Pittsburgh Public Schools

Financial Statements for the Month Ending December 31, 2022

Agenda

Review Year End Financials

Comparison Budget to Actuals for 2022

Forecast at 2022 Budget Adoption

	Adopted Year Ended 2021	Projected Year Ended 2021	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	$631,914,258	$628,341,428	$638,751,328	$647,282,261	$654,901,645
Total Expenditures	$671,348,058	$653,166,972	$665,753,160	$677,199,369	$687,258,509
Beginning Balance	$73,234,205	$91,701,905	$66,876,360	$39,874,528	$9,957,420
Operating Surplus/(Deficit)	($39,433,800)	($24,825,545)	($27,001,832)	($29,917,108)	($32,356,865)
Ending Fund Balance	$33,800,405	$66,876,360	$39,874,528	$9,957,420	($22,399,445)
Less Projected Reservations	($2,500,000)	($2,500,000)	($2,500,000)	($2,500,000)	($2,500,000)
Less Committed Fund Balance	$0	$0	$0	$0	$0
Less Assigned Fund Balance	(38,980,987)	(27,001,832)	(29,917,108)	(32,356,865)	($19,894,643)
Unassigned Fund Balance	($7,680,582)	$37,374,528	$7,457,420	($24,899,445)	($44,794,088)
% Budgeted Expenditures	-1.14%	5.72%	1.12%	-3.68%	-6.52%
Minimum Fund Balance per Board Policy #721	$33,567,403	$32,658,349	$33,287,658	$33,859,968	$34,362,925
Compliance with Fund Balance Policy	No	Yes	No	No	No
Funds needed to comply with Fund Balance Policy	$41,247,985	($4,716,179)	$25,830,238	$58,759,413	$79,157,014

Pittsburgh Public Schools

Forecast at 2023 Budget Adoption

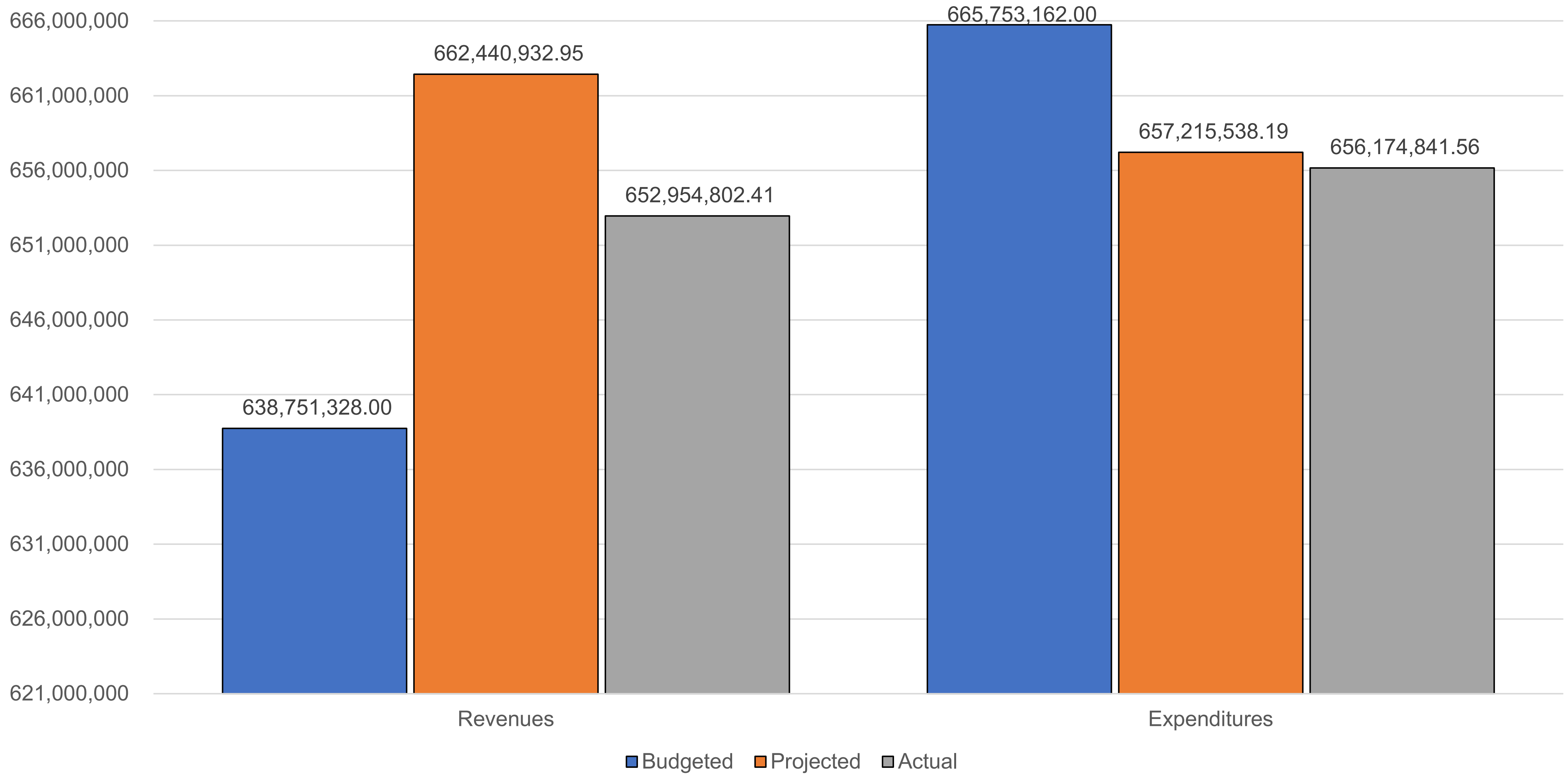
	Adopted Year Ended 2021	Actual Year Ended 2021	Adopted Year Ended 2022	Projected Year Ended 2022	Projected Year Ended 2023	Projected Year Ended 2024
Total Revenues	$631,914,258	$633,263,128	$638,751,328	$662,440,933	$668,529,106	$676,268,765
Total Expenditures	$671,348,058	$638,337,948	$665,753,162	$657,215,538	$684,977,338	$700,205,743
Beginning Balance	$73,234,205	$91,701,905	$86,627,084	$86,627,084	$91,852,479	$75,404,247
Operating Surplus/(Deficit)	($39,433,800)	($5,074,821)	($27,001,834)	$5,225,395	($16,448,232)	($23,936,978)
Ending Fund Balance	$33,800,405	$86,627,084	$59,625,250	$91,852,479	$75,404,247	$51,467,268
Less Projected Reservations	($2,500,000)	($4,131,698)	($2,500,000)	($2,500,000)	($2,500,000)	($2,500,000)
Less Committed Fund Balance	$0	$0	$0	$0	$0	$0
Less Assigned Fund Balance	(38,980,987)	(27,001,834)	(16,448,232)	(16,448,232)	(23,936,978)	($33,253,154)
Unassigned Fund Balance	($7,680,582)	$55,493,552	$40,677,018	$72,904,247	$48,967,268	$15,714,115
% Budgeted Expenditures	-1.14%	8.69%	6.11%	11.09%	7.15%	2.24%
Minimum Fund Balance per Board Policy #721	$33,567,403	$31,916,897	$33,287,658	$32,860,777	$34,248,867	$35,010,287
Compliance with Fund Balance Policy	No	Yes	Yes	Yes	Yes	No
Funds needed to comply with Fund Balance Policy	$41,247,985	($23,576,654)	($7,389,360)	($40,043,470)	($14,718,401)	$19,296,173

Pittsburgh Public Schools

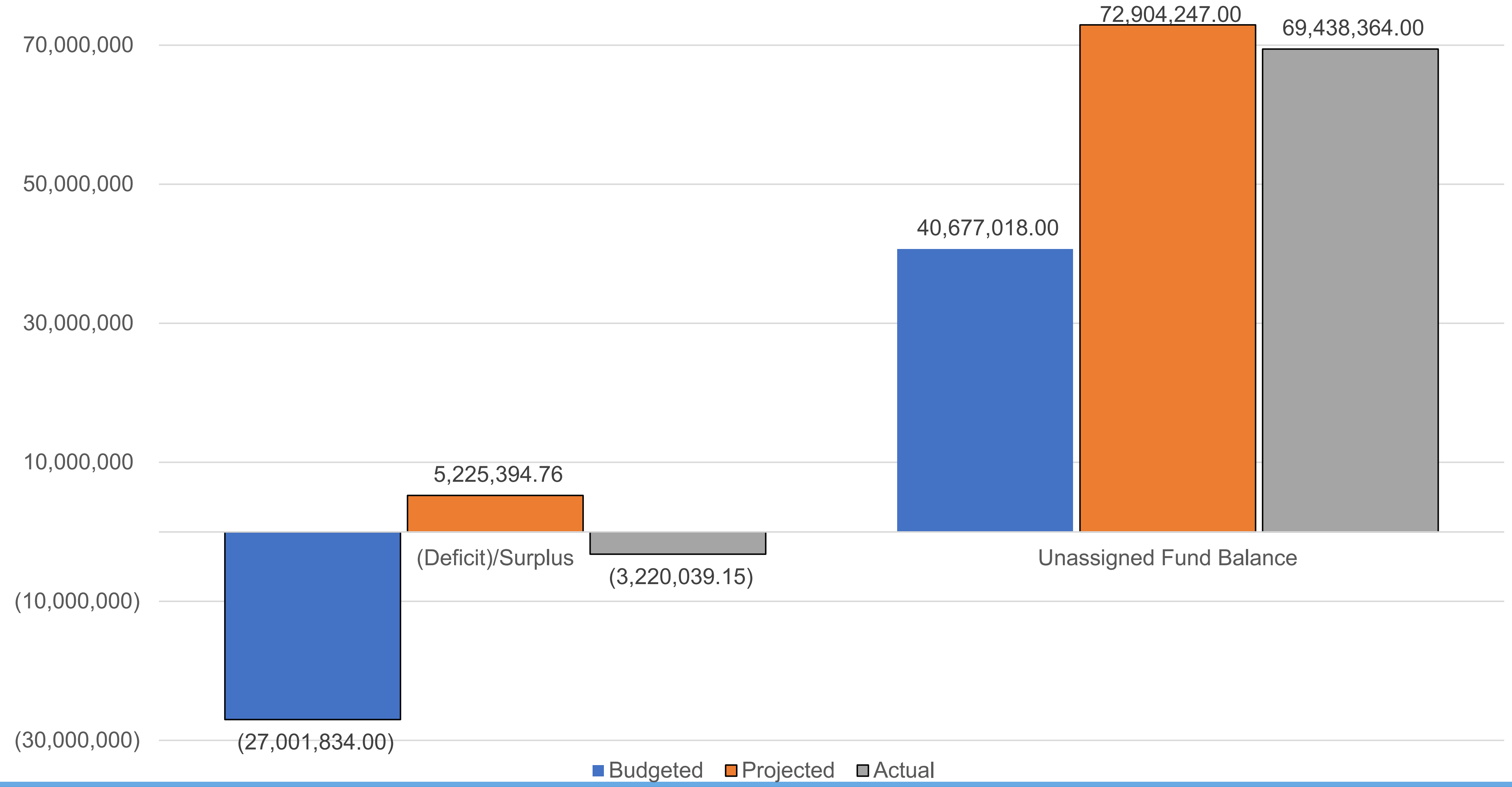
Current Forecast

	Actual Year Ended 2021	Adopted Year Ended 2022	Projected Year Ended 2022	Adopted Year Ended 2023	Projected Year Ended 2024
Total Revenues	$633,263,128	$638,751,328	$652,954,802	$668,529,106	$695,283,090
Total Expenditures	$638,337,948	$665,753,162	$656,174,842	$684,977,338	$702,441,883
Beginning Balance	$91,701,905	$86,627,084	$86,627,084	$83,407,045	$66,958,813
Operating Surplus/(Deficit)	($5,074,821)	($27,001,834)	($3,220,039)	($16,448,232)	($7,158,792)
Ending Fund Balance	$86,627,084	$59,625,250	$83,407,045	$66,958,813	$59,800,020
Less Projected Reservations	($4,131,698)	($2,500,000)	($2,500,000)	($2,500,000)	($2,500,000)
Less Committed Fund Balance	$0	$0	$0	$0	$0
Less Assigned Fund Balance	(27,001,834)	(16,448,232)	(16,448,232)	(7,158,792)	($13,208,989)
Unassigned Fund Balance	$55,493,552	$40,677,018	$64,458,813	$57,300,020	$44,091,031
% Budgeted Expenditures	8.69%	6.11%	9.82%	8.37%	6.28%
Minimum Fund Balance per Board Policy #721	$31,916,897	$33,287,658	$32,808,742	$34,248,867	$35,122,094
Compliance with Fund Balance Policy	Yes	Yes	Yes	Yes	Yes
Funds needed to comply with Fund Balance Policy	($23,576,654)	($7,389,360)	($31,650,071)	($23,051,154)	($8,968,937)

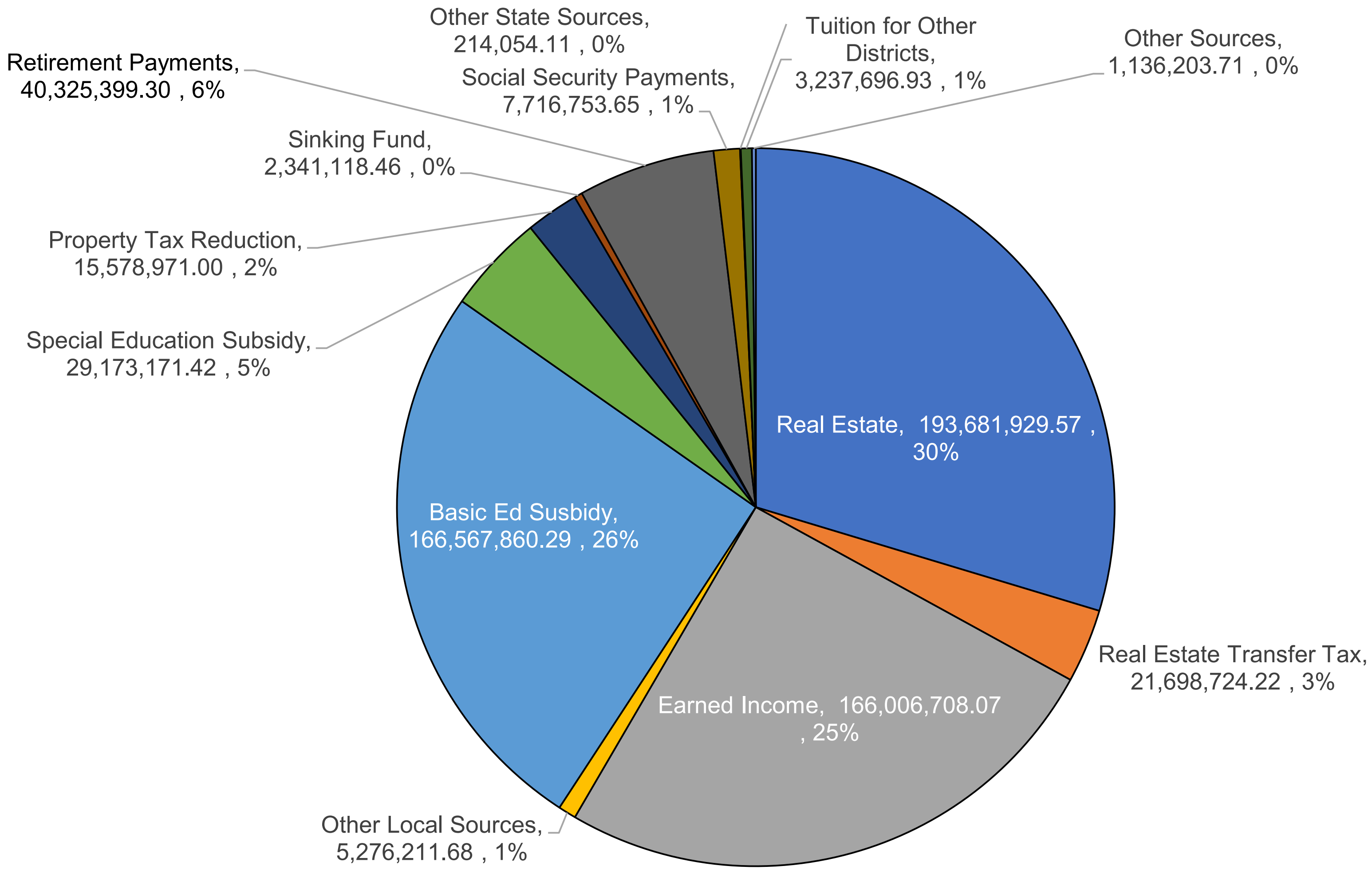
2022 Budget to Actual Comparison



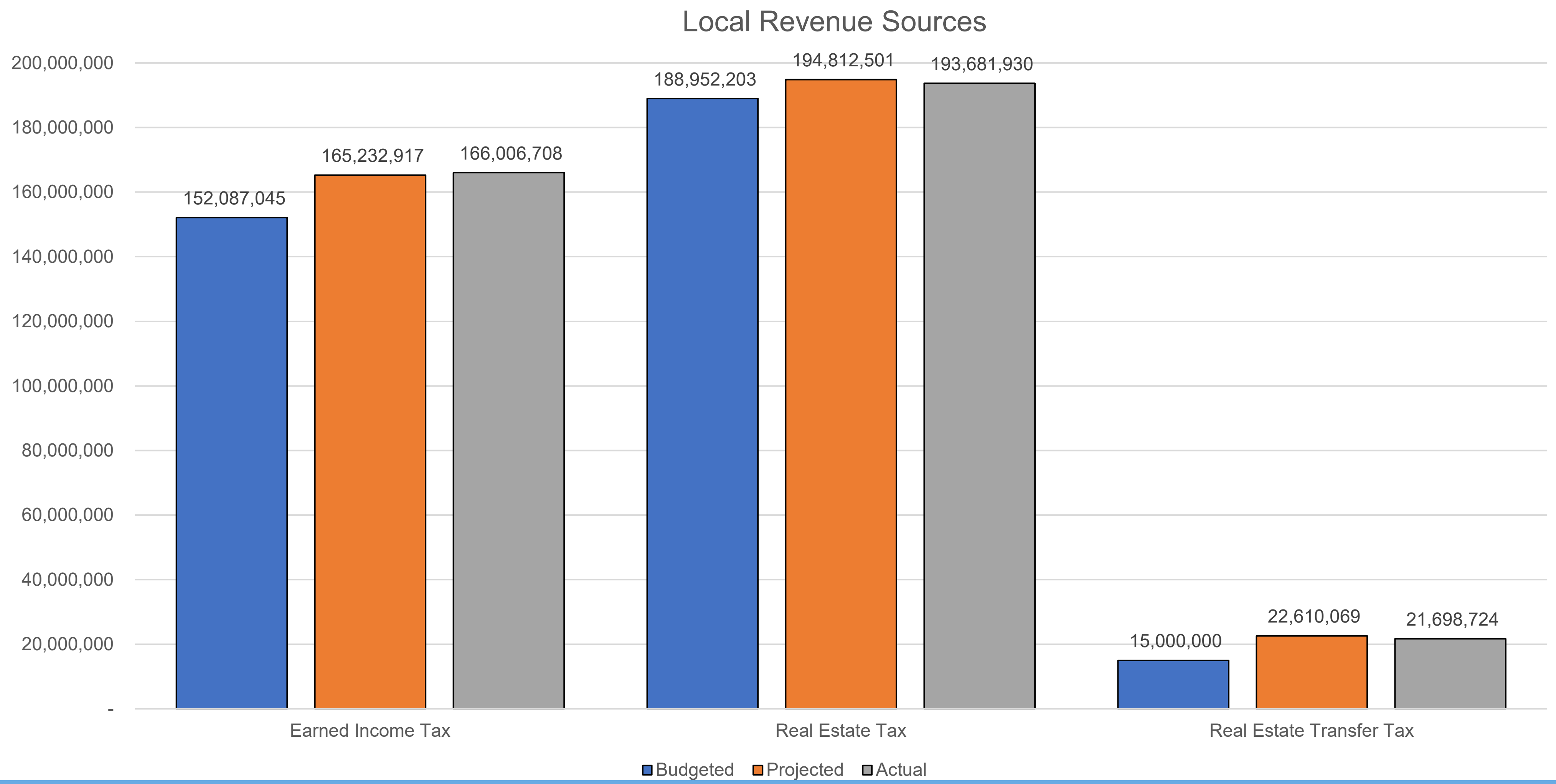
2022 Deficit and Fund Balance



2022 Actual Revenues

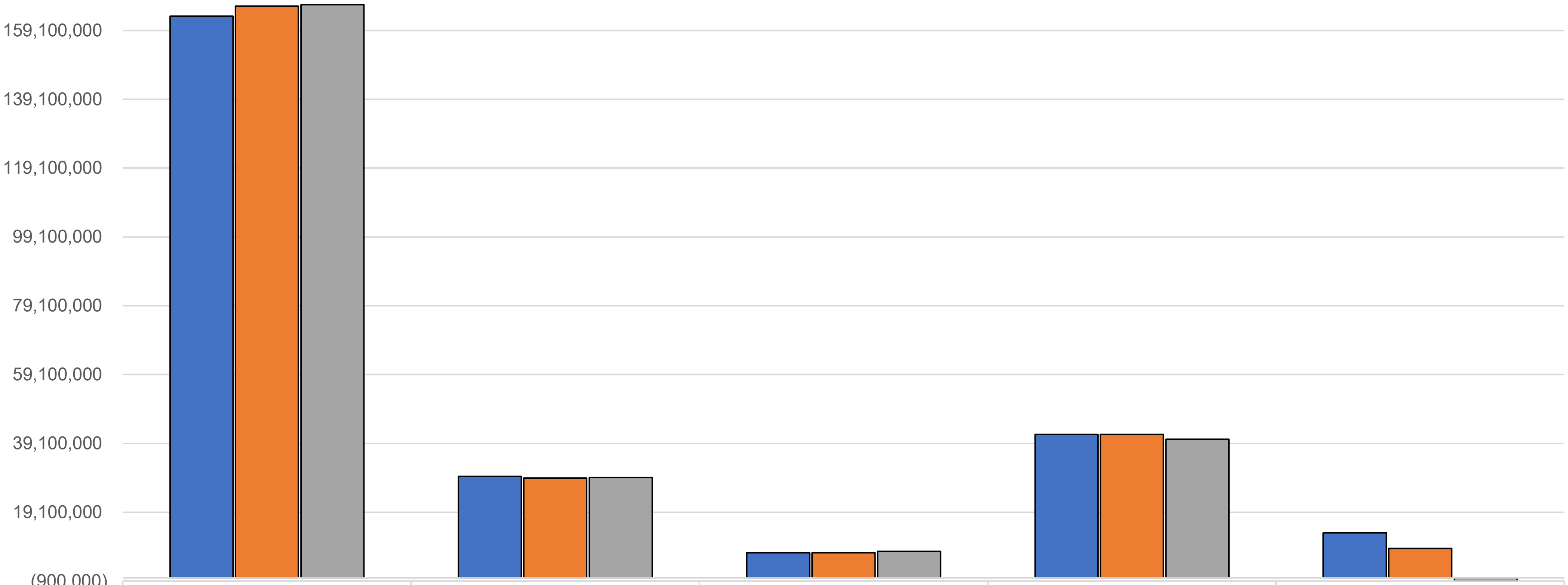


Budget to Actual Comparison for Revenues



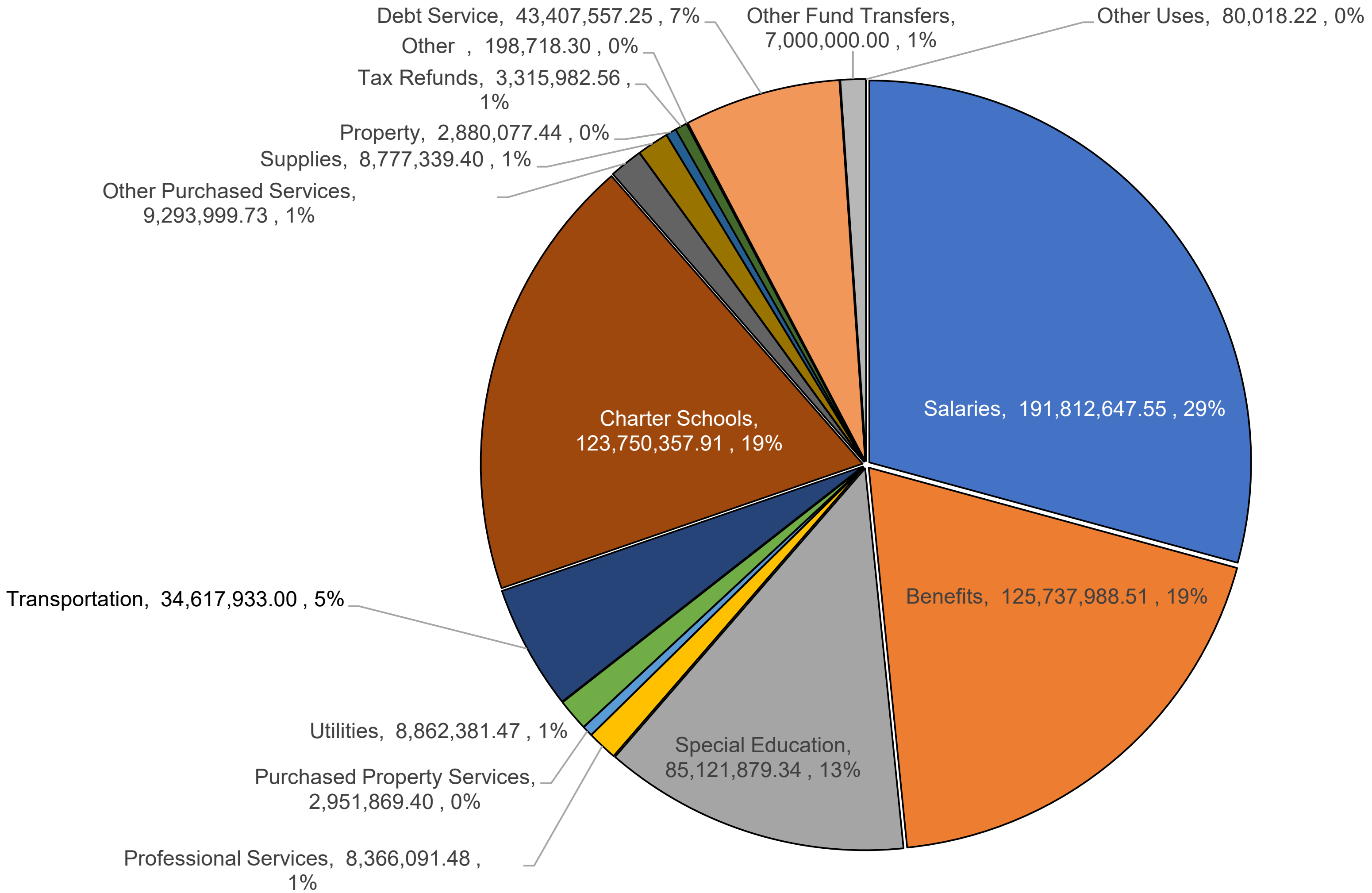
Budget to Actual Comparison for Revenues

State Revenue Sources

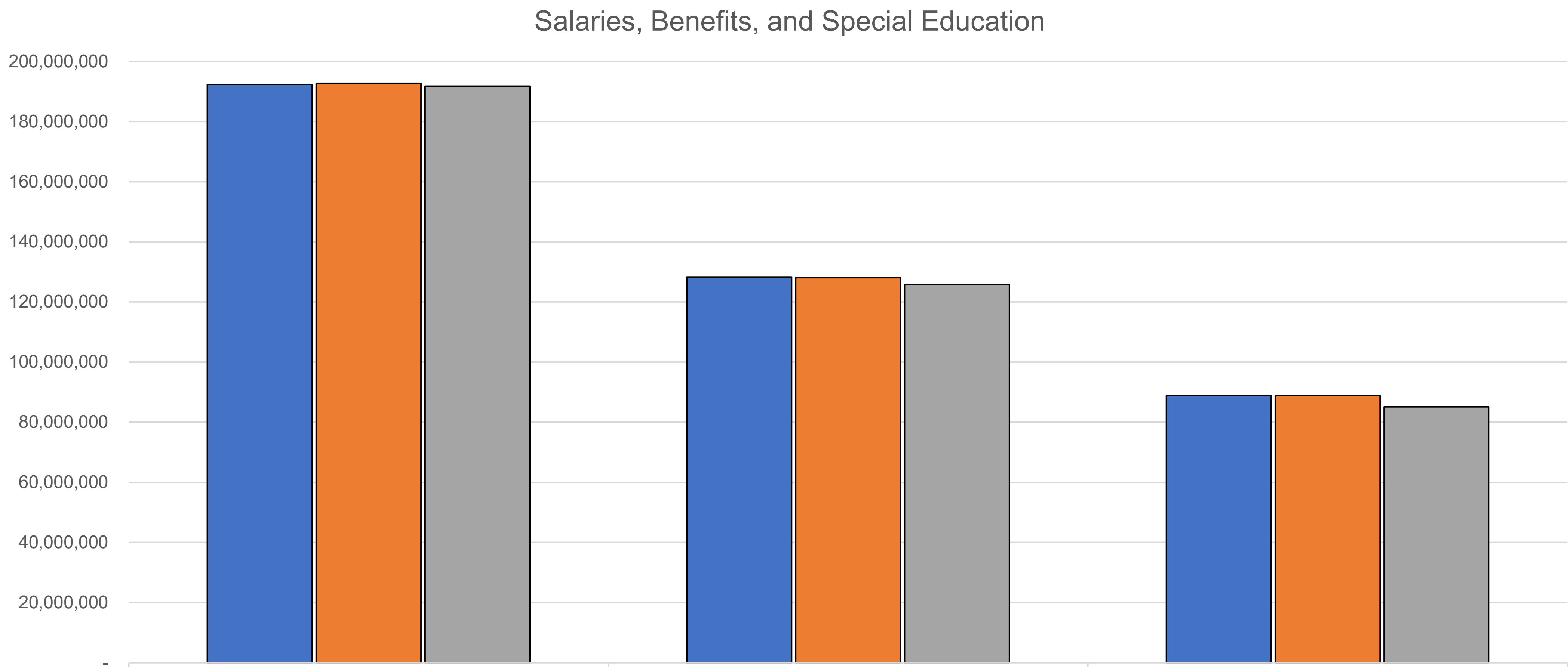


	Basic Ed Subsidy	Special Ed Subdsidy	Social Security	Retirement	Transportation
Budgeted	163,260,442.00	29,510,034.00	7,359,108.00	41,723,464.00	13,130,000.00
Projected	166,190,783.00	29,026,811.13	7,359,108.00	41,723,464.00	8,596,087.70
Actual	166,567,860.29	29,173,171.42	7,716,753.65	40,325,399.30	(887,056.92)

2022 Actual Expenditures



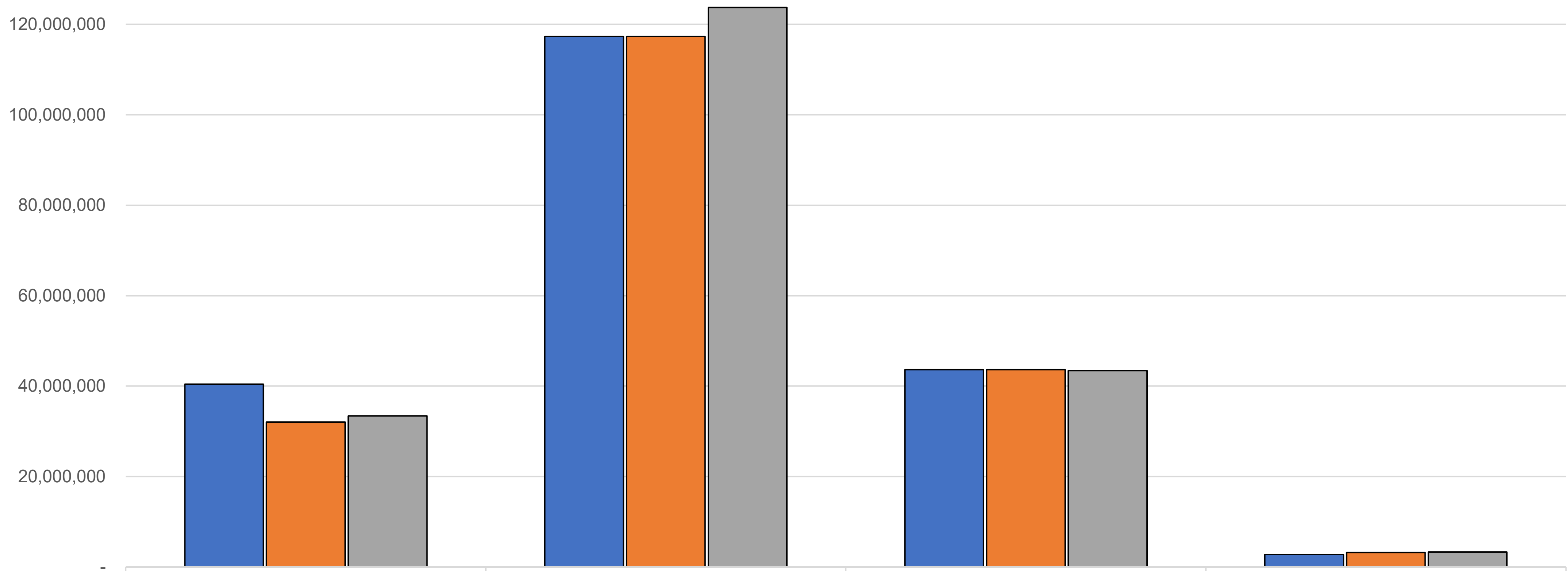
Budget to Actual Comparison for Expenditures



	Salaries	Benefits	Special Education
Budgeted	192,394,987.00	128,283,816.00	88,817,087.00
Projected	192,732,566.08	128,082,649.69	88,817,087.00
Actual	191,812,647.55	125,737,988.57	85,121,879.34

Budget to Actual Comparison for Expenditures

Transportation, Charter Schools, Debt Service, and Tax Refunds



	Transportation	Charter Schools	Debt Service	Tax Refunds
Budgeted	40,450,572.00	117,331,930.00	43,614,107.00	2,750,000.00
Projected	32,068,507.91	117,331,930.00	43,614,107.00	3,219,701.13
Actual	33,375,009.65	123,750,357.91	43,407,557.25	3,315,982.56

Pittsburgh Public Schools

Proposed PPS Allocations

	2022-23	2023-24	VARIATION	% CHANGE
BASIC EDUCATION FUNDING BASE	$153,804,126	$153,804,126	$0	0.00%
STUDENT WEIGHTED DISTRIBUTION	$14,865,716	$23,901,292	$9,035,576	60.78%
LEVEL UP SUPPLEMENT	$0	$0	$0	N/A
TOTAL BASIC EDUCATION FUNDING	**$168,669,842**	**$177,705,418**	**$9,035,576**	**5.36%**
READY TO LEARN BLOCK GRANT	**$8,955,423**	**$4,955,423**	**-$4,000,000**	**-44.67%**
CAREER AND TECHNICAL EDUCATION SUBSIDY	**$401,510**	**$401,510**	**$0**	**0.00%**
SCHOOL-BASED MENTAL HEALTH BLOCK GRANT	**$0**	**$352,881**	**$352,881**	**N/A**
SPECIAL EDUCATION FUNDING BASE	$27,426,465	$27,426,465	$0	0.00%
STUDENT-BASED ALLOCATION	$2,304,303	$3,230,390	$926,086	40.19%
TOTAL SPECIAL EDUCATION FUNDING	**$29,730,769**	**$30,656,855**	**$926,086**	**3.11%**
TOTAL	**$207,757,543**	**$214,072,087**	**$6,314,543**	**3.04%**

Common Level Ratio Litigation

- Court order issued on March 23, 2023 directing the use of the 2023 ratio of 63.6% for 2022 appeals.
  - The lower ratio could result in lower assessments, and therefore a loss in potential tax revenue, for every property assessment currently under appeal
  - The annual assessment appeal deadline of March 31st may be re-opened and extended to allow aggrieved property owners to file new appeals for 2022
- Based on this new Order and our interest in preserving the tax base, WBK is evaluating opportunities for 2022 and 2023 appeals before the March 31st deadline.

In Summary

- Actual 2022 revenues were $14.2 million higher than the budget based largely on strong local revenue collections
- Actual 2022 expenditures were $9.6 million less than the budget based on lower than anticipated transportation and special education costs
- Charter School costs continue to outpace projections
- We may see and increase in Basic Education funding in 2023-24 but possible changes to the funding formula are on the horizon
- The new common level ratio will likely lower our tax base and increase our tax refund expense

Pittsburgh Public Schools

Questions?