances | <u>-</u> | <u>25,010</u> | <u>25,010</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ -</u> | <u>\$ 25,010</u> | <u>\$ 25,010</u> |

Hampton Township School District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2024

| | Debt Service Fund | Permanent Fund | Total Nonmajor Govenmental Funds |
|---|----------------------|-------------------------|--|
| Revenues | | | |
| Local Sources | <u>\$ -</u> | <u>\$ 1,261</u> | <u>\$ 1,261</u> |
| Expenditures | | | |
| Debt Service | | | |
| Principal | \$ 3,735,000 | \$ - | \$ 3,735,000 |
| Interest | <u>1,577,278</u> | <u>-</u> | <u>1,577,278</u> |
| Total Expenditures | <u>5,312,278</u> | <u>-</u> | <u>5,312,278</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (5,312,278) | 1,261 | (5,311,017) |
| Other Financing Sources(Uses) | | | |
| Transfers In | <u>5,312,278</u> | <u>-</u> | <u>5,312,278</u> |
| Net Change in Fund Balances | - | 1,261 | 1,261 |
| Fund Balance - July 1, 2023 | <u>-</u> | <u>23,749</u> | <u>23,749</u> |
| Fund Balance - June 30, 2024 | <u><u>\$ -</u></u> | <u><u>\$ 25,010</u></u> | <u><u>\$ 25,010</u></u> |

STATISTICAL SECTION

FINANCIAL TREND DATA

These schedules contain trend information to assist the reader in understanding how the School District's financial performance has changed over time.

Table 1

HAMPTON TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Governmental Activities | | | (1) | (2) | | | | (3) | | |
| Net investment in capital assets | (1,690,470) | (1,965) | (265,374) | (672,245) | 655,093 | 3,279,812 | 4,452,052 | 3,735,475 | 4,361,898 | 4,399,438 |
| Restricted | 21,885 | 21,912 | 21,987 | 22,177 | 22,627 | 22,899 | 22,899 | 22,922 | 23,749 | 25,010 |
| Unrestricted | <u>(62,731,209)</u> | <u>(65,802,694)</u> | <u>(67,296,210)</u> | <u>(70,722,254)</u> | <u>(73,646,748)</u> | <u>(77,972,378)</u> | <u>(79,919,825)</u> | <u>(76,689,074)</u> | <u>(72,892,259)</u> | <u>(70,171,518)</u> |
| Total Governmental Activities Net Position | (64,399,794) | (65,782,747) | (67,539,597) | (71,372,322) | (72,969,028) | (74,669,667) | (75,444,874) | (72,930,677) | (68,506,612) | (65,747,070) |
| Business - Type Activities | | | | | | | | | | |
| Net investment in capital assets | 135,440 | 147,803 | 147,608 | 170,497 | 148,875 | 127,953 | 107,974 | 90,052 | 77,747 | 84,432 |
| Unrestricted | <u>(263,135)</u> | <u>(232,504)</u> | <u>(293,740)</u> | <u>(316,808)</u> | <u>(395,210)</u> | <u>(534,261)</u> | <u>(594,039)</u> | <u>21,783</u> | <u>168,193</u> | <u>272,755</u> |
| Total Business - Type Activities Net Position | (127,695) | (84,701) | (146,132) | (146,311) | (246,335) | (406,308) | (486,065) | 111,835 | 245,940 | 357,187 |
| Total Primary Government | | | | | | | | | | |
| Net investment in capital assets | (1,555,030) | 145,838 | (117,766) | (501,748) | 803,968 | 3,407,765 | 4,560,026 | 3,825,527 | 4,439,645 | 4,483,870 |
| Restricted | 21,885 | 21,912 | 21,987 | 22,177 | 22,627 | 22,899 | 22,899 | 22,922 | 23,749 | 25,010 |
| Unrestricted | <u>(62,994,344)</u> | <u>(66,035,198)</u> | <u>(67,589,950)</u> | <u>(71,039,062)</u> | <u>(74,041,958)</u> | <u>(78,506,639)</u> | <u>(80,513,864)</u> | <u>(76,667,291)</u> | <u>(72,724,066)</u> | <u>(69,898,763)</u> |
| Total Primary Government Net Position | <u>(64,527,489)</u> | <u>(65,867,448)</u> | <u>(67,685,729)</u> | <u>(71,518,633)</u> | <u>(73,215,363)</u> | <u>(75,075,975)</u> | <u>(75,930,939)</u> | <u>(72,818,842)</u> | <u>(68,260,672)</u> | <u>(65,389,883)</u> |

Source: District Financial Reports

(1) - June 30, 2017 amounts restated due to the implementation of GASB 75.

(2) - June 30, 2018 amounts restated due to a correction in the implementation of GASB 75.

(3) - June 30, 2022 amounts restated due to the implementation of GASB 96

Table 2

HAMPTON TOWNSHIP SCHOOL DISTRICT
Expenses, Program Revenues and Net (Expense) / Revenue
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Instruction | 27,451,751 | 28,959,979 | 30,774,623 | 31,283,657 | 32,677,258 | 34,011,611 | 35,944,195 | 33,500,304 | 34,082,197 | 36,266,558 |
| Instructional Student Support | 2,843,331 | 3,085,366 | 3,273,393 | 3,408,378 | 3,542,132 | 3,594,434 | 3,761,471 | 3,518,538 | 3,517,806 | 4,029,824 |
| Administrative and Financial Support | 4,551,271 | 4,676,518 | 5,617,627 | 5,258,751 | 5,202,896 | 5,459,846 | 5,634,206 | 6,044,264 | 5,660,200 | 6,019,076 |
| Operation and Maintenance of Plant | 5,119,529 | 5,096,514 | 6,043,486 | 5,676,724 | 5,820,410 | 5,909,255 | 6,133,686 | 5,742,096 | 6,182,022 | 6,748,570 |
| Pupil Transportation | 2,138,090 | 2,078,458 | 2,182,669 | 2,247,300 | 2,374,242 | 2,156,484 | 2,344,927 | 2,752,478 | 2,607,763 | 2,884,582 |
| Student Activities | 1,298,071 | 1,364,500 | 1,565,764 | 1,476,913 | 1,437,111 | 1,572,277 | 1,353,675 | 1,493,399 | 1,676,576 | 1,654,505 |
| Community Services | - | - | - | - | - | - | - | - | - | - |
| Interest on long term debt | 2,694,123 | 2,616,593 | 2,286,134 | 2,240,790 | 2,196,148 | 2,102,894 | 2,133,376 | 1,316,656 | 1,666,137 | 1,612,499 |
| Total Governmental Activities Expense | 46,096,166 | 47,877,928 | 51,743,696 | 51,592,513 | 53,250,197 | 54,806,801 | 57,305,536 | 54,367,735 | 55,392,701 | 59,215,614 |
| Business - Type Activities | | | | | | | | | | |
| Food Service | 1,190,362 | 1,181,321 | 1,238,205 | 1,170,288 | 1,274,417 | 1,107,203 | 960,652 | 1,294,946 | 1,557,256 | 1,614,842 |
| Total Primary Government Expenses | <u>47,286,528</u> | <u>49,059,249</u> | <u>52,981,901</u> | <u>52,762,801</u> | <u>54,524,614</u> | <u>55,914,004</u> | <u>58,266,188</u> | <u>55,662,681</u> | <u>56,949,957</u> | <u>60,830,456</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | - | - | - | - | - | - | - | - | - | - |
| Operating grants and contributions | 6,357,195 | 7,056,944 | 7,439,603 | 8,187,439 | 8,428,917 | 8,931,333 | 10,652,640 | 9,315,051 | 9,904,741 | 9,905,266 |
| Capital grants and contributions | 717,822 | 654,723 | 662,423 | 598,746 | 580,528 | 561,309 | 549,827 | 849,719 | 560,222 | 573,911 |
| Total Governmental Activities Revenues | 7,075,017 | 7,711,667 | 8,102,026 | 8,786,185 | 9,009,445 | 9,492,642 | 11,202,467 | 10,164,770 | 10,464,963 | 10,479,177 |
| Business - Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Food Service | 869,703 | 868,408 | 803,470 | 825,484 | 810,236 | 617,537 | 170,426 | 359,287 | 923,223 | 937,757 |
| Operating grants and contributions | 342,762 | 355,907 | 372,065 | 367,448 | 361,178 | 328,509 | 710,453 | 1,533,407 | 757,364 | 767,633 |
| Total Business - Type Activities | 1,212,465 | 1,224,315 | 1,175,535 | 1,192,932 | 1,171,414 | 946,046 | 880,879 | 1,892,694 | 1,680,587 | 1,705,390 |
| Total Primary Government Program Revenues | <u>8,287,482</u> | <u>8,935,982</u> | <u>9,277,561</u> | <u>9,979,117</u> | <u>10,180,859</u> | <u>10,438,688</u> | <u>12,083,346</u> | <u>12,057,464</u> | <u>12,145,550</u> | <u>12,184,567</u> |
| Net (Expense) / Revenue | | | | | | | | | | |
| Total Primary government net expense | <u>(38,999,046)</u> | <u>(40,123,267)</u> | <u>(43,704,340)</u> | <u>(42,783,684)</u> | <u>(44,343,755)</u> | <u>(45,475,316)</u> | <u>(46,182,842)</u> | <u>(43,605,217)</u> | <u>(44,804,407)</u> | <u>(48,645,889)</u> |

Source: District Financial Reports

Table 3

HAMPTON TOWNSHIP SCHOOL DISTRICT
General Revenues and Total Change in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------------|--------------------|--------------------|-------------------|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| Net (Expense) / Revenue | | | | | | | | | | |
| Governmental Activities | (39,021,149) | (40,166,261) | (43,641,670) | (42,806,328) | (44,240,752) | (45,314,159) | (46,103,069) | (44,202,965) | (44,927,738) | (48,736,437) |
| Business - Type Activities | <u>22,103</u> | <u>42,994</u> | <u>(62,670)</u> | <u>22,644</u> | <u>(103,003)</u> | <u>(161,157)</u> | <u>(79,773)</u> | <u>597,748</u> | <u>123,331</u> | <u>90,548</u> |
| Total Primary government net expense | (38,999,046) | (40,123,267) | (43,704,340) | (42,783,684) | (44,343,755) | (45,475,316) | (46,182,842) | (43,605,217) | (44,804,407) | (48,645,889) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | 28,394,285 | 29,044,052 | 30,206,246 | 30,588,709 | 31,691,467 | 32,725,818 | 33,526,064 | 35,030,990 | 36,426,576 | 37,570,938 |
| Earned Income Tax | 3,919,833 | 3,972,074 | 4,017,502 | 4,046,757 | 4,152,057 | 4,311,591 | 4,225,969 | 4,696,583 | 4,810,753 | 5,239,725 |
| Other Current Taxes | 433,898 | 471,652 | 441,218 | 488,091 | 568,496 | 522,611 | 688,545 | 711,017 | 614,154 | 551,919 |
| Grants & Contributions not Restricted | 5,615,286 | 5,734,511 | 5,869,057 | 6,078,546 | 5,973,112 | 6,046,489 | 6,047,144 | 6,195,958 | 6,705,311 | 7,063,940 |
| Investment Earnings | 264,632 | (479,881) | 1,563,096 | 1,252,442 | 254,610 | 7,011 | 819,307 | 30,317 | 756,920 | 1,062,077 |
| Other | <u>36,178</u> | <u>40,900</u> | <u>23,114</u> | <u>25,722</u> | <u>4,304</u> | <u>-</u> | <u>20,833</u> | <u>4,431</u> | <u>38,089</u> | <u>7,380</u> |
| Total Governmental Activities Revenues | 38,664,112 | 38,783,308 | 42,120,233 | 42,480,267 | 42,644,046 | 43,613,520 | 45,327,862 | 46,669,296 | 49,351,803 | 51,495,979 |
| Business - Type Activities | | | | | | | | | | |
| Investment Earnings | - | - | 1,239 | 3,038 | 2,979 | 1,184 | 16 | 152 | 10,774 | 20,699 |
| Other | <u>22</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Business-Type Activities | 22 | - | 1,239 | 3,038 | 2,979 | 1,184 | 16 | 152 | 10,774 | 20,699 |
| Total Primary Government | <u>38,664,134</u> | <u>38,783,308</u> | <u>42,121,472</u> | <u>42,483,305</u> | <u>42,647,025</u> | <u>43,614,704</u> | <u>45,327,878</u> | <u>46,669,448</u> | <u>49,362,577</u> | <u>51,516,678</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | (357,037) | (1,382,953) | (1,521,437) | (326,061) | (1,596,706) | (1,700,639) | (775,207) | 2,466,331 | 4,424,065 | 2,759,542 |
| Business - Type Activities | <u>22,125</u> | <u>42,994</u> | <u>(61,431)</u> | <u>25,682</u> | <u>(100,024)</u> | <u>(159,973)</u> | <u>(79,757)</u> | <u>597,900</u> | <u>134,105</u> | <u>111,247</u> |
| Total Primary Government | <u>(334,912)</u> | <u>(1,339,959)</u> | <u>(1,582,868)</u> | <u>(300,379)</u> | <u>(1,696,730)</u> | <u>(1,860,612)</u> | <u>(854,964)</u> | <u>3,064,231</u> | <u>4,558,170</u> | <u>2,870,789</u> |

Source: District Financial Reports

Table 4

HAMPTON TOWNSHIP SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Fund | | | | | | | | | | |
| Nonspendable | 354,161 | 313,917 | 311,495 | 316,297 | 363,261 | 338,961 | 467,509 | 408,364 | 458,665 | 506,686 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | 5,190,000 | 4,468,000 | 3,721,000 | 3,019,000 | 2,370,000 | 2,719,000 | 2,094,000 | 1,519,000 | 994,000 | 594,000 |
| Assigned | 16,490 | 24,332 | 26,449 | 22,174 | 27,494 | 6,927 | 8,545 | 11,148 | 12,595 | 22,075 |
| Unassigned | <u>4,835,151</u> | <u>4,636,428</u> | <u>4,636,220</u> | <u>4,794,582</u> | <u>4,745,554</u> | <u>4,262,456</u> | <u>3,973,568</u> | <u>3,985,990</u> | <u>3,904,478</u> | <u>3,456,040</u> |
| Total General Fund | <u>10,395,802</u> | <u>9,442,677</u> | <u>8,695,164</u> | <u>8,152,053</u> | <u>7,506,309</u> | <u>7,327,344</u> | <u>6,543,622</u> | <u>5,924,502</u> | <u>5,369,738</u> | <u>4,578,801</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 | 20,400 |
| Restricted | 1,485 | 1,512 | 1,587 | 1,777 | 2,227 | 2,499 | 8,755,443 | 6,546,870 | 1,522,704 | 42,812 |
| Committed | 1,780,200 | 1,353,985 | 2,321,064 | 3,594,981 | 3,242,341 | 1,406,687 | 546,054 | 655,010 | 625,110 | 1,076,083 |
| Unassigned | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total all other Governmental Funds | <u>1,802,085</u> | <u>1,375,897</u> | <u>2,343,051</u> | <u>3,617,158</u> | <u>3,264,968</u> | <u>1,429,586</u> | <u>9,321,897</u> | <u>7,222,280</u> | <u>2,168,214</u> | <u>1,139,295</u> |

Source: District Financial Reports

Table 5

HAMPTON TOWNSHIP SCHOOL DISTRICT
Governmental Funds Revenues
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Local Sources | | | | | | | | | | |
| Real Estate Tax | 27,273,860 | 27,965,748 | 28,966,310 | 29,821,111 | 30,846,519 | 31,780,332 | 32,919,962 | 34,492,612 | 35,591,377 | 37,113,779 |
| Earned Income Tax | 3,774,071 | 3,857,513 | 3,903,381 | 3,900,568 | 4,047,052 | 4,233,879 | 4,147,129 | 4,561,019 | 4,673,813 | 5,119,535 |
| Other Local Taxes | 1,667,671 | 1,684,561 | 2,010,020 | 1,379,574 | 1,649,871 | 1,539,823 | 1,392,254 | 1,706,041 | 1,485,544 | 1,425,253 |
| Interest Earnings | 25,158 | 39,885 | 114,775 | 243,997 | 497,454 | 295,522 | 5,452 | 30,317 | 786,920 | 1,087,077 |
| Other Local Sources | <u>388,438</u> | <u>376,653</u> | <u>355,821</u> | <u>536,103</u> | <u>365,734</u> | <u>401,936</u> | <u>415,226</u> | <u>488,625</u> | <u>485,987</u> | <u>512,781</u> |
| Total Local Sources | <u>33,129,198</u> | <u>33,924,360</u> | <u>35,350,307</u> | <u>35,881,353</u> | <u>37,406,630</u> | <u>38,251,492</u> | <u>38,880,023</u> | <u>41,278,614</u> | <u>43,023,641</u> | <u>45,258,425</u> |
| State Sources | | | | | | | | | | |
| Basic Education Subsidy | 4,752,203 | 4,854,171 | 4,987,827 | 5,048,171 | 5,113,574 | 5,188,125 | 5,188,121 | 5,336,215 | 5,622,440 | 5,981,319 |
| Special Education Subsidy | 1,463,844 | 1,485,846 | 1,498,472 | 1,505,547 | 1,523,499 | 1,546,169 | 1,546,143 | 1,615,793 | 1,669,387 | 1,712,376 |
| Other State Subsidies | <u>5,895,306</u> | <u>6,453,077</u> | <u>6,908,797</u> | <u>7,335,859</u> | <u>7,693,037</u> | <u>8,115,904</u> | <u>8,133,849</u> | <u>8,556,589</u> | <u>8,690,910</u> | <u>9,006,628</u> |
| Total State Sources | <u>12,111,353</u> | <u>12,793,094</u> | <u>13,395,096</u> | <u>13,889,577</u> | <u>14,330,110</u> | <u>14,850,198</u> | <u>14,868,113</u> | <u>15,508,597</u> | <u>15,982,737</u> | <u>16,700,323</u> |
| Federal Sources | | | | | | | | | | |
| Other Federal Sources | <u>221,966</u> | <u>310,331</u> | <u>243,252</u> | <u>464,773</u> | <u>286,867</u> | <u>286,997</u> | <u>1,987,105</u> | <u>367,937</u> | <u>705,639</u> | <u>308,793</u> |
| Total Federal Sources | <u>221,966</u> | <u>310,331</u> | <u>243,252</u> | <u>464,773</u> | <u>286,867</u> | <u>286,997</u> | <u>1,987,105</u> | <u>367,937</u> | <u>705,639</u> | <u>308,793</u> |
| Total Revenues | <u>45,462,517</u> | <u>47,027,785</u> | <u>48,988,655</u> | <u>50,235,703</u> | <u>52,023,607</u> | <u>53,388,687</u> | <u>55,735,241</u> | <u>57,155,148</u> | <u>59,712,017</u> | <u>62,267,541</u> |

Source: District Financial Reports

Table 6

HAMPTON TOWNSHIP SCHOOL DISTRICT
Governmental Funds Expenditures and Debt Service Ratio
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Instruction | | | | | | | | | | |
| Regular Programs | 21,224,721 | 22,450,060 | 23,134,311 | 24,110,680 | 25,188,469 | 25,675,872 | 27,643,005 | 27,492,949 | 28,252,965 | 28,551,807 |
| Special Programs | 3,383,113 | 3,457,172 | 3,590,613 | 3,910,352 | 4,318,462 | 4,559,018 | 5,041,722 | 5,308,668 | 6,106,637 | 6,741,003 |
| Vocational Education Programs | 669,331 | 668,385 | 622,209 | 641,014 | 653,058 | 689,917 | 713,417 | 753,754 | 809,848 | 868,402 |
| Other Instructional Programs | 6,406 | 29,895 | 15,155 | 8,719 | 15,394 | 13,038 | 59,493 | 34,615 | 5,143 | 6,035 |
| Nonpublic School Programs | 7,441 | - | 12,196 | 14,499 | 10,811 | 3,972 | 4,961 | 1,821 | 9,822 | 5,478 |
| Support Services | | | | | | | | | | |
| Pupil Personnel | 1,228,836 | 1,334,636 | 1,566,792 | 1,629,246 | 1,650,870 | 1,762,721 | 1,842,259 | 1,928,665 | 1,930,123 | 2,203,320 |
| Instructional Staff | 1,058,743 | 1,223,614 | 1,074,004 | 1,199,470 | 1,298,524 | 1,231,423 | 1,249,841 | 1,240,044 | 1,281,266 | 1,403,877 |
| Administration | 3,242,822 | 3,257,235 | 3,856,048 | 3,615,278 | 3,863,089 | 3,694,109 | 3,790,498 | 4,474,328 | 4,113,668 | 4,377,700 |
| Pupil Health | 486,837 | 441,635 | 429,196 | 459,428 | 513,091 | 453,585 | 611,991 | 550,590 | 521,644 | 560,628 |
| Business | 388,151 | 398,073 | 436,150 | 452,728 | 449,843 | 472,236 | 426,254 | 424,377 | 469,577 | 488,326 |
| Operation & Maint. of Plant Services | 4,095,476 | 4,267,770 | 4,638,279 | 4,893,150 | 5,380,587 | 4,977,029 | 5,638,639 | 6,579,610 | 6,530,549 | 6,841,698 |
| Pupil Transportation | 2,137,306 | 2,077,468 | 2,180,002 | 2,245,808 | 2,373,188 | 2,154,593 | 2,344,203 | 2,754,858 | 2,611,349 | 2,886,797 |
| Central Services | 753,755 | 903,811 | 957,808 | 950,347 | 982,764 | 1,029,258 | 1,132,913 | 1,186,880 | 1,257,307 | 1,287,566 |
| Other Support Services | 47,808 | 47,739 | 48,634 | 48,854 | 50,133 | 45,346 | 49,030 | 49,371 | 49,143 | 51,656 |
| Non Instructional Services | | | | | | | | | | |
| Student Activities | 1,152,661 | 1,213,408 | 1,375,052 | 1,315,915 | 1,347,393 | 1,335,491 | 1,211,294 | 1,439,169 | 1,581,821 | 1,577,281 |
| Community Services | - | - | 16 | 49 | - | - | - | - | - | - |
| Capital Outlay * | 718,682 | 1,628,675 | 658,904 | 472,218 | 187,755 | 2,275,498 | 1,839,247 | 11,690,322 | 7,702,899 | 687,612 |
| Debt Service | | | | | | | | | | |
| Principal | 2,497,343 | 2,578,377 | 2,819,451 | 2,910,565 | 3,070,223 | 3,106,460 | 3,222,759 | 3,670,968 | 4,011,065 | 4,187,573 |
| Swaption Termination Fees ** | - | - | - | - | - | - | - | 2,240,500 | - | - |
| Interest | 2,484,642 | 2,382,587 | 2,139,648 | 2,005,136 | 1,808,287 | 1,772,960 | 1,752,817 | 1,073,640 | 1,517,027 | 1,594,987 |
| Refund of Prior Year's Receipts | 4,322 | 53,558 | 2,638 | 16,681 | 2,863 | 150,508 | 13,958 | 98,483 | 71,334 | 277,116 |
| Total Expenditures | <u>45,588,396</u> | <u>48,414,098</u> | <u>49,557,106</u> | <u>50,900,137</u> | <u>53,164,804</u> | <u>55,403,034</u> | <u>58,588,301</u> | <u>72,993,612</u> | <u>68,833,187</u> | <u>64,598,862</u> |
| Debt Service as a Percentage of non capital expenditures *** | 11.07% | 10.64% | 10.09% | 9.81% | 9.38% | 9.16% | 8.78% | 7.89% | 9.22% | 9.21% |

* - Capital outlay increased in the years ending June 30, 2020, June 30, 2021, June 30, 2022 and June 30, 2023 due to Phase I of the High School renovation project.

** - The swaption termination fee was a non-recurring payment to terminate the District's 2007 variable rate debt.

*** - Non Capital expenditures include capital assets in the various functional categories.

Source: District Financial Reports

Table 7

HAMPTON TOWNSHIP SCHOOL DISTRICT
Other Financing Sources and Uses and Net Change in Fund Balance
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|------------------|--------------------|----------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| Excess of Revenues Over (Under) Expenditures | (125,879) | (1,386,313) | (568,451) | (664,434) | (1,141,197) | (2,014,347) | (2,853,060) | (15,838,464) | (9,121,170) | (2,331,321) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Long Term Debt Issued | - | - | 15,857,890 | 9,928,637 | 139,113 | - | 9,961,649 | 49,525,937 | 3,098,063 | - |
| Long Term Debt Retired | - | - | (15,069,826) | (8,533,207) | - | - | - | (36,687,170) | - | - |
| Proceeds from Financing Agreements | - | - | - | - | - | - | - | 280,960 | 410,277 | 507,865 |
| Sale of Capital Assets | 4,198 | 7,000 | 28 | - | 4,150 | - | - | - | 4,000 | 3,600 |
| Transfers In | 5,235,545 | 6,132,235 | 6,550,500 | 6,459,038 | 5,238,500 | 5,274,151 | 4,892,617 | 5,390,698 | 5,601,647 | 5,417,404 |
| Transfers Out | (5,235,545) | (6,132,235) | (6,550,500) | (6,459,038) | (5,238,500) | (5,274,151) | (4,892,617) | (5,390,698) | (5,601,647) | (5,417,404) |
| Total Other Financing Sources (Uses) | <u>4,198</u> | <u>7,000</u> | <u>788,092</u> | <u>1,395,430</u> | <u>143,263</u> | <u>-</u> | <u>9,961,649</u> | <u>13,119,727</u> | <u>3,512,340</u> | <u>511,465</u> |
| Net Change in Governmental Fund Balance | <u>(121,681)</u> | <u>(1,379,313)</u> | <u>219,641</u> | <u>730,996</u> | <u>(997,934)</u> | <u>(2,014,347)</u> | <u>7,108,589</u> | <u>(2,718,737)</u> | <u>(5,608,830)</u> | <u>(1,819,856)</u> |

Source: District Financial Reports

REVENUE CAPACITY STATISTICS

These schedules contain information to assist the reader in assessing the School District's ability to generate tax revenue.

Table 8

HAMPTON TOWNSHIP SCHOOL DISTRICT
Real Estate Tax Levy and Collection History
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | | <u>Tax Rate</u> | <u>Total Tax Levy</u> | <u>Taxes Collected In Current Fiscal Year</u> | <u>Percent of Levy Collected In Current Fiscal Year</u> | <u>Taxes Collected in Subsequent Years</u> | <u>Total Taxes Collected to Date</u> | <u>Percent of Levy Collected to Date</u> |
|--|-----|------------------------|----------------------------------|--|--|---|---|---|
| 2024 | (1) | 21.85 | \$38,571,758 | \$37,113,779 | 96.22% | N/A | \$37,113,779 | 96.22% |
| 2023 | (1) | 20.99 | 36,846,100 | 35,575,964 | 96.55% | 364,772 | 35,940,736 | 97.54% |
| 2022 | (1) | 20.3 | 35,741,351 | 34,319,742 | 96.02% | 632,609 | 34,952,351 | 97.79% |
| 2021 | (1) | 19.71 | 34,143,726 | 32,882,691 | 96.31% | 646,338 | 33,529,029 | 98.20% |
| 2020 | (1) | 19.38 | 33,030,556 | 31,673,698 | 95.89% | 701,101 | 32,374,799 | 98.01% |
| 2019 | (1) | 18.95 | 31,913,284 | 30,570,961 | 95.79% | 824,984 | 31,395,945 | 98.38% |
| 2018 | (1) | 18.77 | 31,224,741 | 29,721,415 | 95.19% | 809,474 | 30,530,889 | 97.78% |
| 2017 | (1) | 18.39 | 30,332,639 | 28,805,907 | 94.97% | 829,298 | 29,635,205 | 97.70% |
| 2016 | (1) | 18.12 | 29,365,723 | 27,874,741 | 94.92% | 895,726 | 28,770,467 | 97.97% |
| 2015 | (1) | 17.85 | 28,600,288 | 27,225,174 | 95.19% | 1,019,810 | 28,244,984 | 98.76% |

Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value.

(1) - The District's Total tax levy for the years ended June 30, 2015 to June 30, 2024 was reduced by the Commonwealth of Pennsylvania's Property Tax Relief Program. The Commonwealth distributed the following amounts to the School district for property tax relief to its residents. The property tax relief was in the form of a homestead/farmstead exclusion.

| Year Ending | Total Property Tax Distribution to District | Property Tax Relief per Approved Property |
|--------------------|--|--|
| June 30, 2024 | \$1,082,621 | \$199 |
| June 30, 2023 | 1,082,871 | 199 |
| June 30, 2022 | 859,742 | 157 |
| June 30, 2021 | 859,023 | 157 |
| June 30, 2020 | 858,364 | 156 |
| June 30, 2019 | 859,538 | 157 |
| June 30, 2018 | 858,898 | 157 |
| June 30, 2017 | 861,230 | 158 |
| June 30, 2016 | 860,340 | 157 |
| June 30, 2015 | 862,557 | 157 |

Table 9

HAMPTON TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year Ended <u>June 30,</u> | Residential <u>Property</u> | Commercial <u>Property</u> | Total Assessed <u>Value</u> | School District Millage <u>Rate (a)</u> |
|--|--|---------------------------------------|--|--|
| 2024 | \$1,595,320,526 | \$219,525,200 | \$1,814,845,726 | 21.85 |
| 2023 | 1,588,425,548 | 218,576,410 | 1,807,001,958 | 20.99 |
| 2022 | 1,589,024,529 | 213,984,960 | 1,803,009,489 | 20.30 |
| 2021 | 1,559,954,582 | 215,933,260 | 1,775,887,842 | 19.71 |
| 2020 | 1,533,534,527 | 215,119,760 | 1,748,654,287 | 19.38 |
| 2019 | 1,520,969,547 | 208,466,960 | 1,729,436,507 | 18.95 |
| 2018 | 1,507,061,855 | 202,242,300 | 1,709,304,155 | 18.77 |
| 2017 | 1,489,687,884 | 206,553,000 | 1,696,240,884 | 18.39 |
| 2016 | 1,463,475,422 | 204,629,600 | 1,668,105,022 | 18.12 |
| 2015 | 1,444,400,280 | 206,123,600 | 1,650,523,880 | 17.85 |

Property is assessed at full market value

(a) - Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value

Source: District Tax Assessment Records

Table 10

HAMPTON TOWNSHIP SCHOOL DISTRICT
Construction Costs and Property Values
Last Ten Calendar Years

| <u>Calendar Year</u> | <u>Number of Permits</u> | <u>Commercial Cost</u> | <u>Residential Cost</u> | <u>Total Cost</u> | <u>Taxable Property Value (Total)</u> |
|---------------------------------|-------------------------------------|-----------------------------------|------------------------------------|------------------------------|--|
| 2023 | 37 | \$18,005,613 | \$13,020,526 | \$31,026,139 | \$1,814,845,726 |
| 2022 | 13 | 3,899,981 | 7,410,895 | 11,310,876 | 1,807,001,958 |
| 2021 | 16 | 600,500 | 4,390,320 | 4,990,820 | 1,803,009,489 |
| 2020 | 22 | 198,000 | 7,225,768 | 7,423,768 | 1,775,887,842 |
| 2019 | 30 | 1,434,475 | 9,342,417 | 10,776,892 | 1,748,654,287 |
| 2018 | 27 | 5,000,000 | 10,437,537 | 15,437,537 | 1,729,436,507 |
| 2017 | 19 | 1,114,032 | 6,650,621 | 7,764,653 | 1,709,304,155 |
| 2016 | 24 | 15,859,487 | 6,584,899 | 22,444,386 | 1,696,240,884 |
| 2015 | 47 | - | 11,843,193 | 11,843,193 | 1,668,105,022 |
| 2014 | 39 | 1,863,378 | 11,320,963 | 13,184,341 | 1,650,523,880 |

Data is for new construction only. Additions and alterations are not included. The costs are the value listed by the Hampton Township building inspector and may not reflect actual or appraised value.

Source: Hampton Township Planning / Zoning Commission

Table 11

HAMPTON TOWNSHIP SCHOOL DISTRICT
Ten Largest Real Estate Taxpayers Comparison
2023-24 Fiscal Year and 2014-15 Fiscal Year

| | | 2023-24 | 2023-24 |
|---|-------------------------|-------------------------------|------------------------------|
| <u>Name</u> | <u>Type of Property</u> | <u>Assessment</u> | <u>% of Total Assessment</u> |
| Coventry Square Associates | Apartments | 20,000,000 | 1.10% |
| St. Margaret Nursing Home Corp | Medical/Residential | 16,572,200 | 0.91% |
| Shoppers Plaza Land Company | Commercial | 14,533,400 | 0.80% |
| PPG Industries | Office/Research | 6,500,000 | 0.36% |
| Stone Lodge, Inc. | Country Club | 5,977,200 | 0.33% |
| Guardian Storage | Commercial | 5,566,900 | 0.31% |
| Route 8 Holding Company | Commercial | 4,544,000 | 0.25% |
| Kress Brothers Builders | Construction | 4,150,100 | 0.23% |
| Sirera Properties | Commercial | 4,013,400 | 0.22% |
| Conceptual Development | Commercial | 3,100,000 | 0.17% |
| Total Assessed Value - Ten Principal Taxpayers (2023-24) | | <u>\$84,957,200</u> | <u>4.68%</u> |
| Total District Assessed Value (2023-24) | | <u>\$1,814,845,726</u> | |

| | | 2014-15 | 2014-15 |
|---|-------------------------|--------------------------------|------------------------------|
| <u>Name</u> | <u>Type of Property</u> | <u>Assessment</u> | <u>% of Total Assessment</u> |
| Coventry Square Associates | Apartments | 20,000,000 | 1.21% |
| Shoppers Plaza Land Company | Commercial | 14,235,000 | 0.86% |
| PPG Industries | Office/Research | 11,430,200 | 0.69% |
| Stone Lodge, Inc. | Country Club | 9,190,300 | 0.56% |
| St. Margaret Nursing Home | Medical/Residential | 8,118,000 | 0.49% |
| Allison Park Facility | Medical/Residential | 4,700,000 | 0.28% |
| Route 8 Holding Company | Commercial | 4,554,400 | 0.28% |
| Sirera Properties | Commercial | 3,401,400 | 0.21% |
| Hutchison, Timothy | Residential | 3,300,000 | 0.20% |
| Conceptual Development Inc | Commercial | 3,100,000 | 0.19% |
| Total Assessed Value - Ten Principal Taxpayers (2014-15) | | <u>\$82,029,300</u> | <u>4.97%</u> |
| Total District Assessed Value (2014-15) | | <u>\$ 1,650,523,880</u> | |

Table 12

HAMPTON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

| Fiscal Year Ended <u>June 30,</u> | Hampton Township School District | -----Overlapping Rates----- | | Total Direct & Overlapping Rates |
|--|---|-----------------------------|---------------------|--|
| | | Hampton Township | Allegheny County | |
| 2024 | 21.85 | 2.9241 | 4.73 | 29.5041 |
| 2023 | 20.99 | 2.9241 | 4.73 | 28.6441 |
| 2022 | 20.30 | 2.9241 | 4.73 | 27.9541 |
| 2021 | 19.71 | 2.9241 | 4.73 | 27.3641 |
| 2020 | 19.38 | 2.9241 | 4.73 | 27.0341 |
| 2019 | 18.95 | 2.4966 | 4.73 | 26.1766 |
| 2018 | 18.77 | 2.4966 | 4.73 | 25.9966 |
| 2017 | 18.39 | 2.4966 | 4.73 | 25.6166 |
| 2016 | 18.12 | 2.4026 | 4.73 | 25.2526 |
| 2015 | 17.85 | 2.4026 | 4.73 | 24.9826 |

Tax rate is expressed in mills. One mill of tax is equal to \$1.00 for every \$1,000 of assessed property value

Table 13

HAMPTON TOWNSHIP SCHOOL DISTRICT
Major Employers within the School District Comparison
2023-24 Fiscal Year and 2014-15 Fiscal Year

| <u>Employer Name</u> | <u>Product or Service</u> | Approximate Employment <u>2023-24</u> | Percent of Total Employment <u>2023-24</u> | Approximate Employment <u>2014-15</u> | Percent of Total Employment <u>2014-15</u> |
|--------------------------------------|---------------------------|---|--|---|--|
| Hampton Township School District | Public Education | 482 | 7.5% | 502 | 8.1% |
| PPG Industries | Office / Research | 387 | 6.0% | 733 | 11.8% |
| Wildwood Golf Club | Country Club | 192 | 3.0% | 150 | 2.4% |
| Township of Hampton | Government | 186 | 2.9% | 157 | 2.5% |
| Home Depot | Retail | 174 | 2.7% | 164 | 2.6% |
| County of Allegheny | Government | 148 | 2.3% | N/A | N/A |
| Eat 'n Park | Restaurant | 109 | 1.7% | 107 | 1.7% |
| Jewart's Gymnastics | Fitness / Gym | 104 | 1.6% | N/A | N/A |
| St. Paul's United Methodist Church | Church | 100 | 1.6% | 102 | 1.6% |
| Landau Building Company | Construction | 98 | 1.5% | N/A | N/A |
| Approximate District-Wide Employment | | 6,400 | | 6,200 | |

Source: Earned Income Tax and Local Services Tax Reports

DEBT CAPACITY STATISTICS

These schedules present information to assist the reader in assessing the amount of the School District's debt and the School District's ability to issue future debt.

Table 14

HAMPTON TOWNSHIP SCHOOL DISTRICT
Outstanding Debt Analysis
Last Ten Fiscal Years

| Fiscal Year Ended June 30, | Financing Agreements Outstanding | Governmental Activities General Obligation Bonds & Notes Outstanding | Total General Obligation Bonds, Notes & Financing Agreements Outstanding | General Obligation Bonds, Notes & Financing Agreements Outstanding as a Percent of Personal Income (a) | Ratio of Bonds, Notes & Financing Agreements Outstanding to Assessed Value (b) | Ratio of Bonded Debt to Assessed Value (b) | Ratio of Bonded Debt Per Capita |
|----------------------------------|--|--|--|---|--|--|---------------------------------------|
| 2024 | \$497,929 | \$61,410,371 | \$61,908,300 | 6.05% | 3.41% | 3.35% | \$3,293 (d) |
| 2023 | 363,380 | 65,343,322 | 65,706,702 | 7.03% | 3.64% | 3.58% | 3,500 (d) |
| 2022 | 214,663 | 66,016,286 | 66,230,949 | 7.26% | 3.67% | 3.62% | 3,531 (d) |
| 2021 | 59,671 | 56,099,315 | 56,158,986 | 6.77% | 3.16% | 3.11% | 2,990 (d) |
| 2020 | 87,430 | 49,120,506 | 49,207,936 | 5.81% | 2.81% | 2.76% | 2,607 (d) |
| 2019 | 113,890 | 52,011,078 | 52,124,968 | 6.44% | 3.01% | 2.95% | 2,776 (c) |
| 2018 | -0- | 54,886,824 | 54,886,824 | 7.04% | 3.21% | 3.15% | 2,929 (c) |
| 2017 | 30,565 | 56,029,822 | 56,060,387 | 7.18% | 3.30% | 3.23% | 2,987 (c) |
| 2016 | 60,016 | 57,499,682 | 57,559,698 | 7.46% | 3.45% | 3.37% | 3,059 (c) |
| 2015 | 88,393 | 59,911,024 | 59,999,417 | 7.95% | 3.64% | 3.55% | 3,186 (c) |

(a) - District Personal Income is calculated based on annual current earned income tax collections

(b) - Annual Assessed Value data is detailed in Table 9

(c) - Population data from 2010 Census - District population was 18,363

(d) - Population data from 2020 Census - District population was 18,479

Source: District Financial Reports, United States Census Data

Table 15

HAMPTON TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Total Borrowing Base Revenues | \$137,762,654 | \$139,683,642 | \$146,068,678 | \$151,576,468 | \$156,682,083 | \$159,336,497 | \$164,288,321 | \$170,190,176 | \$177,635,321 | \$183,904,659 |
| Average borrowing Base (total revenues divided by 3) | \$45,920,885 | \$46,561,214 | \$48,689,559 | \$50,525,489 | \$52,227,361 | \$53,112,166 | \$54,762,774 | \$56,730,059 | \$59,211,774 | \$61,301,553 |
| Multiplied by Debt Limit Percentage | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> | <u>x225%</u> |
| Equals: Debt Limit | \$103,321,991 | \$104,762,732 | \$109,551,509 | \$113,682,351 | \$117,511,562 | \$119,502,373 | \$123,216,241 | \$127,642,632 | \$133,226,491 | \$137,928,494 |
| Total District Debt applicable to Limit (1) | <u>\$59,710,191</u> | <u>\$57,352,485</u> | <u>\$55,601,364</u> | <u>\$54,547,310</u> | <u>\$51,753,096</u> | <u>\$48,944,056</u> | <u>\$56,041,511</u> | <u>\$63,797,337</u> | <u>\$63,516,445</u> | <u>\$59,957,644</u> |
| Legal Debt Margin | <u>\$43,611,800</u> | <u>\$47,410,247</u> | <u>\$53,950,145</u> | <u>\$59,135,041</u> | <u>\$65,758,466</u> | <u>\$70,558,317</u> | <u>\$67,174,730</u> | <u>\$63,845,295</u> | <u>\$69,710,046</u> | <u>\$77,970,850</u> |
| Legal Debt Margin as a Percentage of Debt Limit | 42.21% | 45.25% | 49.25% | 52.02% | 55.96% | 59.04% | 54.52% | 50.02% | 52.32% | 56.53% |

(1) - The Pennsylvania "Local Government Unit Debt Act" utilizes gross bonds and notes outstanding and excludes financing agreements in the calculation of the legal debt margin.

Source: District Financial Reports

Table 16

HAMPTON TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Government Debt
as of June 30, 2024

| Governmental Unit | Debt Outstanding | Percentage Applicable to School District Residents | Estimated Share of Direct and Overlapping Debt |
|---|------------------------------|---|---|
| Overlapping Debt | | | |
| Township of Hampton (a) | \$68,550,000 | 100.00% | \$68,550,000 |
| County of Allegheny (a) | \$891,669,679 | 2.16% (b) | <u>\$19,222,778</u> |
| | Subtotal of Overlapping Debt | | \$87,772,778 |
| Direct Debt | | | |
| Hampton Township School District Bonds, Notes and Financing Agreements, net of Bond Discount and Premium | | | <u>\$61,908,300</u> |
| Total Direct and Overlapping Debt | | | <u>\$149,681,078</u> |
| Ratio of Total Direct and Overlapping Debt | | | |
| Percentage of Real Estate Assessed Value | | | 8.25% |
| Per Capita (c) | | | \$8,100 |

(a) Township and County Outstanding Debt as of December 31, 2023

(b) County Percentage of Overlapping Debt based on the ratio of School District
Assessed Value (\$1,814,845,726) to County Assessed Value (\$84,183,615,099)

School District Assessed Value data is detailed in Table 9

(c) Population data from 2020 Census - District population was 18,479

Source: School District, Hampton Township and Allegheny County Financial Reports.

DEMOGRAPHIC AND ECONOMIC STATISTICS

These schedules offer demographic and economic indicators to assist the reader in understanding the environment in which the School District's financial activities take place.

Table 17

HAMPTON TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year Ending June 30, | Population (a) | Personal Income (b) | Per Capita Personal Income | Unemployment Rate (c) |
|--|---------------------------|------------------------------------|---|--------------------------------------|
| 2024 | 18,479 | \$1,023,907,000 | \$55,409 | 3.7% |
| 2023 | 18,479 | 934,762,600 | 50,585 | 3.6% |
| 2022 | 18,479 | 912,203,800 | 49,364 | 4.6% |
| 2021 | 18,479 | 829,425,800 | 44,885 | 6.5% |
| 2020 | 18,479 | 846,775,800 | 45,824 | 11.3% |
| 2019 | 18,363 | 809,410,400 | 44,078 | 4.4% |
| 2018 | 18,363 | 780,113,600 | 42,483 | 4.7% |
| 2017 | 18,363 | 780,676,200 | 42,514 | 5.3% |
| 2016 | 18,363 | 771,502,600 | 42,014 | 5.8% |
| 2015 | 18,363 | 754,814,200 | 41,105 | 5.5% |

Source:

(a) Population data from the 2010 and 2020 Census

(b) Personal Income calculated from current earned income tax collections

(c) Unemployment Rate is the June rate for the Pittsburgh Metropolitan Statistical Area

OPERATING STATISTICS

These schedules contain information about the School District's operations and resources to assist the reader in understanding how the School District's financial information relates to the services that the School District provides.

Table 18

HAMPTON TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

| Fiscal Year Ending June 30, | Enrollment | Operating Expenditures (a) | Operating Cost / Student | Total Governmental Expenditures | Gross Cost per Student | Teaching Staff | Pupil to Staff Ratio | Percentage of Students Receiving Free or Reduced Meals |
|--|-------------------|---------------------------------------|-------------------------------------|--|---------------------------------------|---------------------------|-------------------------------------|---|
| 2024 | 2,676 | \$57,349,640 | \$21,431 | \$64,598,862 | \$24,140 | 208 | 12.87 | 15.44% |
| 2023 | 2,643 | 54,573,001 | 20,648 | 68,833,187 | 26,044 | 208 | 12.71 | 14.19% |
| 2022 | 2,695 | 52,639,002 | 19,532 | 72,933,612 | 27,063 | 208 | 12.96 | 20.89% |
| 2021 | 2,640 | 51,620,368 | 19,553 | 58,588,301 | 22,193 | 208 | 12.69 | 13.51% |
| 2020 | 2,789 | 48,097,608 | 17,245 | 55,403,034 | 19,865 | 208 | 13.41 | 11.81% |
| 2019 | 2,804 | 47,343,510 | 16,884 | 53,164,804 | 18,960 | 207 | 13.55 | 13.77% |
| 2018 | 2,834 | 45,364,095 | 16,007 | 50,900,137 | 17,961 | 210 | 13.50 | 11.21% |
| 2017 | 2,883 | 43,706,720 | 15,160 | 49,557,106 | 17,189 | 205 | 14.06 | 12.41% |
| 2016 | 2,909 | 41,770,901 | 14,359 | 48,414,098 | 16,643 | 206 | 14.12 | 11.99% |
| 2015 | 2,967 | 39,883,407 | 13,442 | 45,588,396 | 15,365 | 206 | 14.40 | 9.95% |

(a) Operating expenditures are total general fund expenditures less debt service and fund transfers

Source: District Records / District Financial Reports

Table 19

HAMPTON TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent Employees by Classification
Last Ten Fiscal Years

| Position | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Teachers | 206 | 206 | 205 | 210 | 207 | 208 | 208 | 208 | 208 | 208 |
| Paraeducators / Paraprofessionals | 48 | 49 | 51 | 52 | 56 | 57 | 59 | 59 | 62 | 66 |
| Maintenance / Custodians | 40 | 40 | 40 | 40 | 40 | 40 | 42 | 42 | 41 | 42 |
| Other (including long-term & permanent substitutes) | 24 | 27 | 28 | 25 | 32 | 33 | 46 | 38 | 35 | 34 |
| Administrative Professionals | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Administrators | 18 | 19 | 19 | 19 | 19 | 19 | 19 | 20 | 20 | 20 |
| Food Service | <u>10</u> | <u>9</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>6</u> | <u>5</u> | <u>5</u> | <u>4</u> | <u>4</u> |
| Total | <u>375</u> | <u>379</u> | <u>380</u> | <u>383</u> | <u>391</u> | <u>392</u> | <u>408</u> | <u>401</u> | <u>399</u> | <u>403</u> |

Source: District Records

Table 20

HAMPTON TOWNSHIP SCHOOL DISTRICT
Instructor Base Salaries
Last Ten Fiscal Years

| Fiscal Year Ending June 30, | -----Bachelor's Degree----- | | -----Masters Degree----- | |
|-----------------------------------|-----------------------------|---------------|--------------------------|---------------|
| | Step 1 | Step 18 (Max) | Step 1 | Step 18 (Max) |
| 2024 | \$52,598 | \$104,000 | \$54,866 | \$106,268 |
| 2023 | 50,858 | 102,260 | 53,126 | 104,528 |
| 2022 | 49,117 | 100,519 | 51,386 | 102,788 |
| 2021 | 48,288 | 99,690 | 50,538 | 101,940 |
| 2020 | 46,788 | 98,190 | 49,038 | 100,440 |
| 2019 | 45,338 | 96,740 | 47,588 | 98,990 |
| 2018 | 43,888 | 95,290 | 46,138 | 97,540 |
| 2017 | 42,438 | 93,840 | 44,688 | 96,090 |
| 2016 | 41,438 | 92,840 | 43,688 | 95,090 |
| 2015 | 39,463 | 90,865 | 41,713 | 93,115 |

*Source: Hampton Township School District / Hampton Township Education Association Professional
Collective Bargaining Agreements*

Table 21

HAMPTON TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Elementary Schools</u> | | | | | | | | | | |
| Central Elementary | | | | | | | | | | |
| Original Construction - 1971; Latest Renovation - 1997 | | | | | | | | | | |
| Square Feet | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 | 84,000 |
| Capacity | 932 | 932 | 932 | 932 | 932 | 932 | 932 | 932 | 932 | 932 |
| Number of Classrooms | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 | 32 |
| Enrollment | 502 | 485 | 493 | 471 | 473 | 456 | 437 | 450 | 441 | 467 |
| Professional Staff | 38 | 39 | 39 | 40 | 39 | 40 | 40 | 40 | 40 | 41 |
| Support Staff | 20 | 21 | 21 | 21 | 19 | 19 | 23 | 21 | 21 | 22 |
| Poff Elementary | | | | | | | | | | |
| Original Construction - 1962; Latest Renovation - 2009 | | | | | | | | | | |
| Square Feet | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 | 49,000 |
| Capacity | 475 | 475 | 475 | 475 | 475 | 475 | 475 | 475 | 475 | 475 |
| Number of Classrooms | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Enrollment | 276 | 272 | 299 | 294 | 316 | 334 | 309 | 320 | 313 | 318 |
| Professional Staff | 21 | 22 | 22 | 25 | 24 | 25 | 25 | 26 | 26 | 26 |
| Support Staff | 13 | 12 | 12 | 12 | 11 | 11 | 13 | 12 | 12 | 13 |
| Wyland Elementary | | | | | | | | | | |
| Original Construction - 1956; Latest Renovation - 1992 | | | | | | | | | | |
| Square Feet | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 | 71,000 |
| Capacity | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 |
| Number of Classrooms | 29 | 29 | 29 | 29 | 29 | 30 | 30 | 30 | 30 | 30 |
| Enrollment | 384 | 400 | 386 | 363 | 377 | 372 | 353 | 358 | 358 | 364 |
| Professional Staff | 30 | 30 | 30 | 31 | 32 | 31 | 31 | 31 | 31 | 31 |
| Support Staff | 18 | 18 | 19 | 19 | 21 | 22 | 24 | 23 | 21 | 22 |

Table 21
(Continued)

HAMPTON TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

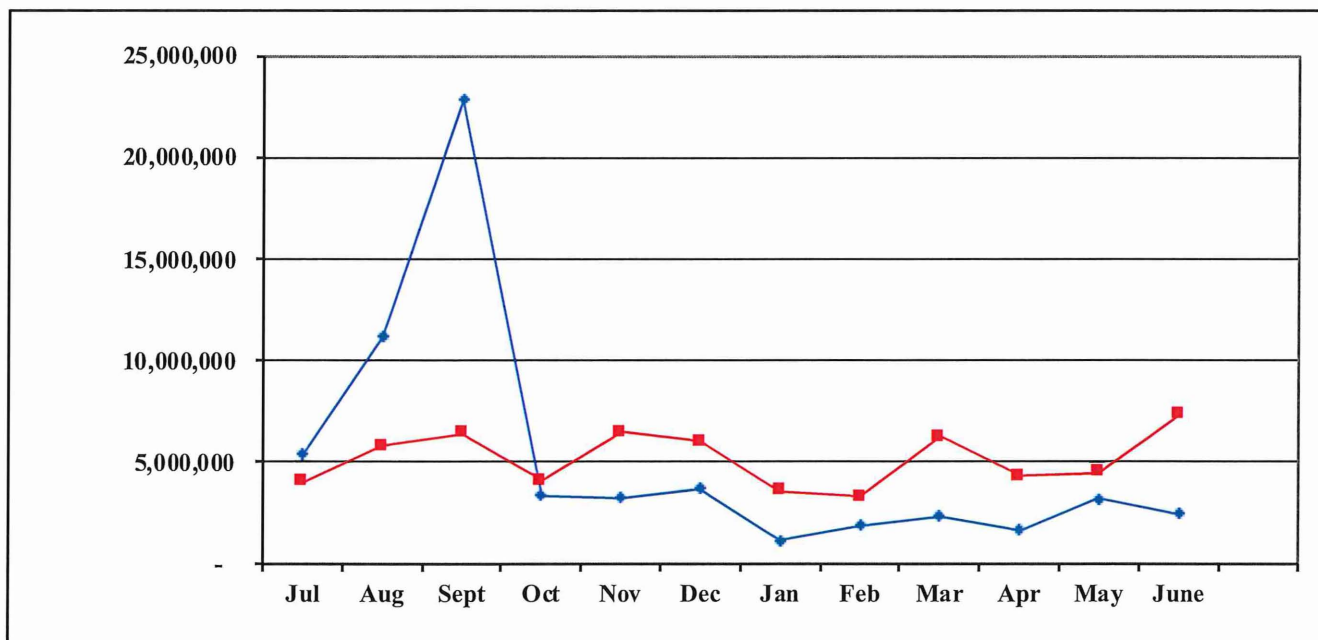
| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| <u>Secondary Schools</u> | | | | | | | | | | |
| Middle School | | | | | | | | | | |
| Original Construction - 2003 | | | | | | | | | | |
| Square Feet | 144,500 | 144,500 | 144,500 | 144,500 | 144,500 | 144,500 | 144,500 | 144,500 | 144,500 | 144,500 |
| Capacity | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 | 900 |
| Number of Classrooms | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 | 52 |
| Enrollment | 721 | 713 | 700 | 697 | 644 | 679 | 624 | 652 | 635 | 626 |
| Professional Staff | 64 | 65 | 65 | 65 | 67 | 67 | 67 | 67 | 67 | 66 |
| Support Staff | 29 | 29 | 30 | 29 | 34 | 33 | 36 | 35 | 35 | 36 |
| High School | | | | | | | | | | |
| Original Construction - 1970 ; Latest Renovation - 2023 | | | | | | | | | | |
| Square Feet | 233,000 | 233,000 | 233,000 | 233,000 | 233,000 | 233,000 | 233,000 | 233,000 | 248,500 | 248,500 |
| Capacity | 1,269 | 1,269 | 1,269 | 1,269 | 1,269 | 1,269 | 1,269 | 1,269 | 1,269 | 1,269 |
| Number of Classrooms | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 | 67 |
| Enrollment | 1,084 | 1,039 | 1,005 | 1,009 | 994 | 948 | 917 | 914 | 896 | 901 |
| Professional Staff | 82 | 83 | 82 | 82 | 80 | 81 | 81 | 81 | 81 | 80 |
| Support Staff | 42 | 42 | 42 | 41 | 46 | 45 | 50 | 47 | 47 | 48 |
| <u>Administration Offices</u> | | | | | | | | | | |
| Original Construction - 2003 | | | | | | | | | | |
| Square Feet | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 | 5,850 |
| Professional Staff | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 8 | 8 |
| Support Staff | 11 | 11 | 11 | 11 | 11 | 11 | 10 | 10 | 10 | 10 |

Source: School District Records

Table 22

HAMPTON TOWNSHIP SCHOOL DISTRICT
Cash Flow Analysis
2023-24 General Fund

| <u>Month</u> | <u>Receipts</u> | <u>Disbursements</u> |
|--------------|---------------------|----------------------|
| July | 5,452,895 | 4,068,252 |
| August | 11,204,881 | 5,800,260 |
| September | 22,877,666 | 6,443,104 |
| October | 3,363,917 | 4,114,173 |
| November | 3,260,021 | 6,484,872 |
| December | 3,705,355 | 6,036,906 |
| January | 1,180,474 | 3,610,499 |
| February | 1,917,146 | 3,354,253 |
| March | 2,371,065 | 6,275,496 |
| April | 1,712,103 | 4,358,783 |
| May | 3,239,651 | 4,515,610 |
| June | 2,454,275 | 7,342,765 |
| Total | <u>\$62,739,449</u> | <u>\$62,404,973</u> |



Receipts were highest in August and September due to real estate tax collections.

Disbursements are highest in the month of June, due to the balance of contract salary payments

Source: School District Records

HAMPTON TOWNSHIP SCHOOL DISTRICT
Allegheny County School District Millage Rates
Last Ten Fiscal Years

Table 23

| School District Name | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| Allegheny Valley | 20.35 | 20.35 | 20.35 | 20.84 | 20.84 | 20.84 | 20.84 | 20.84 | 20.84 | 21.39 |
| Avonworth | 18.67 | 18.67 | 18.67 | 19.10 | 19.53 | 19.53 | 19.53 | 20.19 | 21.01 | 21.43 |
| Baldwin-Whitehall | 18.42 | 19.25 | 20.37 | 21.05 | 21.76 | 21.76 | 22.63 | 22.63 | 23.85 | 25.00 |
| Bethel Park | 22.88 | 22.88 | 22.88 | 22.88 | 21.00 | 21.77 | 22.53 | 23.43 | 24.55 | 26.07 |
| Brentwood | 28.19 | 29.53 | 29.53 | 30.54 | 31.55 | 32.71 | 34.12 | 35.79 | 36.98 | 37.73 |
| Carlynton | 20.58 | 21.56 | 22.50 | 23.50 | 24.18 | 25.79 | 26.74 | 26.74 | 26.74 | 28.51 |
| Chartiers Valley | 16.22 | 16.61 | 16.61 | 17.07 | 17.56 | 18.21 | 18.76 | 19.40 | 20.19 | 20.19 |
| Clairton | 25.25 | 25.28 | 25.28 | 26.24 | 27.30 | 28.65 | 29.77 | 29.77 | 31.34 | 34.00 |
| Cornell | 23.31 | 23.31 | 23.31 | 23.68 | 23.68 | 23.68 | 24.53 | 25.11 | 25.73 | 26.56 |
| Deer Lakes | 21.95 | 21.95 | 21.95 | 21.95 | 21.95 | 21.95 | 22.77 | 22.69 | 22.69 | 24.25 |
| Duquesne | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 17.50 | 18.48 | 19.48 | 21.19 |
| East Allegheny | 25.80 | 26.97 | 26.97 | 26.97 | 26.97 | 29.97 | 26.97 | 26.97 | 26.97 | 28.02 |
| Elizabeth Forward | 20.61 | 22.01 | 22.97 | 24.02 | 24.79 | 25.68 | 26.76 | 26.32 | 26.85 | 26.85 |
| Fox Chapel | 18.63 | 18.98 | 19.34 | 19.58 | 19.58 | 19.87 | 20.13 | 20.43 | 20.74 | 21.51 |
| Gateway | 19.33 | 19.33 | 19.33 | 19.87 | 19.87 | 20.17 | 20.89 | 21.75 | 22.86 | 24.07 |
| Hampton Township School District | 18.12 | 18.39 | 18.77 | 18.95 | 19.38 | 19.71 | 20.30 | 20.99 | 21.85 | 23.00 |
| Highlands | 23.80 | 23.80 | 23.80 | 24.63 | 24.88 | 24.88 | 24.88 | 25.13 | 25.13 | 25.13 |
| Keystone Oaks | 18.63 | 19.08 | 19.08 | 19.31 | 19.50 | 19.50 | 20.08 | 20.49 | 20.49 | 21.10 |
| McKeesport | 16.15 | 16.74 | 17.37 | 19.48 | 20.16 | 20.96 | 20.96 | 20.96 | 20.96 | 20.96 |
| Montour | 17.22 | 17.96 | 17.96 | 17.96 | 17.96 | 17.96 | 17.96 | 17.96 | 17.96 | 17.96 |
| Moon Area | 18.85 | 19.56 | 20.30 | 21.12 | 22.10 | 22.67 | 22.67 | 22.67 | 23.79 | 24.55 |
| Mt. Lebanon | 23.55 | 23.93 | 23.93 | 24.32 | 24.79 | 24.79 | 25.59 | 26.39 | 27.59 | 29.30 |
| North Allegheny | 18.00 | 18.00 | 18.00 | 18.46 | 19.14 | 19.14 | 19.14 | 19.74 | 19.74 | 19.74 |
| North Hills | 17.40 | 17.80 | 18.00 | 18.25 | 18.65 | 18.65 | 19.04 | 19.70 | 19.70 | 20.37 |
| Northgate | 24.79 | 24.79 | 24.79 | 24.79 | 25.50 | 25.50 | 26.32 | 27.32 | 27.87 | 28.71 |
| Penn Hills | 24.81 | 26.31 | 27.56 | 28.66 | 28.66 | 29.70 | 30.10 | 30.60 | 30.60 | 31.60 |
| Pine Richland | 19.21 | 19.21 | 19.59 | 19.59 | 19.59 | 19.59 | 19.59 | 19.59 | 19.59 | 19.59 |
| Plum | 18.76 | 19.38 | 20.24 | 21.08 | 21.08 | 21.08 | 21.08 | 22.02 | 22.02 | 23.39 |
| Quaker Valley | 17.32 | 17.74 | 18.40 | 18.91 | 19.47 | 19.47 | 19.47 | 20.04 | 20.63 | 21.24 |
| Riverview | 22.45 | 22.45 | 23.01 | 23.01 | 23.27 | 23.27 | 23.27 | 23.67 | 24.14 | 24.94 |
| Shaler | 21.87 | 22.56 | 23.28 | 23.53 | 23.53 | 23.53 | 23.53 | 23.53 | 24.71 | 26.34 |
| South Allegheny | 17.24 | 17.24 | 17.24 | 17.86 | 19.50 | 20.26 | 21.17 | 23.50 | 24.98 | 27.00 |
| South Fayette | 26.12 | 26.70 | 26.70 | 26.70 | 26.70 | 26.70 | 26.70 | 26.70 | 26.70 | 26.70 |
| South Park | 23.06 | 23.82 | 24.60 | 25.38 | 25.96 | 25.96 | 25.96 | 25.96 | 27.13 | 28.13 |
| Steel Valley | 21.31 | 22.01 | 22.76 | 23.49 | 24.22 | 25.08 | 26.11 | 26.89 | 27.70 | 29.72 |
| Sto - Rox | 23.19 | 23.19 | 24.09 | 24.09 | 24.09 | 24.09 | 25.00 | 26.33 | 28.00 | 29.90 |
| Upper St. Clair | 23.04 | 24.34 | 25.16 | 25.86 | 26.38 | 26.90 | 27.68 | 28.56 | 29.63 | 30.60 |
| West Allegheny | 18.51 | 18.51 | 18.51 | 18.51 | 18.51 | 18.51 | 18.51 | 18.51 | 18.51 | 18.51 |
| West Jefferson Hills | 19.04 | 19.63 | 20.24 | 20.84 | 21.45 | 21.45 | 22.28 | 22.77 | 23.23 | 23.69 |
| West Mifflin | 24.50 | 24.50 | 24.50 | 24.50 | 24.50 | 25.38 | 25.38 | 26.57 | 26.57 | 26.57 |
| Wilkinsburg | 32.63 | 32.63 | 32.63 | 29.50 | 29.50 | 29.50 | 29.50 | 26.50 | 24.50 | 26.24 |
| Woodland Hills | 22.40 | 25.35 | 25.35 | 25.35 | 26.11 | 27.00 | 27.00 | 23.00 | 26.50 | 26.50 |
| County-Wide Average Millage | 21.18 | 21.66 | 21.99 | 22.36 | 22.68 | 23.08 | 23.42 | 23.73 | 24.31 | 25.20 |
| Hampton Township SD Millage Rate | <u>18.12</u> | <u>18.39</u> | <u>18.77</u> | <u>18.95</u> | <u>19.38</u> | <u>19.71</u> | <u>20.30</u> | <u>20.99</u> | <u>21.85</u> | <u>23.00</u> |
| Difference - Favorable (Unfavorable) | <u>3.06</u> | <u>3.27</u> | <u>3.22</u> | <u>3.41</u> | <u>3.30</u> | <u>3.37</u> | <u>3.12</u> | <u>2.74</u> | <u>2.46</u> | <u>2.20</u> |
| Difference % - Favorable (Unfavorable) | <u>14.46%</u> | <u>15.10%</u> | <u>14.63%</u> | <u>15.23%</u> | <u>14.56%</u> | <u>14.60%</u> | <u>13.33%</u> | <u>11.54%</u> | <u>10.12%</u> | <u>8.72%</u> |

Source: Allegheny Intermediate Unit Survey

HAMPTON TOWNSHIP SCHOOL DISTRICT AND HAMPTON TOWNSHIP

The School District

The Hampton Township School District shares the same boundaries and residents as Hampton Township. The District encompasses approximately 16 square miles in northern Allegheny County and is located approximately 12 miles northeast of the City of Pittsburgh. The first school in Hampton was opened in 1800 in a log cabin. The first public schools were recorded with the Commonwealth of Pennsylvania in 1862. The District is bordered by Shaler Township (Shaler Area School District) on the south; McCandless Township (North Allegheny School District) on the west; Richland Township (Pine-Richland School District) on the north; and West Deer Township (Deer Lakes School District) and Indiana Township (Fox Chapel Area School District) on the east.

The Township

The Township of Hampton was founded in 1861 and incorporated as a local government within the Commonwealth of Pennsylvania in 1875. Effective August 27, 1981, the Township became a Home Rule Municipality under Pennsylvania Act 62, the Home Rule Charter and Optional Plans Law, following a referendum. The Township is governed by a five-member Council, each of which is elected at large.

Hampton Township was named after Judge Moses Hampton and included parts of present-day McCandless, West Deer and Indiana Townships. Early Hampton was made up of eight villages that slowly merged into Hampton Township, as it is known today. During the 1800s, Hampton was known as an agricultural center with farming being the major trade. The Township eventually moved from an agricultural based community to a residential community.

Today, Hampton serves as a bedroom community for the Metropolitan Pittsburgh area. In addition to the light industry present in the Township, the Route 8 corridor provides commercial and retail businesses. The majority of the land use (88% of the 2023 assessed value) in the Township is residential.

Because of its proximity to Pittsburgh, Hampton enjoys many of the benefits of a larger city. These benefits include higher education, culture and the arts, professional sports and health care.

SINGLE AUDIT SECTION

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Members of the Board
Hampton Township School District
Allison Park, Pennsylvania

Dear Members:

The reports contained in this single audit section are required in addition to the financial statements. The various reports for Hampton Township School District for the period ended June 30, 2024 were prepared to fulfill the requirements of Government Auditing Standards and the Uniform Grant Guidance. A summary of the reports is as follows:

- A. Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- B. Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- C. Schedule of Findings and Questioned Costs
- D. Schedule of Expenditures of Federal Awards
- E. List of Report Distribution

Respectfully submitted,

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 20, 2024

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Exhibit A

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards***

Members of the Board
Hampton Township School District
Allison Park, Pennsylvania

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hampton Township School District as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Hampton Township School District's basic financial statements, and have issued our report thereon dated December 20, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hampton Township School District's internal control over financial reporting (internal control) as a basis for determining audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Hampton Township School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Hampton Township School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hampton Township School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 20, 2024

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Exhibit B

**Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

Members of the Board
Hampton Township School District
Allison Park, Pennsylvania

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hampton Township School District's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Hampton Township School District's major federal programs for the year ended June 30, 2024. Hampton Township School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hampton Township School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hampton Township School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Hampton Township School District's compliance with the compliance requirements referred to above.

Report on Compliance for Each Major Federal Program (Cont'd)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hampton Township School District's federal programs

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hampton Township School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hampton Township School District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hampton Township School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Hampton Township School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Hampton Township School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Hosack, Specht, Muetzel & Wood LLP

HOSACK, SPECHT, MUETZEL & WOOD LLP
Pittsburgh, Pennsylvania
December 20, 2024

**Hampton Township School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Exhibit C

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued was unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Noncompliance material to financial
statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs was unmodified.

Any audit findings disclosed that are required to
be reported in accordance with 2CFR Section
200.516(a)? ☐ yes ☒ no

Identification of major programs:

| | |
|-------------------|------------------------------------|
| ALN Number(s) | Name of Federal Program or Cluster |
| 10.553 and 10.555 | Child Nutrition Cluster |

Dollar threshold used to distinguish between
type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**Hampton Township School District
Schedule of Findings and Questioned Costs
Year Ended June 30, 2024**

Exhibit C

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Section IV - Status of Prior Year's Findings

Not applicable.

Hampton Township School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Exhibit D

| Federal Grantor/ Pass Through Grantor/ Project Title | Source Code | Federal ALN Number | Pass Through Grantor's Number | Grant Period Beginning/ Ending Date | Program or Award Amount | Total Received for the Year | Accrued or (Deferred) Revenue 07/01/23 | Revenue Recognized | Expendi- tures | Accrued or (Deferred) Revenue 06/30/24 |
|---|----------------|--------------------------|--|---|-------------------------------|--------------------------------------|---|-----------------------|-------------------|---|
| U.S. Department of Education Passed through the Pennsylvania Department of Education | | | | | | | | | | |
| Title I Improving Basic Programs | I | 84.010 | 013-230179 | 09/08/22-09/30/23 | \$ 109,186 | \$ (2) | \$ (2) | \$ - | \$ - | \$ - |
| Title I Improving Basic Programs | I | 84.010 | 013-240179 | 08/31/23-09/30/24 | 102,443 | 72,622 | - | 98,488 | 98,488 | 25,866 |
| | | | | | | 72,620 | (2) | 98,488 | 98,488 | 25,866 |
| Title II Improving Teacher Quality | I | 84.367 | 020-230179 | 09/08/22-09/30/23 | 45,147 | 3,327 | (8,065) | 11,392 | 11,392 | - |
| Title II Improving Teacher Quality | I | 84.367 | 020-240179 | 08/31/23-09/30/24 | 41,841 | 20,698 | - | 33,341 | 33,341 | 12,643 |
| | | | | | | 24,025 | (8,065) | 44,733 | 44,733 | 12,643 |
| Title IV Student Sup. and Acad. Enrichment | I | 84.424 | 144-230179 | 09/08/22-09/30/23 | 10,000 | 2,308 | 789 | 1,519 | 1,519 | - |
| Title IV Student Sup. and Acad. Enrichment | I | 84.424 | 144-240179 | 08/31/23-09/30/24 | 10,000 | 3,571 | - | 7,000 | 7,000 | 3,429 |
| | | | | | | 5,879 | 789 | 8,519 | 8,519 | 3,429 |
| Special Education Cluster Passed through the Allegheny Intermediate Unit | | | | | | | | | | |
| IDEA B | I | 84.027 | 062-240003 | 07/01/23-09/30/24 | 345,875 | 196,337 | - | 345,875 | 345,875 | 149,538 |
| IDEA B | I | 84.027 | 062-230003 | 07/01/22-09/30/23 | 330,039 | 81,731 | 81,731 | - | - | - |
| IDEA B Section 619 | I | 84.173 | 131-230003 | 07/01/23-06/30/24 | 1,674 | 1,674 | - | 1,674 | 1,674 | - |
| | | | | | | 279,742 | 81,731 | 347,549 | 347,549 | 149,538 |
| Passed through the Intermediate Unit I IDEA B | I | 84.027 | 062-230032 | 11/15/22-06/30/24 | 45,000 | - | - | 44,875 | 44,875 | 44,875 |
| Subtotal Special Education Cluster | | | | | | 279,742 | 81,731 | 392,424 | 392,424 | 194,413 |
| Subtotal U.S. Department of Education | | | | | | 382,266 | 74,453 | 544,164 | 544,164 | 236,351 |
| U.S. Department of Homeland Security Passed through the Pennsylvania Emergency Management Agency | | | | | | | | | | |
| Pennsylvania COVID-19 Declaration | I | 97.036 | FEMA-4506-DR-PA | 01/01/20-6/30/23 | 446,950 | 44,695 | 44,695 | - | - | - |
| U.S. Department of Health and Human Services Passed through the Pennsylvania Department of Public Welfare | | | | | | | | | | |
| Medical Assistance Reimb. for Adm. Title 19 | I | 93.778 | N/A | 07/01/23-06/30/24 | N/A | 2,745 | 2,206 | 1,195 | 1,195 | 656 |

Hampton Township School District
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

Exhibit D

| Federal Grantor/ Pass Through Grantor/ Project Title | Source Code | Federal ALN Number | Pass Through Grantor's Number | Grant Period Beginning/ Ending Date | Program or Award Amount | Total Received for the Year | Accrued or (Deferred) Revenue 07/01/23 | Revenue Recognized | Expendi- tures | Accrued or (Deferred) Revenue 06/30/24 |
|--|----------------|--------------------------|--|---|-------------------------------|--------------------------------------|---|-----------------------|---------------------|---|
| U.S. Department of Agriculture Passed through the Pennsylvania Department of Education | | | | | | | | | | |
| National School Lunch Program | I | 10.555 | N/A | 07/01/23-06/30/24 | N/A | \$ 394,890 | \$ 49,726 | \$ 348,745 | \$ 348,745 | \$ 3,581 |
| National School Breakfast Program | I | 10.553 | N/A | 07/01/23-06/30/24 | N/A | 71,614 | 10,065 | 62,834 | 62,834 | 1,285 |
| Passed through the Pennsylvania Department of Agriculture | | | | | | | | | | |
| National School Lunch Program (Donated Commodities Non Cash Assistance) | I | 10.555 | N/A | 07/01/23-06/30/24 | N/A | <u>149,501</u> | <u>(33,319)</u> | <u>167,585</u> | <u>167,585</u> | <u>(15,235)</u> |
| Total Child Nutrition Cluster | | | | | | <u>616,005</u> | <u>26,472</u> | <u>579,164</u> | <u>579,164</u> | <u>(10,369)</u> |
| Passed through the Pennsylvania Department of Education | | | | | | | | | | |
| Pandemic EBT Administrative Costs | I | 10.649 | N/A | 07/01/23-06/30/24 | N/A | <u>653</u> | <u>-</u> | <u>653</u> | <u>653</u> | <u>-</u> |
| Total U.S. Department of Agriculture | | | | | | <u>616,658</u> | <u>26,472</u> | <u>579,817</u> | <u>579,817</u> | <u>(10,369)</u> |
| Total Federal Financial Assistance | | | | | | <u>\$ 1,046,364</u> | <u>\$ 147,826</u> | <u>\$ 1,125,176</u> | <u>\$ 1,125,176</u> | <u>\$ 226,638</u> |

See Accompanying Notes to Schedule of Expenditures of Federal Awards

Hampton Township School District
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Exhibit D

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Hampton Township School District under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Hampton Township School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of Hampton Township School District.

Note B - Summary of Significant Accounting Policies

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Hampton Township School District has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note C - Source Code

The Source Code (I) indicates funds received indirectly.

Note D - Reconciliation with Subsidy Confirmation

| | |
|------------------------------------|-------------------|
| Amount Received Per Schedule | \$1,046,364 |
| Less: Commodities Received | (149,501) |
| Less: Passage Through IU | (279,742) |
| Less: Title 19 | (2,745) |
| Less: Pass Through PEMA | (44,695) |
| Add: Medical Assistance | 138,139 |
| Add: State Funding on Confirmation | <u>174,316</u> |
| Per Subsidy Confirmation | \$ <u>882,136</u> |

Note E - Subrecipients

The School District did not pass through any federal expenditures to subrecipients.

**Hampton Township School District
List of Report Distribution
June 30, 2024**

Exhibit E

1 Copy - Bureau of Audits

1 Copy - General Services Administration