



School District of Pittsburgh, Pennsylvania  
Annual Comprehensive Financial Report  
For the fiscal year ended December 31, 2023

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

341 S. Bellefield Avenue, Pittsburgh, Pennsylvania 15213

*ANNUAL COMPREHENSIVE FINANCIAL REPORT*

*AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023*



**Prepared by the Finance Division**

Laura R. Cosharek

*Director of Finance*

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# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

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## **INTRODUCTORY SECTION**



June 28, 2024

Mr. Gene Walker, President  
Board of Public Education  
School District of Pittsburgh  
341 S. Bellefield Avenue  
Pittsburgh, Pennsylvania 15213

Dear President Walker, Board Members, Superintendent Walters, and Citizens of the School District of Pittsburgh:

An Annual Comprehensive Financial Report (Annual Report) for the School District of Pittsburgh (the "District") for the year ended December 31, 2023, is submitted herewith. The Annual Report was prepared by the District's Finance Division. This Annual Report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this Annual Report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the District's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable, in all material respects.

The District's financial statements have been audited by Maher Duessel, an independent firm of certified public accountants. One of the goals of the independent audit is to provide reasonable assurance that the financial statements of the District, for the fiscal year ended December 31, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended December 31, 2023, are fairly presented in conformity with GAAP, in all material respects. The independent auditors' report is presented as the first component of the financial section of this Annual Report.

The District is required to undergo an annual single audit in conformity with provisions of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this single audit, including the supplemental schedule of expenditures of federal awards, findings, and independent auditors' reports, on internal control and compliance with applicable laws and regulations is included in a separate report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District’s MD&A can be found immediately following the report of the independent auditors.

## **The Reporting Entity and Its Services**

The District is organized and maintains its existence under and by virtue of the Act of March 10, 1949, P.L. 30, known as the Public School Code of 1949, as amended (the “School Code”). The District, the second largest school system in the Commonwealth of Pennsylvania (“Commonwealth” or “State”), is an independent governmental unit with its own taxing powers and operations, providing a full range of educational services to students in grades pre-kindergarten (“Pre-K”) through 12 who reside in the City of Pittsburgh or Borough of Mt. Oliver. The 2020 census population of the two municipalities served totaled 300,286, covering a land area of 55.3 square miles.

The District’s official 2023-24 membership included 19,764 students (K to 12) attending 57 schools. The projected enrollment for 2024-25 is 18,285 students (K to 12). The average age of the District’s buildings is 77 years. The District offers programs for general education, special education, vocational education, and early childhood education.

In addition, 5,327 pupils residing in the city and boroughs attended 38 charter schools, including 11 approved by the District, 16 approved by other districts, and 11 cyber schools approved by other districts. In Pennsylvania, charter schools are funded by payments from the school district of residence. Pittsburgh’s charter school expenses in 2023 totaled \$137,742,648.

Although public education in Pittsburgh dates back to 1835, the consolidated District was founded in November 1911, as a result of an educational reform movement that combined the former ward schools into one system with standardized educational and business policies. Initially, the District was governed by an appointed School Board (the “Board”) of 15 members, but since 1976 has been governed by a nine-member Board elected by districts, all of which are of substantially equal populations. Board elections are held every two years. Four Board members were elected in 2019 with terms of office expiring in December 2023, while five Board members were elected in 2021 with terms of office expiring in December 2026. Board members serve without pay.

The School Code requires the Board to adopt an annual General Fund budget. A preliminary budget is proposed by the administrative staff which makes projections of the next year’s revenues and determines expenditure limits. After the budget is prepared, it must be available for public inspection. The Board is required by law to adopt the budget before the beginning of each fiscal year and levy the taxes necessary to provide the revenues budgeted. The Board adopts the budget after careful deliberation of its contents and after it considers public input. The District allocates funds to schools using a site-based budgeting process. These site-based budgets operate on a July 1 to June 30 accounting cycle. The General Fund budget is controlled by major objects, with transfers of funds between major objects requiring legislative approval of the Board by a two-thirds majority. The Board also adopts annual Food Service Fund and Capital Project budgets before the beginning of each fiscal year.

Pursuant to the School Code, the elected Controller of the City of Pittsburgh serves as the School Controller, providing internal auditing services, while the appointed Treasurer of the City of Pittsburgh serves as the



School Treasurer, providing tax collection services for current real estate taxes. Jordan Tax Collection Services collect delinquent real estate taxes and earned income taxes.

The District's budget, governance, management, and taxing authority is independent of the City of Pittsburgh and Borough of Mt. Oliver.

As the policy-making body for the District, the Board is charged with providing the best educational programs the community can support in accordance with the School Code. Board-adopted policies governing financial operations, include an accident and illness prevention program (risk management), as well as policies and programs for debt, fund balance, and investments (cash management). The chief administrative officer of the District is the Superintendent of Schools who is primarily responsible for implementing Board policy and generally overseeing all District employees.

The District's vision statement reads as follows: *All students will graduate high school being college, career and life-ready; prepared to complete a two- or four-year college degree or workforce certification.*

The District's mission statement reads that: *The Pittsburgh Public Schools will be one of America's premier school districts, student-focused, well-managed, and innovative. We will hold ourselves accountable for preparing all children to achieve academic excellence and strength of character, so that they have the opportunity to succeed in all aspects of life.*

The District's declaration of beliefs are as follows:

- All children can learn at high levels.
- Teachers have a profound impact on student development and should have ample training, support, and resources.
- Education begins with a safe and healthy learning environment.
- Families are an essential part of the educational process.
- A commitment from the entire community is necessary to build a culture that encourages student achievement.
- Improvement in education is guided by consistent and effective leadership.
- Central office exists to serve students and schools.

## **Major Initiatives**

### **New Leadership**

On July 21, 2022, the Pittsburgh Board of Education announced that Dr. Wayne N. Walters will serve as Superintendent of Pittsburgh Public Schools. Dr. Walters assumed the top leadership post on August 1, 2022, following the 10-month period where he served as interim Superintendent.

### **Key Accomplishments**

Dr. Walters' was able to tackle the following key accomplishments as interim superintendent:

- Initiated the "A Fresh Start for the Head and Heart" program designed to create a positive school culture while developing systems and instruction to invigorate teaching, learning, and leadership across the District;
- Addressed and remedied transportation and technology distribution challenges within the first month of leading the District, and offered professional learning opportunities in trauma-informed care, and content-specific and special education topics;

- Managed the health and safety of students and staff while maintaining efficient and effective operations and educational delivery during the ever-changing dynamics of a pandemic;
- Supervised and coached all administrative chiefs and assistant superintendents in alignment with the District’s Theory of Action by outlining expectations for a high performance culture, developing and communicating coherent systems, and coordinating and supporting instruction with an equity focus;
- Invested in resources, programming, and strategies to attract and retain employees, strengthen the development of teacher leaders and aspiring principals;
- Designed and facilitated leadership retreats to build the capacity and clarity of the work of assistant superintendents as principal supervisors associated with processes and supports in alignment with PA Act 13 expectations;
- Worked to develop positive Administration-Board relationships that are collaborative, productive, and effective;
- Expanded the Leadership Team beyond administrative chiefs to include communication leads, assistant superintendents, and the Equity Director to allow additional perspectives, eliminate departmental and hierarchical silos, and create interdependent collaboration with the goal of fostering a culture that elevates quality teaching and learning for all students;
- Implemented a strategic planning process with the Leadership Team to develop systems that address and advance organizational cohesion in our District;
- Elevated and expanded opportunities for students’ voices to inform decision-making;
- Created protocols to improve consistent internal and external communication by developing a streamlined process and sequence for communicating with all stakeholder groups; and
- Developed core relationships and new partnerships with the Mayor’s office, surrounding universities, community-based groups, and the philanthropic community to garner support to advance the District’s mission, vision, and strategic goals.

### **Superintendent’s 5 Priority Goals**

The five priority goals articulate key strategies aimed at improving Culture, Systems, and Instruction in the Pittsburgh Public Schools. Implementing these priority goals begins with inquiry. The conclusions emerging from this process will outline a collaborative and strategic approach to solve our challenges with student outcomes and experiences. The following pages reintroduce each priority goal accompanied by its context. The context provides a clear rationale for each student-focused priority goal. Following the context are action steps designed to advance implementation of these goals.

*Priority Goal #1 – Invest in culturally responsive, evidence-based training, tools, and instructional practices.*

Pittsburgh Public Schools is currently challenged to make significant improvements in student outcomes and eliminate racial and students with IEPs achievement disparities as evidenced by Pennsylvania System of School Assessment (PSSA), Pennsylvania Alternate System of Assessment (PASA), and Keystone Exam results. Additionally, navigating ever-changing public health issues externally while managing COVID-19 mitigation strategies internally has magnified challenges and opportunities for our school district.

A well-designed and implemented high-quality teaching and learning process that result in improved student outcomes is a core goal of our school district. To meet this goal, an investment in culturally responsive, evidence-based professional learning is required. Using instructional tools and resources, collaborative professional learning communities, observations of proactive, growth-oriented feedback, and

progress monitoring, we will support and hone teacher skills and practice. Improved instructional practice is paramount for student success and improved outcomes.

**Action Steps:**

1. Launch a Summer Leadership Academy to build awareness of specific culturally responsive, evidence-based training, tools, and instructional practices for our district.
2. Assess our current system of delivery and assessment of professional learning.
3. Engage stakeholders (students, staff, families, and community) regarding culturally responsive, evidence-based training, tools, and instructional practices.
4. Identify, review, and assess current district instructional practices and tools that are culturally responsive and evidence-based.
5. Create and share core messaging and rationale regarding the need to invest in culturally responsive, evidence-based training, tools, and instructional practices.
6. Assess resource needs for delivering tools, resources, and professional learning.
7. Engage in the development of a comprehensive needs assessment to determine the extent and support needed to improve teaching and learning outcomes.

*Priority Goal #2 – Construct safety, health, and wellness protocols.*

The narrative of what it means for school districts to address the health, safety and well-being of its customers is multi-faceted and has certainly evolved during the pandemic. This evolution has elevated the importance of COVID-19, and other contagion, mitigation, health care access, safety in schools, trauma informed care, social and emotional wellness, physical and mental health, nutrition, and food security when providing service to students, staff, and families. Understanding our core focus is the improvement of student outcomes, the safety, health and wellness of our students and staff are critical issues, that if not addressed, can create significant challenges for student and staff success. Protocols serve as regulations and guidance for the school community. The development of protocols becomes vital to ensure coherence, accountability, and support for students and staff of our district.

**Action Steps:**

1. Formalize and communicate definitions of student and staff safety, health, and wellness in the Pittsburgh Public Schools.
2. Identify, review, and assess existing safety, health, and wellness protocols.
3. Create an informational resource outlining the potential impact of safety, health, and wellness protocols in supporting the improvement of staff and student experiences and outcomes.
4. Confirm levels of understanding among stakeholders regarding PPS safety, health and wellness protocols.
5. Create and expand opportunities for stakeholder engagement regarding potential improvements to our safety, health, and wellness protocols.
6. Assess resource needs for constructing robust safety, health, and wellness protocols.
7. Invest in research, development of design, support and accountability tools to ensure the implementation of robust safety, health and wellness protocols.

*Priority Goal #3 – Expand stakeholder communication and partnerships.*

In a September 2020 Getting Smart article by Julia Pile and Laura Gilchrist, the authors state, “In stakeholders lie the resources, information, and opportunities, the love, caring and wisdom needed to support the goals of the education system – creating the conditions for our kids to thrive now and in the

future.” As a school district, we have received feedback that highlights internal and external trust issues. These trust issues have been attributed to poor communication and a lack of transparency. In the spirit of improving student outcomes through the effective utilization of stakeholders, communication can serve as relationship shapers, people connectors, information disseminators, culture builders, opportunity makers, all in the service of students, staff, and families. Expanding stakeholder communication and partnerships will support the creation of robust, innovative, empowering, and joyful educational experiences.

**Actions Steps:**

1. Review school-based goals and initiatives aligned to existing partnership agreements, outcomes, and communication approaches.
2. Assess existing frameworks and expectations for partnership development and communication protocols and their alignment with our district mission, vision, and policies.
3. Investigate potential local, regional, and national partnerships in alignment with our district mission, vision, and policies.
4. Create and expand opportunities for stakeholder feedback regarding ways to establish trust, create transparency, improve communication, and expand partnerships.
5. Create an informational resource outlining the potential impact of effective communication and expand and aligned partnerships to support the improvement of student experience and outcomes.
6. Assess resource needs for exor existing relationships and expand stakeholder communication and partnerships to create a cohesive structure.
7. Invest in the development of support and accountability tools to ensure high expectations for stakeholder communication and partnership expansion.

**Priority Goal #4 – Design effective organizational systems.**

The designing of systems elevates data-informed decision-making, progress monitoring, and equity drivers to inform organizational effectiveness. Additionally, systems design establishes avenues for organization, transformation, innovation, reform, and change at scale, especially in spaces where systems are lacking. Our district’s Theory of Action outlines Systems as one of three (Culture, Systems, Instruction) connected set of propositions that will lead to improved practices. Based on qualitative feedback, one identified criticism is our lack of systems for supporting and advancing the multi-faceted work of the school district. Furthermore, the lack of systems ranges from equitable delivery of instructional support and services to our students, to quality conditions and environments for learning, to needed adjustments in mindset, policies, and collective responsibility for district improvement. An investment in designing effective and aligned systems would clarify processes, protocols, and expectations in ways that empower staff to perform at high levels.

**Action Steps:**

1. Assess how district policies are communicated and implemented throughout the organization to impact performance and outcomes.
2. Assess how organizational systems are designed, vetted, communicated, and implemented to all applicable stakeholders.
3. Inventory the ownership, residence, and accessibility of current systems.
4. Assess the internal and external communication, relevance, and efficacy of current systems.
5. Create and expand opportunities for stakeholder feedback regarding existing processes and procedures and their ability to hinder or empower access and high-quality performance.
6. Create and expand opportunities for stakeholder feedback regarding potential new and relevant processes and procedures to inform the design of effective organizational systems.

7. Assess resource needs for designing, betting, communicating, and implementing equitable and effective organizational systems.

*Priority Goal #5 – Strategically allocate resources to ensure equity, excellence, and efficiency.*

Every child living within Pittsburgh Public Schools’ footprint is entitled to a high-quality and robust educational experience, regardless of race, zip code, gender (including gender identity or expression), disability, sexual orientation, ethnicity, and economic designation. Therefore, our schools must strategically allocate resources and become vibrant community hubs that demonstrate fiscal responsibility through efficient operations while maintaining safe, effective, modern learning environment. Additionally, Pittsburgh Public Schools is committed to elimination racial and students with IEPs achievement disparities by investing in research, curriculum, assessment, data analysis, and accountability constructs that are culturally responsive and prioritize student needs and outcomes. To actualize this desire, we must utilize and equity lens of access, support, and services to drive decisions that impact student learning experiences and outcomes informed by data. Understanding that our mission is rooted in creating community, we embrace consistent collaboration, partnerships, and relationships with key stakeholders, inclusive of the most marginalized, to create optimal student learning experiences.

Action Steps:

1. Formalize and communicate definitions of equity, excellence, and efficiency in the Pittsburgh Public Schools.
2. Evaluate and assess how financial resources are currently allocated in ways that ensure equity, excellence, and efficiency.
3. Investigate exemplary resources allocation models that advance equity, excellence, and efficiency.
4. Work collaboratively with the Board of Directors and Leadership Team to create design principals that inform the strategic allocation and optimization resources (Human, financial, physical plant, infrastructure, instructional, etc.) to ensure equity, excellence and efficiency.
5. Create an informational resource outlining the potential impact of resource allocation rooted in equity, excellence, and efficiency to support the improvement of student experiences and outcomes.
6. Create and expand opportunities for stakeholder feedback regarding needed resources to ensure equity, excellence, and efficiency.
7. Design collaborative stakeholder teams to create core recommendations that begin the journey of addressing strategic allocation of resources to ensure equity, excellence, and efficiency.

### **The Why Behind the What: Providing Clarity Through Transparency**

The Why Behind the What web series seeks to bring clarity through transparency by breaking down the whys behind the actions and decisions of District leaders. Through the web series, Dr. Wayne N. Walters shares the why behind the what to improve understanding, transparency and purposeful communications with students, staff, parents, families, and the community as part of the District’s efforts to expand stakeholder communication and partnerships. To ensure all students have the literacy skills they need for academic success, the Pittsburgh Public Schools will change its approach to reading instruction by implementing the Science of Reading.

### **District Assets**

Pittsburgh Public Schools has several assets to build upon that emerged from stakeholder feedback, achievement data and third-party analysis.

### The Pittsburgh Promise

To be eligible for The Pittsburgh Promise, students must maintain at least a 2.5 GPA (or a 2.0 to attend community college) and attend school at least 90% of the time over the four years of high school. Parents and students alike appreciate and value the Pittsburgh Promise scholarship program. Since 2008, more than 8,000 Pittsburgh Public School students have benefited from the Pittsburgh Promise. While our scholars attended 135 different institutions, 23 schools enrolled more than 84% of our students. More than \$100 million in Pittsburgh Promise scholarships has been invested in these 23 schools alone.

### Opportunities

There are several areas that were identified as priority areas for improvement through stakeholder feedback, achievement data review and a third-party analysis completed by the Council of the Great City Schools (CGCS). The full report of the CGCS findings can be found at [www.pps.k12.pa.us/CGCSreport](http://www.pps.k12.pa.us/CGCSreport).

### 2022 District Performance Notes - PSSA/PASA & Keystone

The Pennsylvania state assessment system is composed of numerous exams. State exams provide a snapshot of student performance and are not a holistic report of school progress.

#### Covid-19 Assessment Schedule Adjustments

- Due to the Covid-19 pandemic, no exams were given in SY2019-20 and data is not reported.
- Exemptions granted in SY2019-20 are reflected in multiple later years for 11<sup>th</sup> grade accountability, as the metric can include results from years prior. For example, an exemption for a student who completed biology coursework in SY2019-20 as a 9<sup>th</sup> grade student (like most PPS students) would not be reflected until the student reaches 11<sup>th</sup> grade, likely in SY 2021-22.
- Exams for SY2020-21 were taken in the fall of SY2021-22. This means that a student who successfully completed 7<sup>th</sup> grade in SY2020-21 took their 7<sup>th</sup> grade exams in the beginning of their 8<sup>th</sup> grade year (SY2021-22)

### **Accountability Metrics**

#### 3<sup>rd</sup>-8<sup>th</sup> Grade Accountability:

-Includes PSSA and PASA results for students in grades 3-8.

#### 11<sup>th</sup> Grade Accountability:

-Includes results for 11<sup>th</sup> grade students from PASA or Keystone Exams taken prior to or during their 11<sup>th</sup> grade year.

### **Assessments**

#### Pennsylvania System of School Assessment (PSSA):

-Measures student performance in English Language Arts (ELA) and Mathematics in Grade 3-8, and Science in Grades 4 and 8.

#### Pennsylvania Alternate System of Assessment (PASA):

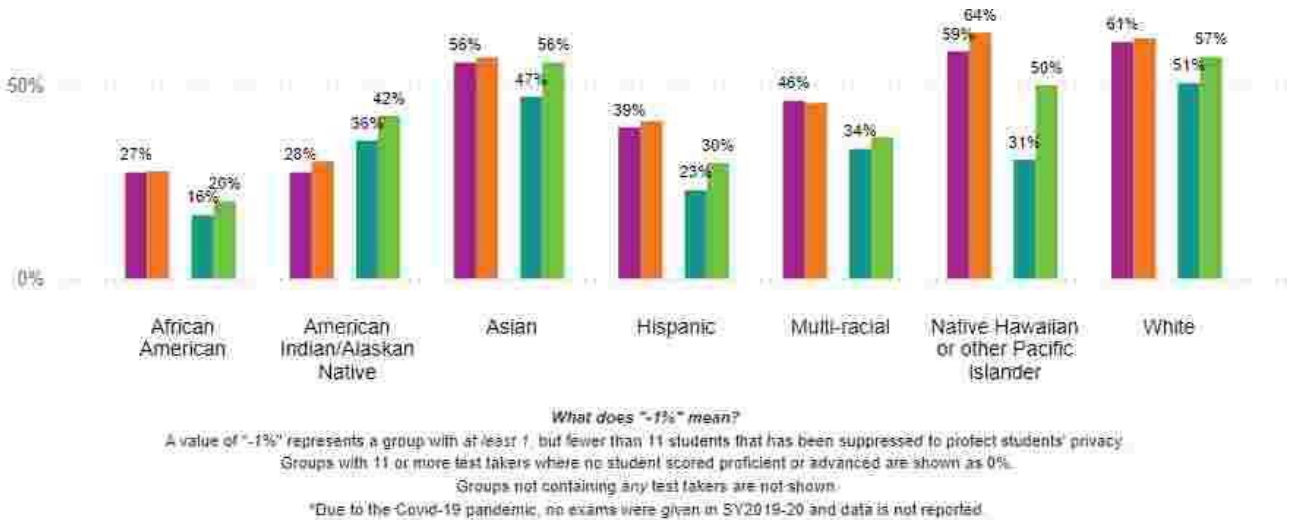
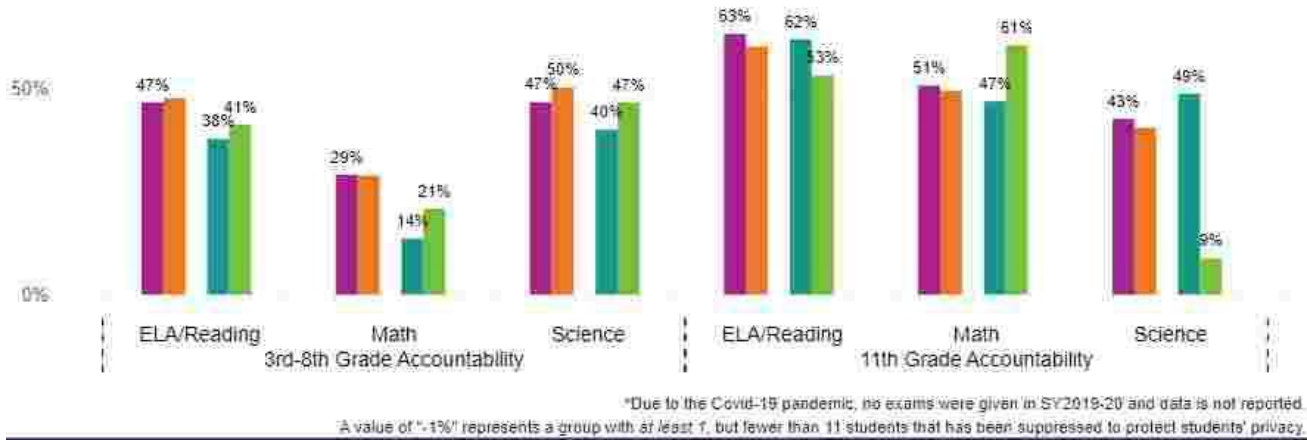
-An Alternative assessment for eligible students that measures ELA and Math in Grades 3-8 and 11. Only - about 4% of district students are eligible for this assessment.

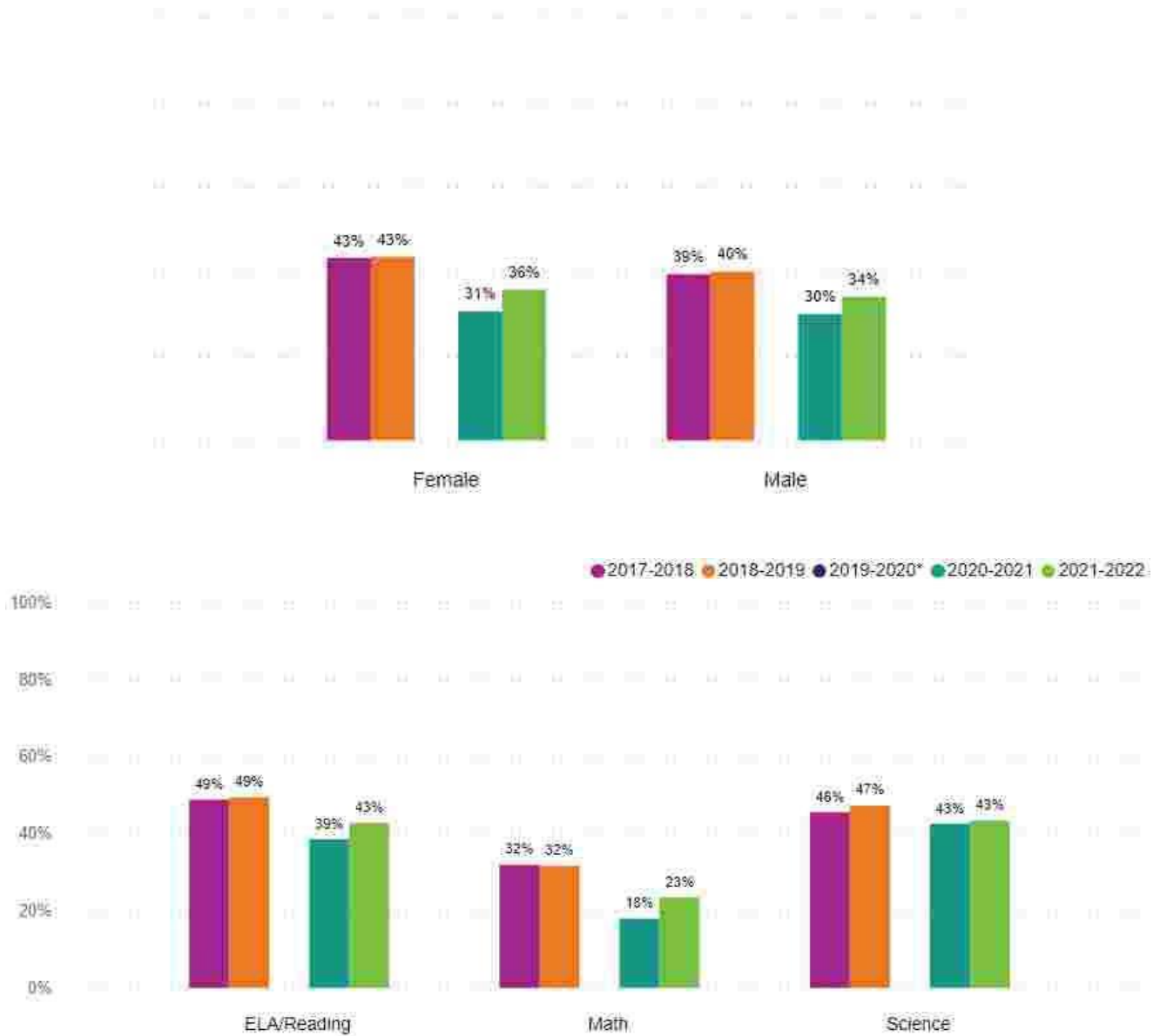
Keystone Exams:

-End-of-course assessments that measure student learning in Algebra I, Literature and Biology (for accountability, these are aligned to PASA subjects as Math, ELA/Reading and Science, respectively).

### District Level Proficiency: Percentage Proficient or Advanced

Overall Percentage Proficient or Advanced





## RACIAL EQUITY AUDIT

In Spring 2023, Pittsburgh Public Schools launched its first-ever independent equity audit of the district’s system of education for its African American students. An equity audit is a study of the fairness of an institution’s policies, programs, and practices. Our Racial Equity Audit will critically examine our policies, programs, and practices that directly and indirectly impact our students relative to their race. The equity audit will provide a starting point in evaluating our District’s current state concerning equity.



## **On Track to Equity: Professional Learning Throughout PPS**

### **Courageous Conversations About Race**

Courageous Conversations About Race is a protocol for effectively engaging, sustaining and deepening interracial dialogue. Using the Framework for Systemic Racial Equity Transformation, our staff can begin to address persistent racial disparities intentionally, explicitly, and comprehensively.

### **Beyond Diversity Seminar**

“Beyond Diversity Seminar” aligns with Courageous Conversations About Race. District staff participate in two-day seminar designed to help participants understand the impact of race on student learning and investigate the role racism plays in institutionalizing academic achievement disparities. Through Beyond Diversity participants gain a foundational understanding of the impact of race on students of color and a common language, to engage, sustain and deepen Courageous Conversations about Race.

### **Culturally Responsive Pedagogy**

Culturally Responsive Pedagogy professional learning equips educators with the knowledge skills, and dispositions to meet the diverse learning needs of all students and create the conditions necessary for closing the achievement gap and improving the achievement of all students through a leveled continuum of professional learning experiences. These experiences are designed to move adult learners from foundational understandings of CRP (Culturally Relevant Pedagogy) to eventual multidisciplinary connections and community building, creating a clear through line that will build individual and collective teacher efficacy in their ability to provide all students with high quality opportunities for learning. Five levels of intellectual engagement for CRP learning have been identified for organization and delivery.

### **Implicit Bias**

Implicit Bias is attitudes, stereotypes, and beliefs that can affect how we treat others based on race, ability, gender, culture, or language. Implicit Bias training for central and school administrators, Board members, social workers, guidance counselors, school police and school security guards would ultimately lead to a decrease in the incidence of racial disproportionality in behavioral referrals, suspensions and arrests and an increase in culturally responsive interventions and supports. This professional learning is aligned to the Equity in Discipline Action Step.

### **Association of Black Psychologists (ABPsi)**

Our partnership with ABPsi engaged the Office of Equity, school-based mental health practitioners, and Learning Environment Specialists in professional development that increased capacity to implement research-based culturally responsive, trauma-informed practices in their everyday responsibilities and interactions with students. Staff are equipped with positive behavior supports, de-escalation techniques and a set of appropriate responses to student behavior that may require immediate intervention.

On November 9, 2019, Pittsburgh Public Schools announced the next phase in its ongoing efforts to bridge racial equity gaps in the city’s public schools. *On Track to Equity: Integrating Equity Throughout PPS* is a comprehensive implementation plan that seeks to reduce racial disparities throughout the District and elevate the achievement levels of African American students.

## Attendance Rate

Pittsburgh Public Schools recognizes that without access to instructional time, student learning will suffer. When students are absent, they lose access to that instructional time, and so the District pays close attention to attendance rates across schools, grades, and student subgroups.

### Attendance Rate by Gender

2020-21 2021-22 2022-23



### Chronic Absence Rate by Gender

2020-21 2021-22 2022-23

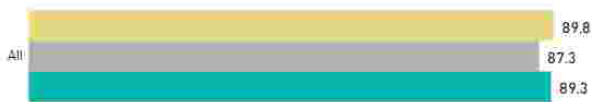


### Attendance Rate

The number of days present divided by the number of membership days.

### District Attendance Rate

2020-21 2021-22 2022-23



### Chronic Absence Rate

The total number of students with a 10%+ absence rate divided by the total number of students enrolled.

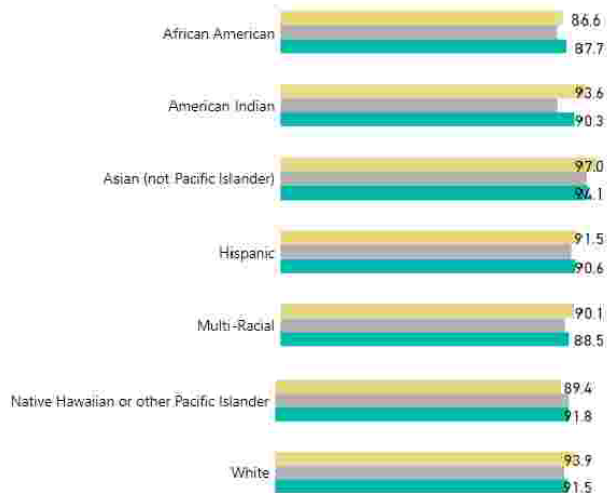
### District Chronic Absence Rate

2020-21 2021-22 2022-23



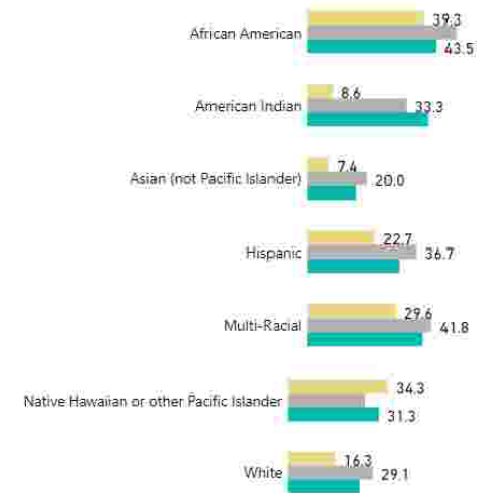
### Attendance Rate by Race

2020-21 2021-22 2022-23



### Chronic Absence Rate by Race

2020-21 2021-22 2022-23



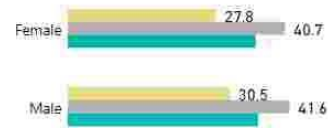
### Attendance Rate by Gender

2020-21 2021-22 2022-23



### Chronic Absence Rate by Gender

2020-21 2021-22 2022-23



## Advanced Placement

Participation in Advanced Placement (AP) courses allow students the opportunity to experience challenging, college-level coursework that prepares them for the post-secondary success in college or technical programming.

Benefits of AP Courses/AP Exams:

There are three major benefits to taking AP courses in high school. They are:

### Benefit # 1: Be a more attractive candidate to colleges.

- Students who take AP courses and do well on exams are more attractive candidates for competitive colleges and trade/technical schools because they display a commitment to academic excellence by taking the most rigorous courses available.

### Benefit # 2: Be more prepared for college.

- According to a 2001 Admissions Trends Survey by the National Association for College Admission Counseling (NACAC), grades in rigorous courses such as AP are the single most important factor in college admission decisions. Research also shows that students who score a 3, 4, or 5 on AP exams are 3 times more likely to earn a college degree than those who do not score well. They are also significantly more likely to earn a degree than those not enrolled in AP courses at all.

### Benefit # 3: Earn College Credit and Save Money

- Over 90% of 4-year colleges in the U.S. provide college credit and/or advanced placement for students who score a 3, 4, or 5 on the AP exam. This not only gives students a head start on college, it also saves them money.

### Percent of Students who Passed an AP Course

This bar chart represents the percent of students who passed an AP or IB course out of all students who were enrolled in grades 10 to 12.



**Percent of Students who Passed an AP Course AND Scored 3 or higher on any AP Exam**

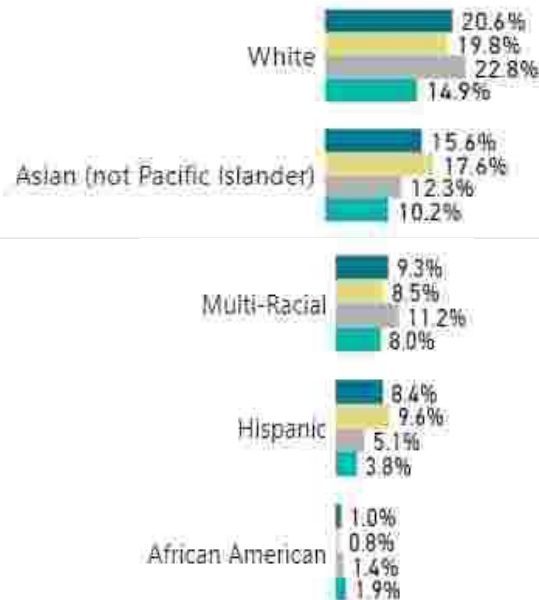
This bar chart represents the percent of students who passed an AP or IB course and passed an AP or IB exam out of all students who were enrolled in grades 10 to 12.



**Percent of Students who Passed an AP Course AND Scored 3 or higher on any AP Exam**

by Race

● 2017-2018 ● 2018-2019 ● 2019-2020 ● 2020-2021



**Eliminate Racial Disparity in Achievement Levels of African American Students**

For more than three decades, Pittsburgh Public Schools has been working attentively towards building racial equity. Leading in a spirit of developing, implementing, and acting on knowledge that repairs the circumstances and effects of public education history in Pittsburgh is valuable work.

Today, we work with a community-appointed group jointly selected by the Original Advocates for African American Students of the Pittsburgh Public Schools, the Pennsylvania Human Relations Commission, and the school district, known as the Equity Advisory Panel, to embed recommendations that support equity

through unrelenting advocacy. Together we strive to move the needle on equity develop tools to encourage cross-functional supports that convert to frameworks for educational improvement and transformation.

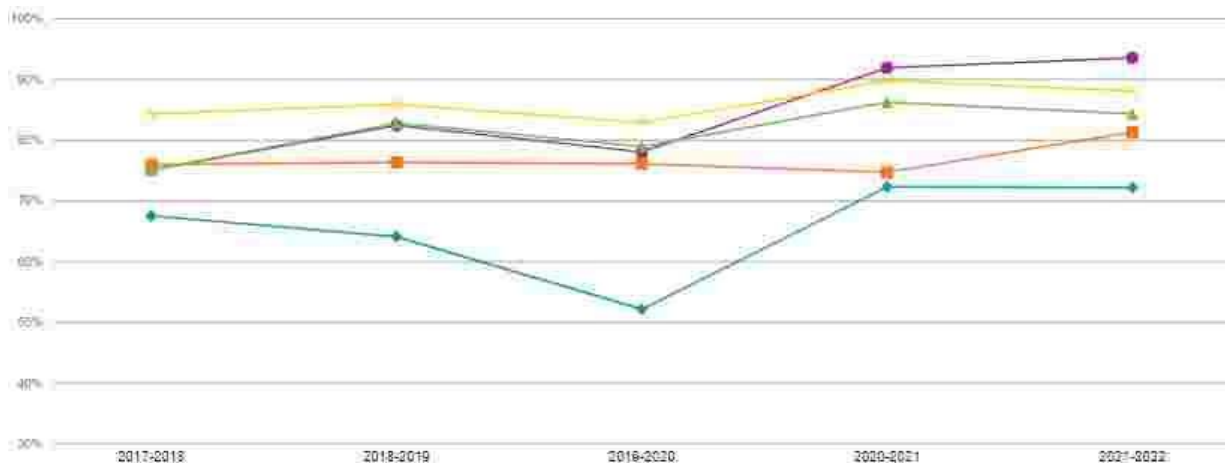
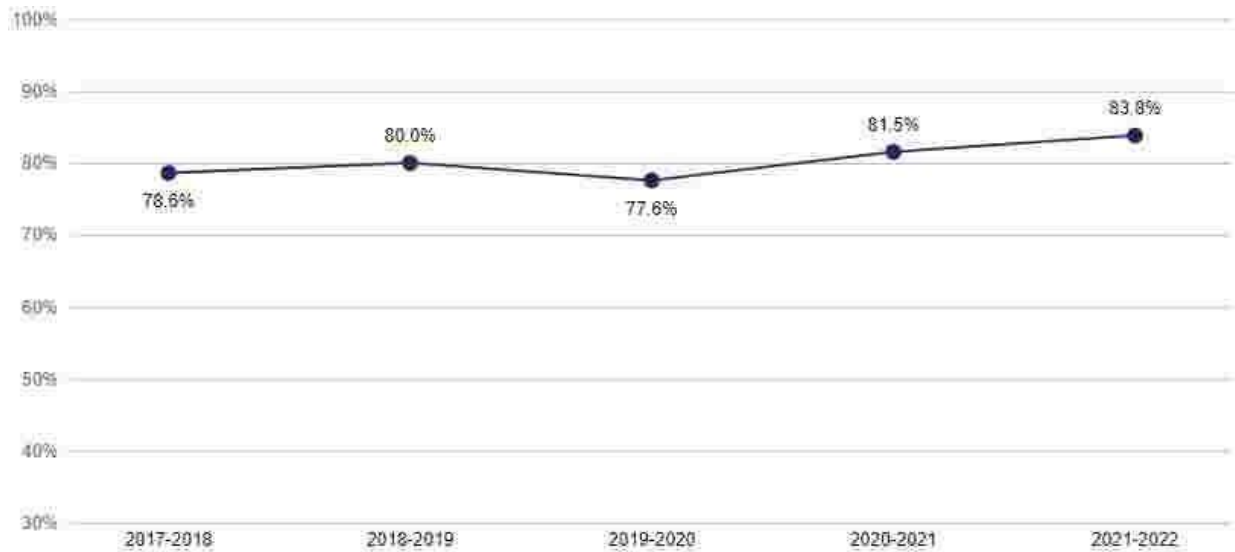
Over time, we have seen progressions in school and District culture. The Office of Equity, established in 2012, is supportive in this process but we know our collective work is far from over.

**Equipping All Students with the Skills to Succeed in College, Career, and Life**

Official state reports show promising growth in 4-year cohort graduation rates district-wide. The 4-year cohort graduation rate is based on the number of students within a group who graduate within four years. Graduation rates are reported a year later to account for credit recovery programs. The District rate for all students has gradually increased over the past year, currently at 81.5 percent. Additionally, students of both genders and African American students also saw increases in graduation rates.

**District-wide Graduation Rates by School Year**

Below are average graduation rates for all students across all Pittsburgh Public High Schools for the past 5 years.



## Suspension Data

Students school years are filled with ways to grow and achieve academically and socially. Our Multi-Tiered System of Support has key behavioral supports for teachers, including Restorative Practices, the Student Assistance Program, and Positive Behavior Interventions and Supports (PBIS). These strategies help to increase instructional time, improve student social behavior and academic outcomes, and decrease disruptions. Analyzing out-of-school suspensions across, time, schools, and student subgroups is one way to track disciplinary trends. Suspension rate is defined as the number of students who have received one or more suspensions divided by the number of students enrolled at any time during the school year.

### Suspension Rate Definition

The number of students suspended divided by the total number of students who were enrolled at any point in the school year.

2020-21\*

2021-22

2022-23

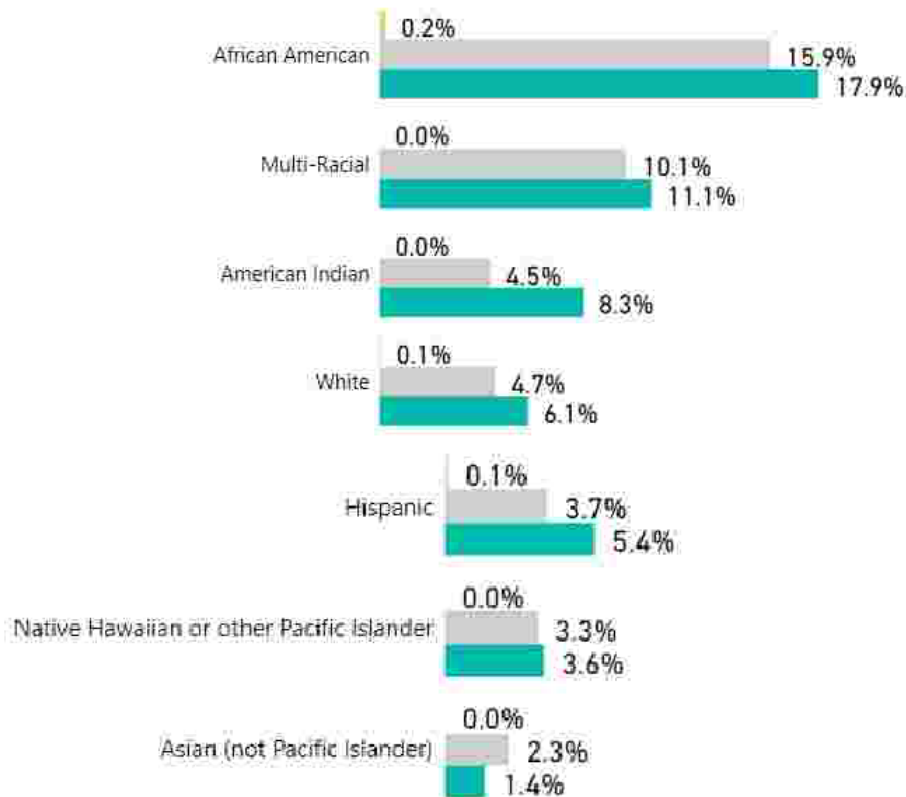
0.1%

10.9%

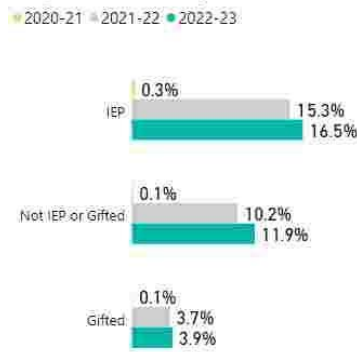
12.3%

## Suspension Rate by Race

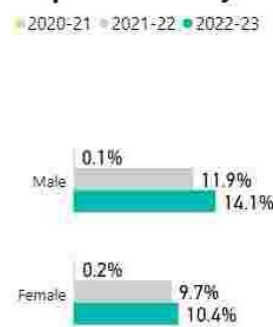
● 2020-21 ● 2021-22 ● 2022-23



### Suspension Rate by IEP Status



### Suspension Rate by Gender



As part of our efforts to increase transparency for families and monitor the progress of all schools, the Office of Data, Research, Evaluation and Assessment makes District-level data available on our website at [www.pghschools.org/dashboards](http://www.pghschools.org/dashboards).

### Pittsburgh's Birth Rate is on the Decline

Pittsburgh has come in fourth on a list of the 30 U.S. cities with the fewest number of children. In Pittsburgh, kids made up just over 15% of the population. According to the most recent Pittsburgh, Pennsylvania demographics data available from the 2022 Census Bureau released in the American Community Survey in November of 2022, Pittsburgh's 2021 Population is 303,207 which is ranked #1 of all places in the greater Pittsburgh region. Growth/population change estimates from the years 2010 to 2021 to be minimal, -.8%. The U.S. birth rate has seen several years of decline. But data from the Centers for Disease Control and Prevention shows the birth rate actually rose 1% last year. It was the first increase since 2014.

### Early Childhood Programs

The District is committed to providing students (birth through 8 years of age) with the social-emotional and academic foundational skills that are necessary for success throughout their educational career and life. We recognize that we can't do this work alone and will need committed community partners that can actively support our birth to age 8 efforts and support families within the school and broader Pittsburgh community.

For the District to succeed, we will:

- Intentionally design learning experiences to ensure that all children are educated to high level academic and social emotional standards within a joyful, warm and nurturing environment.
- Ensure social-emotional skills development includes: self-awareness, self-management, responsible decision making, relationship skills and social awareness.
- Ensure academic skills include: literacy skills, math skills, scientific thinking, social studies, physical development and the arts.
- Embrace developmentally appropriate practices, play-based learning, and standards-aligned curricula that encourages each child's natural eagerness to learn.
- Adopt teaching practices that are grounded in research on how children develop and learn, and what is known about effective early childhood education.
- Expect positive, responsive teacher-child relationships in which each child's unique style of living and learning is respected and fostered.
- Train teachers to meet children where they are, both as individuals and as part of a group.

- Help each child meet challenging and achievable learning goals.
- Partner with parents in support of their child’s health, development and education.
- Engage community organizations whom are aligned to our beliefs and ensure we have strong partnership to support schools and families.

**Gifted Education**

The District is committed to providing all students the opportunity to demonstrate their gifts and talents through enriched and accelerated learning. We will ensure that high-quality culturally responsive instruction is embedded in our core curriculum. We will equip teachers with the necessary tools to identify all learners’ gifts and talents and ensure they can effectively identify gifted and talented learners. We expect all teachers to develop high-yield instructional strategies to meet the learning needs of students identified as gifted and talented. We will ensure high-quality instruction is present every day, in every school, to offer a wide range of ways a child can develop personally. Students, staff, and parents will understand the process of gifted and talented identification. We expect gifted and talented students to:

- Develop academically, socially, and emotionally.
- Recognize the role they play in contributing to their school, community, and global society.

**FACE Coordinators**

Family and Community Engagement (FACE) Coordinators promote student achievement by collaborating with school staff, parents and family members, and community organizations to provide a network of support for students. They are teachers or staff members who are passionate about promoting student achievement, building relationships between the school and the larger community, and implementing positive strategies that engage parents, family members, and/or community organizations.

Each school has at least one (1) FACE Coordinator.

**PPS POINTS OF PRIDE:**

**PPS Becomes a 1:1 Device District**

There was no school district or state government across the United States that was prepared for the COVID-19 pandemic. With the sudden long-term closure of schools, PPS was faced with the challenge of moving nearly 22,000 students from physical classrooms to online learning. Thanks to investments in technology, and generous donations from individuals, foundations, corporations and civic institutions, Pittsburgh Public Schools became a 1:1 device District during the 2020-2021 school year.

**Eight Schools Designated Community Schools**

Eight schools – Pittsburgh Arlington PreK-8, Pittsburgh Arsenal 6-8, Pittsburgh Faison K-5, Pittsburgh King PreK-8, Pittsburgh Langley K-8, Pittsburgh Lincoln PreK-5, Pittsburgh Millions 6-12, and Pittsburgh Westinghouse 6-12 – are Designated Community Schools.

**Student Voice Takes Shape in PPS**

The creation of a new District-wide Student Advisory Council ensures that student voice is always at the table. This new initiative is a leadership opportunity for elected students to share the interests and concerns of students at their schools with PPS administration and provide input on school and District initiatives.



### **PPS Goes “All In” with College Board**

To build the confidence of our students and increase their success on the SATs, we have partnered with the College Board for their "All In" campaign challenge, using Khan Academy to personalize learning for students. This resource will be especially valuable for District 11th Graders who will take the SATs, with funding of all exams by the school district, and administration of the exams during school hours to increase student access.

### **Mentors Build Positive Relationships**

What happens when young men of color are paired with successful members of the community? They learn how to reach their full potential, both in and out of the classroom. Through the *We Promise* program, African-American high school males are overcoming challenges that might interfere with their education and their success in life. Expect them to be more confident in their abilities, more responsible, and more likely to be eligible for The Pittsburgh Promise.

### **Earning College Credit in High Schools**

Students in 10th, 11th, and 12th grades get a head start on their life’s work through our Career and Technical Education (CTE) program. A partnership with the Community College of Allegheny County (CCAC) allows the students to earn college credits in the fields of Health Careers Technology, Culinary Arts, or RHVAC – at no additional cost. Or the students can select from 12 trade and technical programs that give them hands-on training in jobs that are known to be in high demand. Expect these students to be well prepared for college, career, and life.

### **Learning More at a Faster Rate**

Making learning fun is serious business in our Early Childhood program. By using iPads and developmentally appropriate apps, students enjoy working with numbers, shapes, letters, and letter sounds. Technology not only engages our youngest students, but it also helps families stay involved in the education process. Expect children who attend PPS Pre-K to be well prepared for Kindergarten and a lifetime of learning.

### **PPS Youth Participatory Budget Council**

PPS and the City of Pittsburgh created the PPS Youth Participatory Budget Council (YPBC) to provide youth an opportunity to vote for their preferred policies and learn about the inner workings of city government and the school district.

### **District Adopts College and Career Readiness Platform Naviance**

PPS is making college and career planning accessible for all its middle and high school students by implementing Hobsons’ Naviance, the leading solution that helps students prepare for life after high school whether they pursue college, a career, or the military. Naviance will help PPS increase graduation and financial aid application rates, as well as accurately track college applications, acceptances, and scholarships. The District also will be better equipped to guide students through the process of identifying their strengths and interests and exploring careers and colleges to create personalized plans for life beyond high school.

### **Solving Problems through Creative Thinking**

In STEAM labs all across the District, students collaborate and solve real-world problems by thinking about things in new and different ways. Thanks to this hands-on approach that incorporates science, technology, engineering, the arts, and math, you expect students to be excited about facing new challenges.

### **Healthy Schools**

Four schools—Pittsburgh Phillips, Manchester, Brookline and Langley—are among America’s Healthiest Schools with each earning the Alliance for a Healthier Generation’s prestigious National Healthy Schools Bronze Award.

### **All Families Are Welcome**

46 languages spoken, 57 countries represented make all families feel welcome.

### **The Pittsburgh Promise**

The offer of dual enrollment funding through the Pittsburgh Promise, allowing District juniors and seniors to access scholarship dollars to take select courses at CCAC.

### **Shred Hate**

A partnership with the Pittsburgh Pirates supports the implementation of the bullying prevention program, Shred Hate in 22 schools.

### **Black Men Read**

Black Men Read aims to encourage a love of reading and promote literacy for our students while also countering negative narratives related to Black men. As part of Black Men Read, leaders from across the city will read to students in grades K-2, demonstrating that Black men care about the outcomes and experiences of Pittsburgh’s children.

### **Job Situation**

In 2023, Pittsburgh's unemployment rate remained stable at 4%, continuing to align with the state unemployment rate. This consistency reflects the city's ability to maintain a robust job market. Pittsburgh added 20,000 new jobs this year, a slight decrease from the previous year's growth but still a strong performance compared to other regional cities. The city's diversified economic base has allowed it to sustain job creation across various sectors, ensuring a resilient labor market.

### **Housing**

Pittsburgh continues to be one of the least costly places to live in the United States, with a cost-of-living score of 92.5, slightly higher than the previous year's 91.9 but still well below the national average of 104.6. The housing market has shown signs of recovery with an increase in property sales compared to 2022, although the time to sell remains longer than pre-pandemic levels. The city's ranking on Niche’s Best Places to Live list improved further, climbing from 18th to 15th place. This improvement underscores Pittsburgh's appeal due to its affordability and quality of life.

### **Demographics**

Pittsburgh's population remained relatively stable in 2023, with a small net gain in residents due to continued migration into the city. Approximately 3,500 new migrants contributed to this stability. The workforce remains young and well-educated, with over 55% of residents aged 25-34 holding at least a bachelor's degree. This trend is supported by the presence of numerous higher education institutions in the area. The city’s stable housing market continues to attract young professionals, aided by the industrial diversity and presence of high-tech and innovative employers.

Downtown Pittsburgh has further evolved into a residential hub, with a 5% increase in the residential population over the previous year. More than 21,000 people now live downtown or in surrounding neighborhoods, demonstrating the city's adaptability to telework trends. To capitalize on its favorable positioning and attract more residents, Pittsburgh's industries will need to expand more rapidly. The strong presence of education, healthcare, and financial industry employers continues to support workforce development.

### **Outlook Summary**

Pittsburgh's historical significance in the steel industry has given way to a more diversified economy. While heavy manufacturing remains a part of the city's economic fabric, technological innovation now plays a crucial role. The city's economy is buoyed by sectors such as high technology, finance, healthcare, and education, largely supported by its esteemed universities and hospitals. These institutions ensure stable income and employment trends.

The ongoing expansion of Marcellus Shale natural gas drilling and the growth of high-tech employers provide a solid foundation for future economic growth. Pittsburgh's institutions, innovative capacity, and core competencies in science and technology position it well to compete globally in next-generation technologies. However, success in fully leveraging these opportunities requires strategic action and investment.

Overall, Pittsburgh's outlook for 2023 remains positive. The city's continuous investment and reinvestment in its infrastructure and economy are fostering business development and encouraging residential construction. Pittsburgh is well-positioned to adapt to the changing economic landscape, with a stable and promising future ahead.

### **Financial Matters Concerning the City of Pittsburgh**

The City of Pittsburgh is the largest municipality served by the District. In November 2004, the General Assembly of the Commonwealth of Pennsylvania adopted legislation (HB 850 and HB 197) to provide financial assistance to the City of Pittsburgh, which was in financial distress. This legislation negatively affects the District's revenues as follows:

- The District, effective fiscal 2005, ceased to receive an annual appropriation of \$4 million from the City of Pittsburgh, which was established by the Regional Asset District (RAD) legislation to compensate the District for lost revenue by the elimination of the Personal Property Tax.
- This legislation has had the effect of reducing District revenue from this loss by approximately \$4 million annually.
- The District had a total of 0.25% of its Earned Income Tax authority shifted to the City of Pittsburgh by the end of 2009. This shift was structured such that 0.1% was transferred in 2007, 0.1% in 2008, and 0.05% in 2009. The total impact of 0.25% of the District's Earned Income Tax levy is approximately \$12 million annually beginning in 2010 and thereafter.

Early in 2018, a resolution by the Commonwealth of Pennsylvania was adopted to allow the City to formally exit Act 47 oversight, thereby ending its designation as a "financially distressed municipality. During 2018, the City continued efforts to control costs, improve collections, and maintain solvency. As of the close of the 2023 fiscal year, the City's governmental funds reported combined ending fund balances of \$470.5 million, an increase of \$56.2 million from the previous year. Approximately 42.2% of this total amount or \$198.7

million is available for spending at the government's discretion (unassigned fund balance). The unassigned fund balance for the General Fund was \$198.7 million (compared to \$167.2 million in 2022) or 29.6% of total General Fund expenditures and debt service transfers for 2023, up from 27.4% in 2022. The City's outstanding general obligation bonds and notes including unamortized premium/discount amounted to \$502 million at the end of the fiscal year up from \$488 million in 2022.

### **Short and Long-Term Financial Planning**

The District applies a four-step process to long-term financial planning, incorporating phases for mobilization, analysis, decision, and execution. Planning is a continuous process and the Board receives a monthly update in the form of a three-year rolling forecast at its regularly scheduled legislative meeting. Steps have been taken to improve the district's forecasting methods throughout the school year by more closely monitoring monthly financial figures.

The District faces a projected structural deficit for 2023 and beyond, with expenditures outpacing revenues. The long-term forecast has the following characteristics:

- High cost per pupil is accelerated by declining enrollment and relatively steep fixed costs.
- Uncertain Federal funding due to Sequestration and signals of more significant cuts that may be coming in future years.
- Proposed increases in state funding, but there are also areas such as transportation that the state has indicated may be subjected to cuts.
- Key cost drivers include Charter Schools, Special Education, and underutilized classrooms. The District is also subject to increasing costs in the areas of retirement, transportation, health care, and salaries.
- Underutilized facilities create resource inequities and diseconomies of scale.
- No desire to raise taxes beyond statutory limits.

### **Awards and Acknowledgements**

The **Government Finance Officers Association of the United States and Canada (GFOA)** awarded a **Certificate of Achievement for Excellence in Financial Reporting** to the District for its Annual Report for the fiscal year ended December 31, 2022.

This was the fourteenth consecutive year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Report. This report must satisfy both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the program's requirements, and we are submitting it to GFOA to determine its eligibility for a certificate for the year ended December 31, 2023.

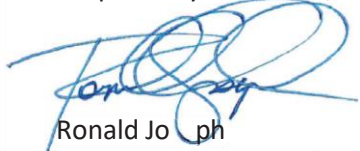
The **Association of School Business Officials International (ASBO)** awarded a **Certificate of Excellence in Financial Reporting** to the District for its Annual Report for the fiscal year ended December 31, 2022.

In order to be awarded a Certificate of Excellence, a governmental unit must publish an easily readable and efficiently organized Annual Report, whose contents conform to the program's standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Excellence is valid for a period of one year only. We believe that our current report continues to conform to the program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate for the year ended December 31, 2023.

We also wish to thank the Board of Directors and Superintendent of Schools for planning and conducting the financial operations of the District in a responsible and progressive manner.

Respectfully submitted,



Ronald Joseph  
Chief Financial Officer  
and Assistant Secretary



Laura R. Cosharek  
Director of Finance  
and Assistant Secretary

In accordance with Section 21-2129, Public School Code of 1949 as amended, we submit herewith the auditor's report on the District's financial statement included in the Annual Comprehensive Financial Report of the District for the fiscal year ended December 31, 2023.

Respectfully submitted,



Rachael Heisler  
School Controller



Michael Senko  
Deputy School Controller



Government Finance Officers Association

Certificate of Achievement for  
Excellence in  
Financial  
Reporting

Presented to

**School District of Pittsburgh  
Pennsylvania**

For its Annual Comprehensive Financial Report  
For the Fiscal Year Ended December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

## **School District of Pittsburgh**

**for its Annual Comprehensive Financial Report  
for the Fiscal Year Ended December 31, 2022.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

**John W. Hutchison**  
**President**

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

**Siobhán McMahon, CAE**  
**Chief Operations Officer/  
Interim Executive Director**

## School District of Pittsburgh

### List of Elected and Appointed Officials

June 2023

#### Elected Officials

##### Board of Directors

Yael Silk	Member
Gene Walker	President
Devon Taliaferro	First Vice President
Tracey Reed	Second Vice President
Emma Yourd	Member
Jamie Piotrowski	Member
Sala Udin	Member
Sylvia Wilson	Member
Dwayne Barker	Member

##### School Controller's Office

Rachael Heisler	School Controller
Michael Senko	Deputy School Controller

#### Appointed Officials

##### Superintendent's Office

Dr. Wayne Walters	Superintendent and Secretary
Vacant	Deputy Superintendent

##### Finance and Operations Office

Ronald J. Joseph	Chief Financial Officer and Assistant Secretary
Laura Cosharek	Director of Finance and Assistant Secretary
Rondee McIver	Financial Service Manager

##### School Performance Office

Vacant	Chief of School Performance
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##### Information and Technology Office

Mark Stuckey	Chief Information Officer
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##### Human Resource Office

Margaret Rudolph	Chief Human Resource Officer
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##### Law Office

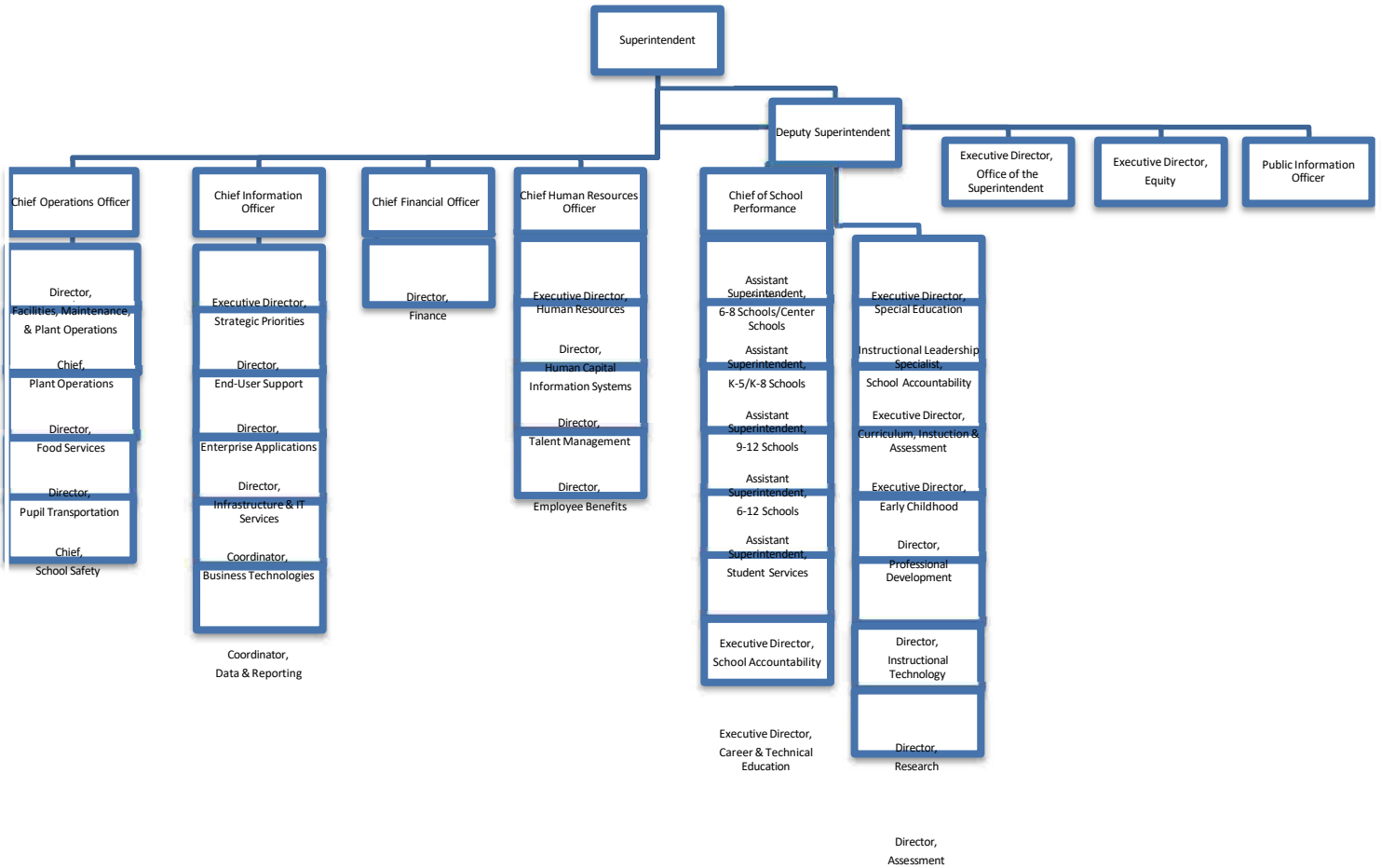
Weiss Burkardt Kramer LLC	Solicitor and Assistant Secretary
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##### School Treasurer's Office

Jennifer Gula	School Treasurer
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# School District of Pittsburgh Organizational Chart



## **FINANCIAL SECTION**

## Independent Auditor's Report

**Board of Public Education  
School District of Pittsburgh, Pennsylvania**

### Report on the Audit of the Financial Statements

#### **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 the School District of Pittsburgh, Pennsylvania (District), as of and for the year ended December 31, 2023, and the related notes to the basic financial statements, which collectively comprise the 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 the District, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 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 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, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the required supplementary information listed 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 the District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### Other Information

Management is responsible for the introductory section, the statistical section, and the schedule of bonds and notes payable listed in the table of contents. This other information 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.



*Maher Duessel*

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

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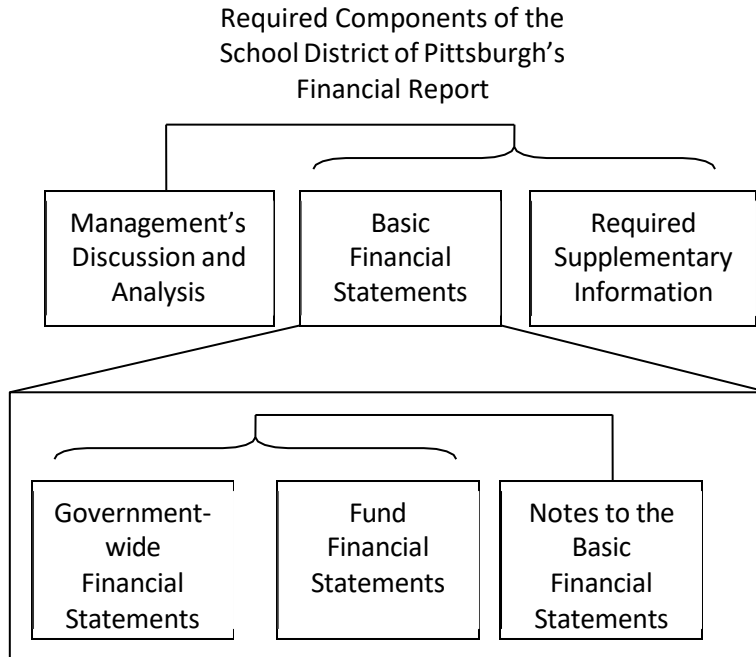
As management of the School District of Pittsburgh (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2023. This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the government-wide financial statements, fund financial statements, and notes to the financial statements.

### FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of the District's governmental activities exceeded its assets and deferred outflows at the close of the most recent fiscal year by \$763,931,462 (net position).
- The government-wide financial statements reflect the recording of the net pension liability of \$859,610,000 and the net OPEB liability of \$194,865,792 as of December 31, 2023.
- Total net position of the District's governmental activities increased by \$34,981,454 or 4.38%, while net position of business-type activities increased by \$9,635,435 or 400.98%. The significant increase in net position of business-type activities relates to interfund transfers from the government funds of \$7,829,430.
- The unassigned fund balance of the general fund as of December 31, 2023, was \$46,565,503 or 6.93% of total general fund expenses and other financing uses. The assigned and unassigned general fund balance represents 11.82% of general fund expenditures and other financing uses for fiscal year 2023.
- The District established an OPEB Trust for post-employment health benefits. Benefits are funded on a pay-as-you-go basis. The District made no additional contributions to the trustee during 2023. Net position of the OPEB Trust is \$17,755,601.
- Total general obligation bonds and notes outstanding increased by \$9,007,647. This increase is due to necessary enhancements on the District's buildings and capital project needs.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.



**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Government-wide financial statements include the statement of net position and the statement of activities. Government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. The government-wide financial statements can be found on pages 17 and 18 of this report.

- The statement of net position presents information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position.
- The statement of activities presents information showing how the government's net position changed during the year. Changes in net position are recognized regardless of the timing of related cash flows.

**FUND FINANCIAL STATEMENTS**

Fund statements are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other Pennsylvania school districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District uses three types of funds: governmental funds, proprietary funds, and fiduciary funds. The District maintains a general fund, capital projects fund, debt service fund, and various special revenue funds. The general fund, special revenue, and the capital projects fund are presented as major funds in the fund statements. Fund statements begin on page 19 of this report.

Governmental funds focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. Such reconciliations can be found on pages 20 and 22.

A budgetary comparison statement is presented to show compliance with the annually adopted general fund budget. The budgetary comparison statement can be found on page 23 of this report.

Two types of proprietary funds (internal service funds and enterprise funds) are presented in the District's statements. Internal service funds are an accounting device used to allocate health care, unemployment, workers' compensation, duplication services, and general insurance costs internally among various functions. The individual internal services are presented in the combining statements. The food service operations for the District are presented as an enterprise fund. In the government-wide financial statements, the food service operation can be found under business-type activities. Internal service funds are combined with governmental funds in the government-wide financial statements. The basic proprietary funds statements can be found on pages 24 through 27 of this report.

The District's fiduciary funds include custodial funds, an OPEB trust, and private purpose trust funds. The OPEB trust accounts for assets placed in an irrevocable trust to fund future OPEB benefits. The private purpose trust fund accounts for assets held by the District in a trustee capacity. Custodial funds are used to account for student activity funds. Student activities include, but are not limited to, student council, interscholastic athletics, and various clubs. The basic fiduciary fund statements can be found on pages 28 and 29 of this report.

#### **NOTES TO THE FINANCIAL STATEMENTS**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30 through 76 of this report.



## THE SCHOOL DISTRICT OF PITTSBURGH AS A WHOLE

The District's total net position was \$(751,893,082) at December 31, 2023. The District's combined net position for governmental activities and business-type activities increased by \$44,616,889 during fiscal year 2023. The net effect of the following factors contributed to the increase:

- The net pension liability decreased by \$45,970,000 and the net OPEB liability increased by \$8,362,648, the majority of these changes related to positive returns on trust assets and changes in retiree experience.
- Compensated absences showed a decrease of \$1,703,477 for the period ending December 31, 2023.
- Basic education and transportation subsidies increased by \$7,907,548 and \$7,204,175, respectively for 2023.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental and business-type activities.

Table 1 takes the information from the Statement of Net Position, by summarizing major asset classes and providing comparative information.

**TABLE 1 — NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current assets	\$ 267,236,001	\$ 250,126,147	\$ 7,278,071	\$ (2,865,167)	\$ 274,514,072	\$ 247,260,980
Capital assets	443,406,318	446,783,678	6,455,272	6,875,474	449,861,590	453,659,152
Other noncurrent assets	4,148,907	4,376,406	-	-	4,148,907	4,376,406
Total assets	<u>714,791,226</u>	<u>701,286,231</u>	<u>13,733,343</u>	<u>4,010,307</u>	<u>728,524,569</u>	<u>705,296,538</u>
Deferred outflows for pension	81,209,268	73,136,450	-	-	81,209,268	73,136,450
Deferred outflows for OPEBS	36,941,835	49,451,679	-	-	36,941,835	49,451,679
Deferred charge on refunding	2,232,649	3,227,836	-	-	2,232,649	3,227,836
Total deferred outflows of resources	<u>120,383,752</u>	<u>125,815,965</u>	<u>-</u>	<u>-</u>	<u>120,383,752</u>	<u>125,815,965</u>
Current liabilities	110,314,574	107,972,396	1,340,456	1,269,226	111,655,030	109,241,622
Non-current liabilities outstanding	1,372,713,439	1,403,308,065	354,507	338,136	1,373,067,946	1,403,646,201
Total liabilities	<u>1,483,028,013</u>	<u>1,511,280,461</u>	<u>1,694,963</u>	<u>1,607,362</u>	<u>1,484,722,976</u>	<u>1,512,887,823</u>
Real estate taxes received in advance	19,636,817	19,639,859	-	-	19,636,817	19,639,859
Deferred inflows for pension	58,540,000	49,886,000	-	-	58,540,000	49,886,000
Deferred inflows for OPEBS	37,901,610	45,208,792	-	-	37,901,610	45,208,792
Total deferred inflows of resources	<u>116,078,427</u>	<u>114,734,651</u>	<u>-</u>	<u>-</u>	<u>116,078,427</u>	<u>114,734,651</u>
Net position:						
Net investment in capital assets	140,627,204	146,937,398	6,455,272	6,875,474	147,082,476	153,812,872
Restricted	4,305,799	4,550,481	-	-	4,305,799	4,550,481
Unrestricted	(908,864,465)	(950,400,795)	5,583,108	(4,472,529)	(903,281,357)	(954,873,324)
Total net position	<u>\$ (763,931,462)</u>	<u>\$ (798,912,916)</u>	<u>\$ 12,038,380</u>	<u>\$ 2,402,945</u>	<u>\$ (751,893,082)</u>	<u>\$ (796,509,971)</u>

The District's net investment in capital assets for governmental activities of \$140,627,204 as of December 31, 2023, reflects its significant investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt and capital accounts payable used to acquire those assets that is still

outstanding. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 2 takes the information from the Statement of Activities, rearranging it slightly, by showing comparative information.

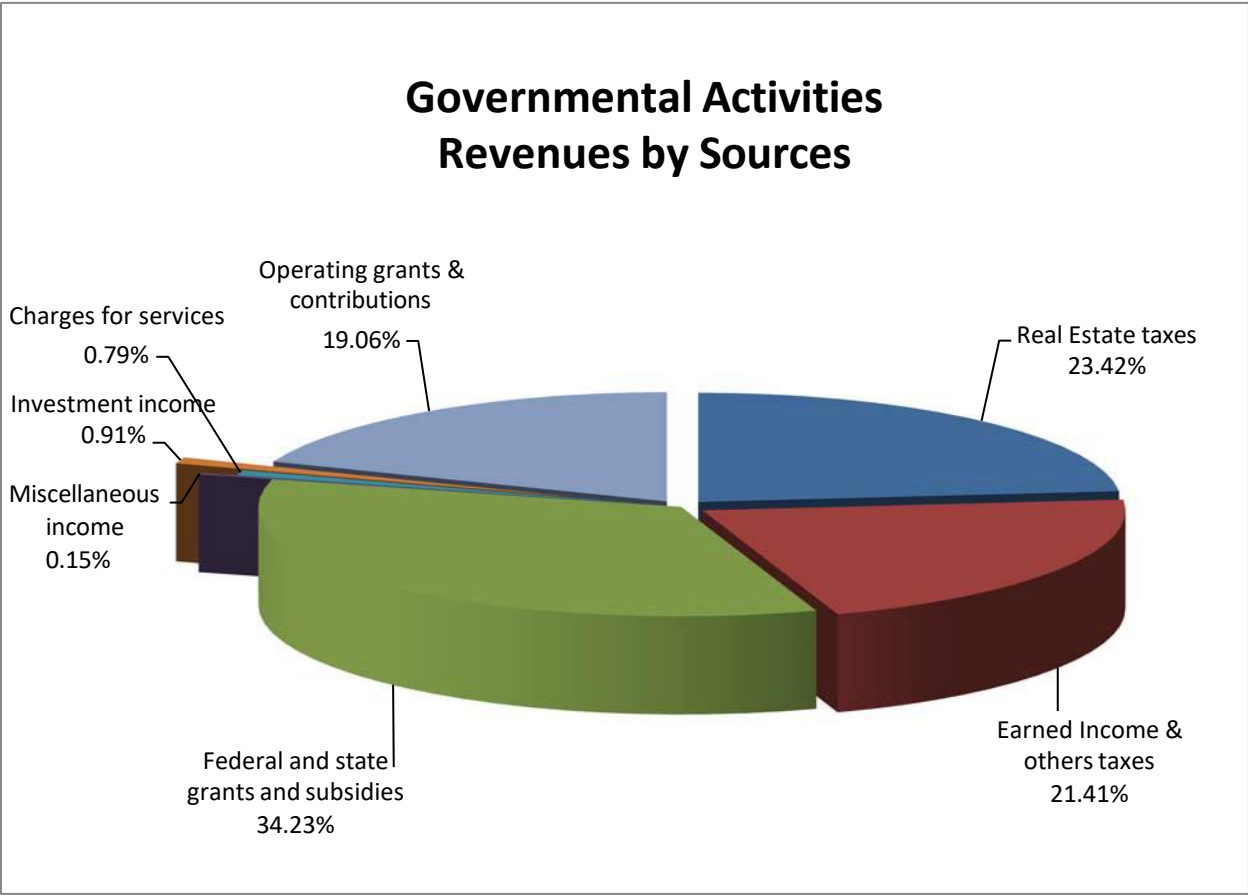
**TABLE 2 — CHANGES IN NET POSITION**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 6,450,864	\$ 6,775,045	\$ 1,465,568	\$ 1,135,197	\$ 7,916,432	\$ 7,910,242
Operating grants and contributions	156,595,988	111,991,036	20,213,146	17,477,520	176,809,134	129,468,556
<b>General revenues:</b>						
Property taxes and other taxes	368,213,894	369,135,637			368,213,894	369,135,637
Investment income	7,490,177	2,055,822	442,291	89,633	7,932,468	2,145,455
Federal and state grants and subsidies	281,159,429	263,066,068			281,159,429	263,066,068
Miscellaneous income	<u>1,493,001</u>	<u>1,099,724</u>	<u>-</u>	<u>-</u>	<u>1,493,001</u>	<u>1,099,724</u>
<b>Total revenues</b>	<u><b>821,403,353</b></u>	<u><b>754,123,332</b></u>	<u><b>22,121,005</b></u>	<u><b>18,702,350</b></u>	<u><b>843,524,358</b></u>	<u><b>772,825,682</b></u>
<b>Expenses:</b>						
Instruction	520,211,313	489,865,693	-	-	520,211,313	489,865,693
Instruction student support	63,097,425	60,307,508	-	-	63,097,425	60,307,508
Administrative and financial support services	64,629,662	64,775,127	-	-	64,629,662	64,775,127
Operation & maintenance of plant services	57,135,804	58,762,547	-	-	57,135,804	58,762,547
Student transportation	47,132,729	45,752,133	-	-	47,132,729	45,752,133
Student activities	5,881,042	5,010,503	-	-	5,881,042	5,010,503
Community services	1,455,262	573,451	-	-	1,455,262	573,451
Food services			20,315,000	19,039,901	20,315,000	19,039,901
Facilities	5,758,836	6,571,324	-	-	5,758,836	6,571,324
Interest on long-term debt	<u>13,290,396</u>	<u>10,556,103</u>	<u>-</u>	<u>-</u>	<u>13,290,396</u>	<u>10,556,103</u>
<b>Total expenses</b>	<u><b>778,592,469</b></u>	<u><b>742,174,389</b></u>	<u><b>20,315,000</b></u>	<u><b>19,039,901</b></u>	<u><b>798,907,469</b></u>	<u><b>761,214,290</b></u>
Change in net position	34,981,454	11,948,943	9,635,435	(337,551)	44,616,889	11,611,392
Net position — January 1	<u>(798,812,916)</u>	<u>(810,861,859)</u>	<u>2,402,945</u>	<u>2,740,496</u>	<u>(796,509,971)</u>	<u>(808,121,363)</u>
Net position — December 31	<u><b>\$ (763,831,462)</b></u>	<u><b>\$ (798,912,916)</b></u>	<u><b>\$ 12,038,380</b></u>	<u><b>\$ 2,402,945</b></u>	<u><b>\$ (751,893,082)</b></u>	<u><b>\$ (796,509,971)</b></u>

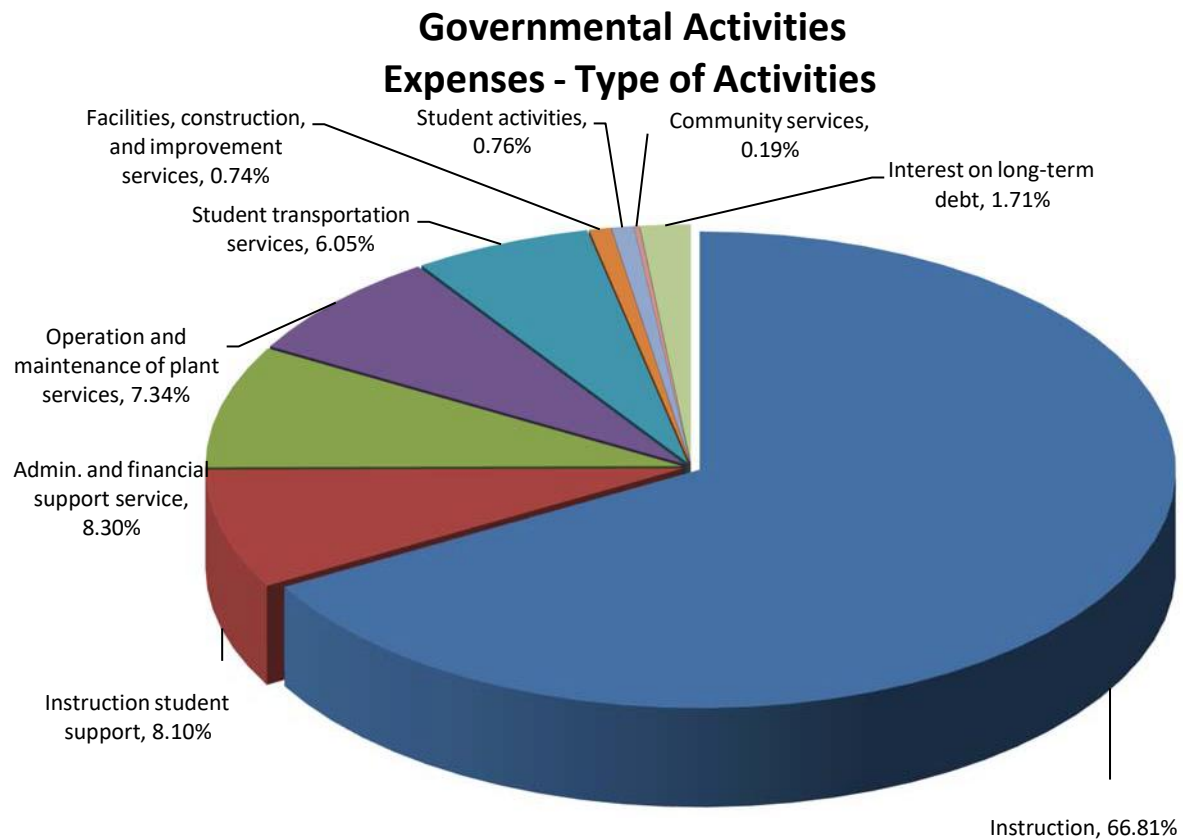
**GOVERNMENTAL ACTIVITIES** — Net position for governmental activities increased by \$34,981,454, as compared to an increase of \$11,948,943 in the prior fiscal year. Factors contributing to the changes:

- The dependence upon tax revenues for governmental activities is apparent. The School District had expenses for governmental activities of \$778,592,469, while only \$6,450,864 has been provided from program specific charges and \$437,755,417 has been provided by the State and Federal Governments as operating and general grants. The District received \$171,419,868 from the State for Basic Education subsidy, an increase of approximately \$5 million from 2022.

- The required accounting of reporting net pension and OPEB liabilities and related deferred inflows and outflows on the net position statement resulted in a reduction of expenses of approximately \$31.8 million.
- The District budget of \$557,477 for investment income was based on the lower interest rates and the lag of the economic bounce back after the pandemic. The actual received income from investments was \$7,490,177. This higher than budgeted amount is due to the increase of interest rates.
- Taxes and investment income composed 45.74% of revenues for the District’s governmental activities as a whole.



- Functional expenses have increased by \$36,418,080 or 4.91%. The increase relates to various items such as utilization of additional funding and related expenditures related to special education, ESSER III, Pre K Counts, and Ready To Learn grants.

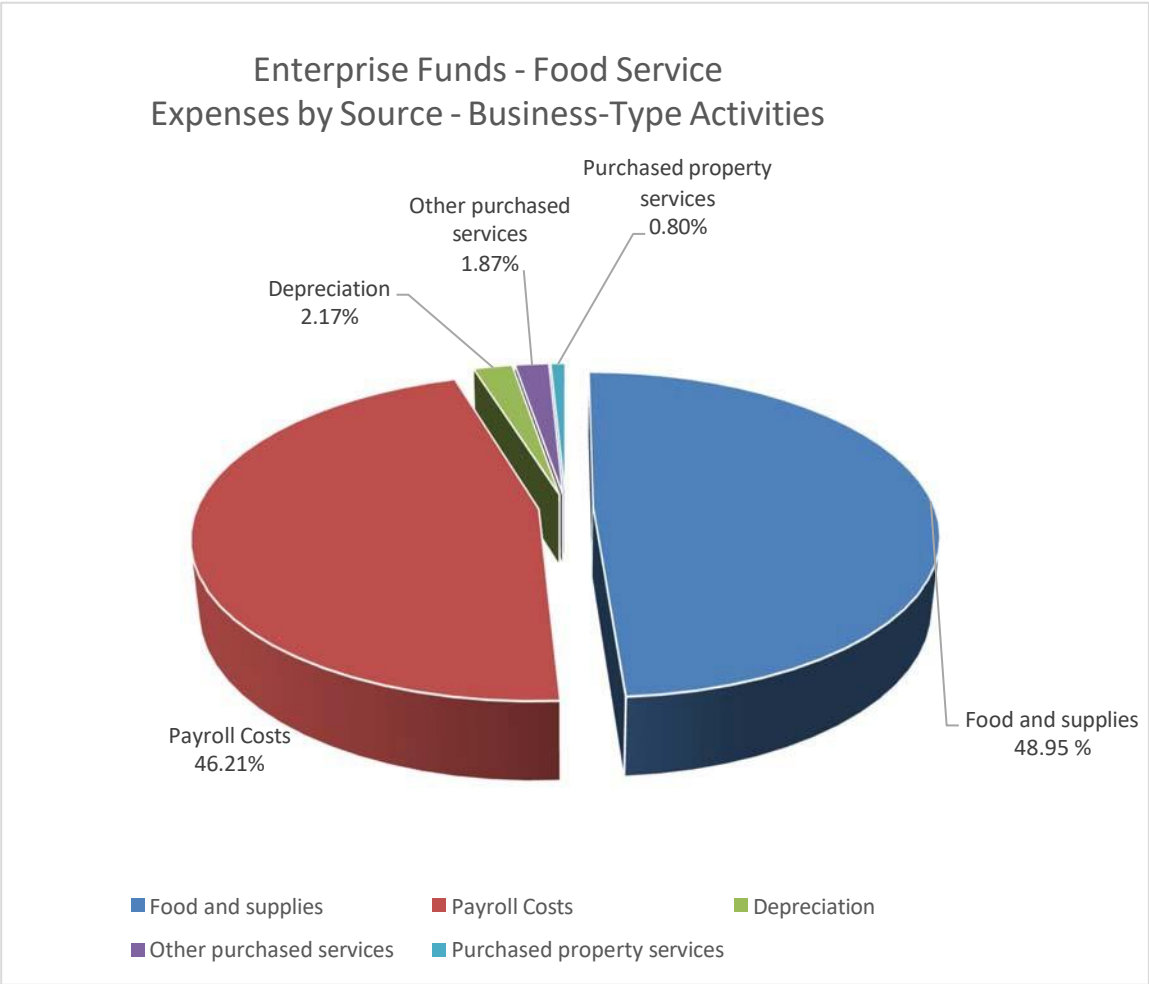


## BUSINESS-TYPE ACTIVITIES

The net position of our food service activities increased by \$9,635,435 in fiscal year 2023, compared to the \$337,551 decrease in 2022.

- Revenues increased by \$3,418,655 or 18.28%, to \$22,121,005 for 2023. Due to increased use of food service activities.
- The District's operating expenses increased by \$1,275,100, or 6.70%, to \$20,315,000 for 2023. This increase is attributed to the increased cost of food and supplies due to inflation.
- The costs of food and supplies increased by \$954,700, or 10.59%, over the 2022 costs.
- Transfers of \$7,829,430 were received from the general fund to aid in funding of current and future operating expenses.

- The District’s largest expenses for business-type activities, as displayed in the following chart, are food, supplies, and payroll costs.



**FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** — The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s unassigned fund balance of the governmental funds reported a decrease of \$9,966,109. The combined ending fund balance of total governmental funds was \$137,309,837. Of this total amount, \$46,565,503 constitutes fund balance which is available for spending at the government’s discretion. Assigned balances of \$42,212,119 represent intentions of the District to use funds for specific purposes, such as \$29,985,031 to support the 2024 budget shortfall. Committed funds of \$4,691,711 include \$1,448,949 for general fund contracts and \$3,242,762 for Capital Emergency

funding. The District has \$43,192,108 in restricted capital projects imposed by debt covenants and \$126,773 restricted for scholarships.

The fund balance and the total change in fund balance by fund type as of December 31, 2023 and 2022 are as follows:

	<b>Fund Balance December 31, 2023</b>	<b>Fund Balance December 31, 2022</b>	<b>Increase (Decrease)</b>
General Fund	\$ 84,650,667	\$ 81,336,437	\$ 3,314,230
Capital Projects	48,614,547	37,270,365	11,344,182
Special Revenue	2,856,793	400,558	2,456,235
Other Governmental	1,187,830	1,270,416	(82,586)
	<u>\$ 137,309,837</u>	<u>\$ 120,277,776</u>	<u>\$ 17,032,061</u>

The general fund is the chief operating fund of the District. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of the general fund as of December 31, 2023, was \$84,650,667 or 12.50% of total general fund expenditures and other financing uses. The unassigned and assigned fund balance of the general fund as of December 31, 2023, was \$79,437,333.

The fund balance of the District's general fund increased by \$3,314,230. Key factors in this increase were the net effect of the following:

- Decrease in general fund contracts by \$2,257,175 due to the District's commitment to reduce costs.
- Increase of earned in tax of \$8,509,903 due to improvement of the economy of the Districts service area as well as lower unemployment rates.
- Transfers to the Health Insurance Fund and General Liability Fund of \$3,564,762 and \$857,312 respectively to fund increased benefit payments.
- Transfers to the Food Service Fund of \$7,829,430 to aid in funding of operating shortfalls.

The net increase of \$11,344,182 in the capital projects fund balance is due to:

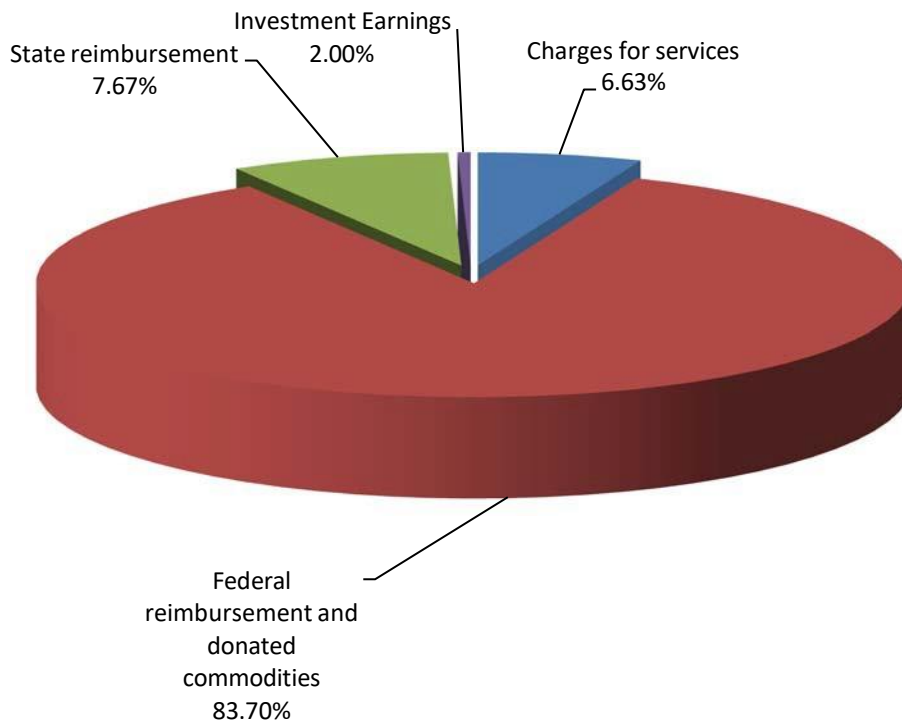
- The District issued \$36,510,000 in general obligation bonds in 2023 in anticipation of architectural and engineering design and construction of capital projects and major maintenance of facilities including the District-wide improvements to the grounds, mechanical systems, building interiors and exteriors, in particular HVAC system improvements including new air conditioning for buildings and boiler replacements, electrical distribution system improvements, communication system replacements, plumbing system improvements, elevator installation and modernizations, roof replacements, masonry restoration, concrete/asphalt paving, flooring replacements, and miscellaneous building and site improvement projects.

- The general fund made a transfer to the Capital Projects Fund in 2023 in the amount of \$2,000,000. These funds were used to fund major maintenance contracts.

The net increase of \$2,456,235 in the Special Revenue fund is due to general fund transfers for the implementation of a new ERP system and Financial Software. The District has been using funds out of the Discretionary Technology Fund to fund this implementation.

**Proprietary Funds** — The District utilizes an enterprise fund to account for all of the District’s food service operations, which are financed and operated in a manner similar to private business enterprises. As noted in the following chart, food service operations intend to provide services at cost, which are financed or recovered primarily through governmental subsidies or user charges. For the year ended December 31, 2023, federal and state reimbursement and donated commodities composed 91.37% of food service revenues.

### Enterprise Funds - Food Service Revenues by Source - Business-Type Activities



The District has five internal service funds used to account for the District’s self-insurance and other internal services. These internal service fund profits have been eliminated in the government-wide presentation. The District has undertaken a number of initiatives to enhance the financial position of its self-insurance funds through improved risk management practices. The District’s risk management strategy for its internal service funds is supported by a Joint Labor-Management Workplace Safety Committee and Health Care Cost Containment Committee.

Internal service funds' total net position increased by \$1,090,771 during 2023. Funds with significant changes were as follows:

- Net position increased in the general liability, central duplication, and self-insurance funds by \$654,895, \$720,769, and \$311,569, respectively. The increase is due to the net of interfund transfers and benefit payments.
- Net position increased in the Unemployment Compensation Fund by \$504,336. The increase is due to contributions exceeding the current year claims.
- Net position decreased in the workers compensation fund by \$1,100,798. The decrease is due to current year claims exceeding contributions.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the 2023 year, there was a \$4.82 million increase in appropriations between the original and final amended budget. The increase was primarily a result of the carryover of encumbrances from the period ended December 31, 2023. A small number of budget transfers were approved by the District's Board, which did not increase the overall budget.

On the District's budgetary basis, actual results of 2023 for the General Fund were \$26,316,302 better than budgeted. See Note 2 for additional information on the District's budgetary basis.

Actual revenues were \$5,878,117 better than budgeted. Key factors contributing to this excess include:

- The Earned Income Tax revenues are \$5,152,872, or 3.04%, greater than budgeted. This is a reflection of the low unemployment rate in the City.
- Investment income was \$6,489,945 greater than budgeted attributable to interest rates increasing and the District's focus on investment opportunities.
- Basic Instructional Subsidies were \$2,573,851 or 1.50% greater than budgeted. This is due to the increased funding from the State.
- Subsidies for federal programs were \$859,491 or 96.22%, greater than budgeted due to an increase of ESSER funding.
- Real estate taxes were \$8,030,557 or 4% under budget. This shortfall was due to current real estate reassessment appeals to various assessment values of commercial properties located in the city of Pittsburgh.

Actual expenditures were \$136,171,894 less than budgeted, but when the final budget for expenditures is compared with actual expenditures and other financing uses, the variance is \$15,490,596, less than budgeted. Key factors include:

- Regular Instructional expenditures were \$8,716,890 less than budgeted, due to the District's commitment to lower costs.



- Instructional expenditures for special elementary/secondary programs were \$90,922,896 less than budgeted. The appropriation for special elementary/secondary programs includes the District’s budget for the operating transfer to the special education budget, which is recorded as an other financing use in the income statement. Once this transfer is taken into consideration, the variance is \$3,974,585 less than budgeted.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** — The capital assets principally include school buildings, equipment, and machinery used to maintain and service those buildings. As of December 31, 2023, the District’s capital assets, net of depreciation, for its governmental and business-type activities amounted to \$443,406,318 and \$6,455,272 respectively, or a total of \$449,861,590, net of depreciation.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 23,277,381	\$ 23,277,381	\$ 43,878	\$ 43,878	\$ 23,321,259	\$ 23,321,259
Land improvements	9,686,931	10,727,752	-	-	9,686,931	10,727,752
Buildings & improvements	403,711,459	402,755,279	6,154,655	6,507,243	409,866,114	409,262,522
Machinery and equipment	6,730,547	10,023,266	256,739	324,353	6,987,286	10,347,619
Total	\$ 443,406,318	\$ 446,783,678	\$ 6,455,272	\$ 6,875,474	\$ 449,861,590	\$ 453,659,152

More detailed information on capital assets can be found in Note 5d in the Notes to Financial Statements.

**Long-Term Debt** — At the end of 2023, the District had bonded debt outstanding of \$318,880,765. Two notes issued through the State Public School Board Authority are outstanding in the amount of \$6,761,765, with a net rate of 6.50%. The Qualified School Construction Bonds in the amount of \$5,760,000 carries a net interest rate of 6.85%.

In 2023, the District issued \$36,510,000 in General Obligation Bonds. The final maturity on this issue is 2043. The District’s total general obligation bonds and notes payable for its governmental activities increased by \$9,007,647, due to the District’s need to increase its capital project programs and expenditures.

	Activities	
	2023	2022
General obligation and revenue bonds:		
General Obligation Bonds and Notes	\$ 306,359,000	\$ 295,039,000
Qualified School Construction Bonds	5,760,000	6,720,000
State Public School Board Authority Notes	<u>6,761,765</u>	<u>8,114,118</u>
Total	<u>\$ 318,880,765</u>	<u>\$ 309,173,118</u>

Key provisions of the District’s debt policy require that:

- Maturities of the debt will be set equal to or less than the useful life of the project
- Final maturity shall not exceed 20 years, or the frequency with which the District may apply for debt service subsidy from the Commonwealth
- Variable-rate exposure should not exceed 10%–20% of the District’s debt portfolio

The District carries an “Aa3” underlying and an “A-3” enhanced rating from Moody’s Investors Service. The enhanced rating is based on Pennsylvania’s Section 633 of the School Code as amended by Act 150 of 1975 School District Intercept Program, which calls for undistributed State aid to be funneled to bondholders in the case of a default. Standard & Poor’s underlying rating is “Stable” and enhanced rating is also “Stable” on the District’s bonds.

More detailed information on long-term debt activity can be found in Note 5f in the Notes to Financial Statements and in the Other Information section on pages 115 – 120.

#### **NEXT YEAR’S BUDGET**

In December 2023, the Board of Directors adopted a 2024 general fund budget of approximately \$765 million, excluding estimated encumbrance carryovers of \$2,335,748. The 2024 budget balanced revenues and expenditures using \$29,985,031 of the assigned general fund balance as of December 31, 2023. The unassigned general fund balance of \$46,565,503 as of December 31, 2023, satisfies the Board’s fund balance policy requirement of 5%–15% of operating expenses budgeted for 2024.

The District’s real estate billable millage is calculated annually in accordance with PA Act, which includes limits on the amount real estate tax revenue can increase due to the reassessment process. The millage rate for 2024 is 10.25.

The Board of Directors also approved a 2024 capital program in the amount of \$43,955,410 to be funded from the issuance of general obligation debt, which will be issued in December 2024.

#### **REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Laura R. Cosharek, Director of Finance, School District of Pittsburgh, 341 S. Bellefield Avenue, Pittsburgh, PA 15213.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
CURRENT ASSETS:			
Cash	\$ 42,608,270	\$ 2,223,482	\$ 44,831,752
Cash with fiscal agents	100,000	-	100,000
Investments	122,726,763	-	122,726,763
Accrued interest	449,181	-	449,181
Taxes receivables - net:			
Earned income taxes	40,256,004	-	40,256,004
Real estate taxes	20,962,825	-	20,962,825
Due from other governments	38,395,434	3,796,122	42,191,556
Internal balances - due to/from	214,450	(214,450)	-
Inventories	-	948,106	948,106
Other receivables and prepaid expenses	1,523,074	524,811	2,047,885
<b>Total current assets</b>	<b>267,236,001</b>	<b>7,278,071</b>	<b>274,514,072</b>
NONCURRENT ASSETS:			
Restricted cash	3,081,310	-	3,081,310
Restricted investments	702,866	-	702,866
Issuance prepaid insurance	364,731	-	364,731
Capital assets not being depreciated:			
Land	23,277,381	43,878	23,321,259
Capital assets net of accumulated depreciation:			
Land improvements	9,686,931	-	9,686,931
Buildings and improvements	403,711,459	6,154,655	409,866,114
Furniture, fixtures, machinery, and equipment	6,730,547	256,739	6,987,286
<b>Total capital assets (net of accumulated depreciation)</b>	<b>443,406,318</b>	<b>6,455,272</b>	<b>449,861,590</b>
<b>Total noncurrent assets</b>	<b>447,555,225</b>	<b>6,455,272</b>	<b>454,010,497</b>
<b>Total assets</b>	<b>714,791,226</b>	<b>13,733,343</b>	<b>728,524,569</b>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources for pensions	81,209,268	-	81,209,268
Deferred outflows of resources for OPEBS	36,941,835	-	36,941,835
Deferred charge on refunding	2,232,649	-	2,232,649
<b>Total deferred outflows of resources</b>	<b>120,383,752</b>	<b>-</b>	<b>120,383,752</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 835,174,978</b>	<b>\$ 13,733,343</b>	<b>\$ 848,908,321</b>

See notes to financial statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES, DEFERRED INFLOWS, AND NET POSITION</b>			
CURRENT LIABILITIES:			
Accounts payable	\$ 31,919,814	\$ 1,020,669	\$ 32,940,483
Accrued salaries	2,902,416	245,205	3,147,621
Payroll withholdings	11,579,427	-	11,579,427
Interest payable	4,885,880	-	4,885,880
Unearned revenue	11,395,175	-	11,395,175
Other liabilities	1,220,301	-	1,220,301
Current portion of noncurrent liabilities	46,411,561	74,582	46,486,143
<b>Total current liabilities</b>	<b>110,314,574</b>	<b>1,340,456</b>	<b>111,655,030</b>
NONCURRENT LIABILITIES			
<b>Total liabilities</b>	<b>1,372,713,439</b>	<b>354,507</b>	<b>1,373,067,946</b>
<b>Total liabilities</b>	<b>1,483,028,013</b>	<b>1,694,963</b>	<b>1,484,722,976</b>
DEFERRED INFLOWS OF RESOURCES:			
Real estate taxes received in advance	19,636,817	-	19,636,817
Deferred inflows of resources for pensions	58,540,000	-	58,540,000
Deferred inflows of resources for OPEBS	37,901,610	-	37,901,610
<b>Total deferred inflows of resources</b>	<b>116,078,427</b>	<b>-</b>	<b>116,078,427</b>
NET POSITION:			
Net investment in capital assets	140,627,204	6,455,272	147,082,476
Restricted net position:			
Workers' compensation	3,784,176	-	3,784,176
Scholarships	521,623	-	521,623
<b>Total restricted net position</b>	<b>4,305,799</b>	<b>-</b>	<b>4,305,799</b>
Unrestricted	(908,864,465)	5,583,108	(903,281,357)
<b>Total net position</b>	<b>(763,931,462)</b>	<b>12,038,380</b>	<b>(751,893,082)</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 835,174,978</b>	<b>\$ 13,733,343</b>	<b>\$ 848,908,321</b>

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Operating		Capital	Primary Government		
		Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
Governmental activities:							
Instruction	\$ 520,211,313	\$ 6,450,864	\$ 115,974,989	\$ -	\$ (397,785,460)	\$ -	\$ (397,785,460)
Instruction student support	63,097,425	-	5,042,391	-	(58,055,034)	-	(58,055,034)
Administrative and financial support services	64,629,662	-	22,863,014	-	(41,766,648)	-	(41,766,648)
Operation & maintenance of plant services	57,135,804	-	3,241,537	-	(53,894,267)	-	(53,894,267)
Student transportation services	47,132,729	-	7,798,480	-	(39,334,249)	-	(39,334,249)
Student activities	5,881,042	-	1,002,214	-	(4,878,828)	-	(4,878,828)
Community services	1,455,262	-	673,363	-	(781,899)	-	(781,899)
Facilities acquisition, construction and imp services	5,758,836	-	-	-	(5,758,836)	-	(5,758,836)
Interest on long-term debt	13,290,396	-	-	-	(13,290,396)	-	(13,290,396)
Total governmental activities	778,592,469	6,450,864	156,595,988	-	(615,545,617)	-	(615,545,617)
Business-type activities:							
Food service operations	20,315,000	1,465,568	20,213,146	-	-	1,363,714	1,363,714
Total business-type activities	20,315,000	1,465,568	20,213,146	-	-	1,363,714	1,363,714
Total primary government	\$ 798,907,469	\$ 7,916,432	\$ 176,809,134	\$ -	(615,545,617)	1,363,714	(614,181,903)
General revenues:							
Taxes:							
Real estate					192,367,825	-	192,367,825
Earned income					175,504,913	-	175,504,913
Others					341,156	-	341,156
Investment income					7,490,177	442,291	7,932,468
Federal/state grants and subsidies not restricted to specific programs					281,159,429	-	281,159,429
Gain on the sale of Capital Assets					274,946	-	274,946
Miscellaneous income					1,218,055	-	1,218,055
Total general revenues					658,356,501	442,291	658,798,792
Transfers					(7,829,430)	7,829,430	-
Total general revenues and transfers					650,527,071	8,271,721	658,798,792
Change in net position					34,981,454	9,635,435	44,616,889
Net position - beginning					(798,912,916)	2,402,945	(796,509,971)
Net position - ending					\$ (763,931,462)	\$ 12,038,380	\$ (751,893,082)

See notes to financial statements.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2023

	General Fund	Capital Projects	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 20,403,654	\$ 9,530,444	\$ -	\$ 1,138,620	\$ 31,072,718
Cash with fiscal agents	100,000	-	-	-	100,000
Investments	61,326,255	43,192,108	168,830	51,076	104,738,269
Accrued interest	435,945	-	-	4,384	440,329
Taxes receivable - net	61,218,829	-	-	-	61,218,829
Due from other funds	276,849	-	-	-	276,849
Due from other governments	18,254,129	-	20,141,305	-	38,395,434
Other receivables	146,365	-	-	-	146,365
Prepaid items	521,623	-	-	-	521,623
Total Assets	\$ 162,683,649	\$ 52,722,552	\$ 20,310,135	\$ 1,194,080	\$ 236,910,416
<b>LIABILITIES</b>					
Accounts payable and accrued	\$ 12,225,932	\$ 4,108,005	\$ 9,844,117	\$ 6,250	\$ 26,184,304
Due to other funds	-	-	276,849	-	276,849
Accrued salaries payable	4,983,858	-	234,173	-	5,218,031
Payroll withholdings payable	11,579,427	-	-	-	11,579,427
Unearned revenue	4,979,335	-	6,415,840	-	11,395,175
Prepayments and deposits	537,938	-	682,363	-	1,220,301
Total Liabilities	34,306,490	4,108,005	17,453,342	6,250	55,874,087
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	19,280,736	-	-	-	19,280,736
Unavailable revenue - earned income taxes	4,808,939	-	-	-	4,808,939
Advanced revenue - state property tax subsidy	19,636,817	-	-	-	19,636,817
Total Deferred inflows of Resources	43,726,492	-	-	-	43,726,492
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid insurance and contractual deposits	521,623	-	-	-	521,623
Restricted for:					
Scholarships	-	-	-	126,773	126,773
Capital projects contracts	-	43,192,108	-	-	43,192,108
Committed to:					
Stabilization - capital emergency	3,242,762	-	-	-	3,242,762
General fund contracts	1,448,949	-	-	-	1,448,949
Assigned to:					
Board-approved subsequent years budget	29,985,031	-	-	-	29,985,031
Debt service	-	-	-	1,018,034	1,018,034
Special trust	-	-	2,856,793	43,023	2,899,816
Capital projects	-	5,422,439	-	-	5,422,439
Supply purchases	886,799	-	-	-	886,799
Real estate tax refunds	2,000,000	-	-	-	2,000,000
Unassigned	46,565,503	-	-	-	46,565,503
Total Fund Balances	84,650,667	48,614,547	2,856,793	1,187,830	137,309,837
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 162,683,649	\$ 52,722,552	\$ 20,310,135	\$ 1,194,080	\$ 236,910,416

See notes to financial statements.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
AS OF DECEMBER 31, 2023**

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**TOTAL FUND BALANCE - GOVERNMENTAL FUNDS** \$ 137,309,837

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 in the funds. 443,406,318

Certain assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds. 24,089,675

Internal service funds are used by management to charge the costs of individual workers' compensation, unemployment, and general liability to funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 23,974,100

Certain liabilities, including bonds, notes payable, pension, and post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds. (1,392,711,392)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ (763,931,462)

See notes to financial statements.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Capital Projects	Special Revenue	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Real estate, net of refunds of \$4,198,116	\$ 197,382,735	\$ -	\$ -	\$ -	\$ 197,382,735
Earned income	174,516,612	-	-	-	174,516,612
Other	341,156	-	-	-	341,156
Local nontax revenue	5,803,819	-	1,865,100	-	7,668,919
Federal and state grants and subsidies	285,117,363	-	152,638,058	-	437,755,421
Investment income	<u>7,047,422</u>	-	<u>8,046</u>	<u>1,914</u>	<u>7,057,382</u>
Total Revenues	<u>670,209,107</u>	<u>-</u>	<u>154,511,204</u>	<u>1,914</u>	<u>824,722,225</u>
EXPENDITURES:					
Current - instruction:					
Regular programs	306,667,120	-	27,941,602	-	334,608,722
Special programs	4,784,190	-	117,391,096	-	122,175,286
Vocational education programs	5,354,484	-	3,491,923	-	8,846,407
Other instructional programs	3,072,468	-	11,822,572	72,000	14,967,040
Pre-Kindergarten	2,500,573	-	29,800,410	-	32,300,983
Support services:					
Pupil personnel	16,479,809	-	7,672,416	-	24,152,225
Instructional staff	12,534,788	-	10,019,996	-	22,554,784
Administration	33,033,798	456,374	11,188,680	12,500	44,691,352
Pupil health	10,091,470	-	4,368,285	-	14,459,755
Business	6,396,839	-	186,641	-	6,583,480
Operation and maintenance of plant services	57,128,143	491,655	376,539	-	57,996,337
Student transportation services	32,551,219	-	14,620,990	-	47,172,209
Support services - central	11,416,124	-	2,127,009	-	13,543,133
Operation of noninstructional services:					
Food Service	-	-	-	-	-
Student activities	4,721,605	-	1,169,355	-	5,890,960
Community services	547,316	-	901,990	-	1,449,306
Capital outlay:					
Facilities acquisition, construction, and improvement services	2,190,843	27,026,706	9,986,845	-	39,204,394
Debt service:					
Principal	27,502,357	-	-	-	27,502,357
Interest	14,188,022	-	-	-	14,188,022
Bond issuance costs	-	<u>257,599</u>	-	-	<u>257,599</u>
Total Expenditures	<u>551,161,168</u>	<u>28,232,334</u>	<u>253,066,349</u>	<u>84,500</u>	<u>832,544,351</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>119,047,939</u>	<u>(28,232,334)</u>	<u>(98,555,145)</u>	<u>(82,586)</u>	<u>(7,822,126)</u>
OTHER FINANCING SOURCES (USES):					
Face value of bonds issued	-	36,510,000	-	-	36,510,000
Bond premiums	-	1,041,516	-	-	1,041,516
Sale of, or compensation for, capital assets	249,946	25,000	-	-	274,946
Transfers (out) in-special education	(86,948,311)	-	86,948,311	-	-
Transfers in	4,697,643	2,000,000	18,760,712	-	25,458,355
Transfers out	<u>(33,732,987)</u>	-	<u>(4,697,643)</u>	-	<u>(38,430,630)</u>
Total other financing (uses) sources	<u>(115,733,709)</u>	<u>39,576,516</u>	<u>101,011,380</u>	<u>-</u>	<u>24,854,187</u>
CHANGE IN FUND BALANCES	3,314,230	11,344,182	2,456,235	(82,586)	17,032,061
FUND BALANCES - January 1, 2023	<u>81,336,437</u>	<u>37,270,365</u>	<u>400,558</u>	<u>1,270,416</u>	<u>120,277,776</u>
FUND BALANCES - December 31, 2023	<u>\$ 84,650,667</u>	<u>\$ 48,614,547</u>	<u>\$ 2,856,793</u>	<u>\$ 1,187,830</u>	<u>\$ 137,309,837</u>

See notes to financial statements.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**CHANGE IN FUND BALANCES** \$ 17,032,061

Amounts reported for governmental activities in the statement of activities are different from net change in fund balances - total governmental funds because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period. (3,377,360)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 24,089,676

Revenues that were recognized as current financial resources that would have been accrued in prior periods in the statement of activities. (28,116,285)

The issuance of notes payable and long-term debt (i.e., bonds, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance insurance, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (8,330,087)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds. 32,650,759

The net expense of certain activities of internal service funds is reported with governmental activities. 1,032,690

**CHANGE IN NET POSTION OF GOVERNMENTAL ACTIVITIES** \$ 34,981,454

See notes to financial statements.



SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE-  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Budgetary Basis	Variance
	Original	Final	Actual	Final Budget Positive
			Amounts	(Negative)
<b>REVENUES:</b>				
Taxes:				
Real estate	\$ 194,650,904	\$ 194,650,904	\$ 186,620,347	\$ (8,030,557)
Earned income	169,363,740	169,363,740	174,516,612	5,152,872
Real estate transfers	16,000,000	16,000,000	14,960,504	(1,039,496)
Other	330,413	330,413	341,156	10,743
Local nontax revenue:				
In lieu of taxes	101,180	101,180	136,705	35,525
Other revenue from local sources and prior year refunds	6,247,528	6,247,528	5,667,114	(580,414)
State grants and subsidies:				
Basic instructional subsidies	168,846,017	168,846,017	171,419,868	2,573,851
Subsidies for specific education programs	30,542,350	30,542,350	30,297,618	(244,732)
Subsidies for noneducational programs	30,981,976	30,981,976	30,892,119	(89,857)
Subsidies for state paid benefits	50,014,333	50,014,333	50,755,079	740,746
Federal grants	893,188	893,188	1,752,679	859,491
Investment income	557,477	557,477	7,047,422	6,489,945
<b>Total Revenues</b>	<b>668,529,106</b>	<b>668,529,106</b>	<b>674,407,223</b>	<b>5,878,117</b>
<b>EXPENDITURES:</b>				
Instruction:				
Regular programs—elementary/secondary	312,273,769	313,072,207	309,002,868	4,069,339
Special programs—elementary/secondary	96,206,840	95,707,086	4,784,190	90,922,896
Vocational education programs	8,837,503	8,978,231	5,354,484	3,623,747
Other instructional programs—elementary/secondary	1,689,087	1,767,338	3,072,468	(1,305,130)
Pre-Kindergarten	2,049,510	2,049,510	2,500,573	(451,063)
Support services:				
Pupil personnel	17,291,430	17,677,287	16,479,809	1,197,478
Instructional staff	16,688,420	17,630,917	12,534,788	5,096,129
Administration	38,887,721	39,467,761	33,033,798	6,433,963
Pupil health	10,832,550	11,396,188	10,091,470	1,304,718
Business	7,407,682	7,460,478	6,396,839	1,063,639
Operation and maintenance of plant services	68,271,343	68,452,015	57,128,143	11,323,872
Student transportation services	35,049,369	35,102,219	32,551,219	2,551,000
Support services—central	13,012,113	13,312,324	11,416,124	1,896,200
Operation of noninstructional services:				
Student activities	4,934,215	5,337,886	4,721,605	616,281
Community services	595,621	616,339	547,316	69,023
Capital outlay:				
Facilities acquisition, construction and improvement services	2,362,476	2,708,708	2,190,843	517,865
Debt service:				
Principal	26,793,112	27,035,364	27,502,357	(466,993)
Interest	14,214,747	14,447,517	14,188,022	259,495
Tax refunds	7,000,000	7,000,000	4,198,116	2,801,884
<b>Total Expenditures</b>	<b>684,397,508</b>	<b>689,219,375</b>	<b>557,695,032</b>	<b>131,524,343</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(15,868,402)</b>	<b>(20,690,269)</b>	<b>116,712,191</b>	<b>137,402,460</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of, or compensation for, capital assets	-	-	249,946	249,946
Transfers in	-	-	4,697,643	4,697,643
Transfers out	-	-	(120,681,298)	(120,681,298)
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>(115,733,709)</b>	<b>(115,733,709)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(15,868,402)</b>	<b>(20,690,269)</b>	<b>978,482</b>	<b>21,668,751</b>
<b>FUND BALANCE-January 1, 2023</b>	<b>81,336,437</b>	<b>81,336,437</b>	<b>81,336,437</b>	<b>-</b>
<b>FUND BALANCE - December 31, 2023</b>	<b>\$ 65,468,035</b>	<b>\$ 60,646,168</b>	<b>\$ 82,314,919</b>	<b>\$ 21,668,751</b>

See notes to financial statements.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
AS OF DECEMBER 31, 2023**

	<b>Business-Type Activities Enterprise Fund Food Service</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 2,223,482	\$ 11,535,552
Investments	-	17,988,493
Interest receivable	-	8,852
Due from other governments	3,796,122	-
Inventories	948,106	-
Other receivables	524,811	855,086
Total current assets	7,492,521	30,387,983
NONCURRENT ASSETS:		
Restricted cash	-	3,081,310
Restricted investments	-	702,866
Capital assets:		
Land	43,878	-
Buildings	15,070,740	-
Machinery and equipment	6,337,007	-
Less accumulated depreciation	(14,996,353)	-
Total capital assets (net of accumulated depreciation)	6,455,272	-
Total noncurrent assets	6,455,272	3,784,176
<b>TOTAL ASSETS</b>	<b>\$ 13,947,793</b>	<b>\$ 34,172,159</b>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,020,669	\$ 5,735,510
Accrued salaries	245,205	-
Current portion of compensated absences	74,582	-
Current portion of workers' compensation reserve	-	1,800,000
Total current liabilities	1,340,456	7,535,510
NONCURRENT LIABILITIES:		
Compensated absences	354,507	-
Workers' compensation reserve	-	2,877,000
Total noncurrent liabilities	354,507	2,877,000
<b>TOTAL LIABILITIES</b>	<b>\$ 1,694,963</b>	<b>\$ 10,412,510</b>
<b>NET POSITION</b>		
Investment in capital assets	\$ 6,455,272	\$ -
Unrestricted	5,797,558	23,759,649
Total	12,252,830	23,759,649
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(214,450)	-
<b>TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 12,038,380</b>	<b>\$ 23,759,649</b>

See notes to financial statements.

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-Type Activities — Enterprise Fund Food Service	Governmental Activities — Internal Service Funds
OPERATING REVENUES:		
Contributions	\$ -	\$ 73,075,297
Charges for services	1,465,568	-
Total operating revenues	<u>1,465,568</u>	<u>73,075,297</u>
OPERATING EXPENSES:		
Food service operations:		
Food and supplies	9,973,383	-
Payroll costs	9,413,838	-
Purchased property services	163,319	-
Other purchased services	381,447	-
Depreciation	441,095	-
Support services — central:		
Employee salaries, benefits, insurance, and supplies	-	581,253
Benefit payments	-	76,978,909
Total operating expense	<u>20,373,082</u>	<u>77,560,162</u>
OPERATING GAIN (LOSS)	<u>(18,907,514)</u>	<u>(4,484,865)</u>
NONOPERATING REVENUES:		
Federal reimbursements and donated commodities	18,516,307	-
State reimbursements	1,696,839	-
Investment earnings	442,291	432,793
Total nonoperating revenues	<u>20,655,437</u>	<u>432,793</u>
INCOME (LOSS) BEFORE TRANSFERS	1,747,923	(4,052,072)
TRANSFERS IN / (OUT)	<u>7,829,430</u>	<u>5,142,843</u>
CHANGE IN NET POSITION	9,577,353	1,090,771
NET POSITION — January 1, 2023	<u>2,675,477</u>	<u>22,668,878</u>
NET POSITION — December 31, 2023	<u>\$ 12,252,830</u>	<u>\$ 23,759,649</u>
CHANGE IN NET POSITION	\$ 9,577,353	\$ -
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS	<u>58,082</u>	-
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ 9,635,435</u>	<u>\$ -</u>

See notes to financial statements.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Business-Type Activities — Enterprise Fund Food Service</b>	<b>Governmental Activities — Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Contributions	\$ -	\$ 73,075,297
Receipts from customers and users	1,286,924	-
Payments to suppliers	(9,213,861)	-
Payments to claimants	-	(75,472,866)
Payments to employees	(9,369,410)	(597,347)
Net cash provided by (used in) operating activities	<u>(17,296,347)</u>	<u>(2,994,916)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Federal and state reimbursements	17,095,509	-
Advances from other funds	2,002,922	-
Net cash provided by (used in) noncapital financing activities	<u>19,098,431</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of capital assets	(20,893)	-
Transfers from (to) other funds	-	4,422,074
Net cash provided by (used in) capital and related financing activities	<u>(20,893)</u>	<u>4,422,074</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	442,291	426,179
Sale (purchase) of investments	-	(1,658,257)
Net cash provided by (used in) investing activities	<u>442,291</u>	<u>(1,232,078)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>2,223,482</b>	<b>195,080</b>
<b>CASH — January 1, 2023 (including \$3,310,342 for the internal service funds included in restricted assets)</b>	<b>-</b>	<b>14,421,782</b>
<b>CASH — December 31, 2023 (including \$3,081,310 for the internal service funds included in restricted assets)</b>	<b>\$ 2,223,482</b>	<b>\$ 14,616,862</b>

See notes to financial statements.

(Continued)

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	<b>Business-Type Activities — Enterprise Fund Food Service</b>	<b>Governmental Activities — Internal Service Funds</b>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating gain (loss)	\$ (18,907,514)	\$ (4,484,865)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:		
Donated commodities	903,857	-
Depreciation	441,095	-
Changes in assets and liabilities:		
Inventories	357,258	-
Other receivables	(178,644)	-
Accounts payable	43,173	913,244
Accrued salaries	32,392	(16,094)
Compensated absences	12,036	-
Workers' compensation reserve	-	592,799
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (17,296,347)</u>	<u>\$ (2,994,916)</u>
NONCASH FINANCING TRANSACTION — Donated commodities	<u>\$ 903,857</u>	<u>\$ -</u>

See notes to financial statements.

(Concluded)

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF FIDUCIARY NET POSITION FIDUCIARY FUNDS AS OF DECEMBER 31, 2023

	<u>OPEB Trust</u>	<u>Escheated Property Private-Purpose Trust</u>	<u>Custodial Fund</u>
<b>ASSETS</b>			
Cash	\$ -	\$ 26,694	\$ 1,081,347
Investments	<u>17,755,601</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 17,755,601</u>	<u>\$ 26,694</u>	<u>\$ 1,081,347</u>
<b>LIABILITIES</b>			
Accounts payable	<u>\$ -</u>	<u>\$ 26,694</u>	<u>\$ -</u>
<b>TOTAL NET POSITION</b>			
Restricted for:			
OPEBs	\$ 17,755,601	\$ -	\$ -
Student activities	<u>-</u>	<u>-</u>	<u>1,081,347</u>
TOTAL NET POSITION	<u>\$ 17,755,601</u>	<u>\$ -</u>	<u>\$ 1,081,347</u>

See notes to financial statements.

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2023

	OPEB Trust	Escheated Property Private-Purpose Trust	Custodial Fund
ADDITIONS:			
Contributions:			
District funds	\$ 5,734,070	\$ 12,756	\$ -
Student funds	-	-	1,005,637
Investment income:			
Net appreciation (depreciation)	1,387,575	-	-
Interest and income	586,098	-	-
Total investment income (loss)	1,973,673	-	-
Less investment expense	(154,114)	-	-
Net investment income (loss)	1,819,559	-	-
<b>TOTAL ADDITIONS</b>	<b>7,553,629</b>	<b>12,756</b>	<b>1,005,637</b>
DEDUCTIONS:			
Benefit payments	5,734,070	-	-
Reduction in stale check reserve	-	12,756	-
Student programs	-	-	1,003,083
<b>TOTAL DEDUCTIONS</b>	<b>5,734,070</b>	<b>12,756</b>	<b>1,003,083</b>
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	<b>1,819,559</b>	<b>-</b>	<b>19,408</b>
<b>NET POSITION — BEGINNING</b>	<b>15,936,042</b>	<b>-</b>	<b>1,061,939</b>
<b>NET POSITION— ENDING</b>	<b>\$ 17,755,601</b>	<b>\$ -</b>	<b>\$ 1,081,347</b>

See notes to financial statements.

## SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

### NOTES TO THE BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the School District of Pittsburgh, Pennsylvania (the “District”), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting financial reporting principles.

The following is a summary of the more significant policies:

- a. **Reporting Entity** — The financial statements include all of the services provided by the District to its residents within its boundaries, which include nearly all of the City of Pittsburgh and the entire Borough of Mt. Oliver. Services provided include a comprehensive academic curriculum for primary and secondary, as well as vocational courses and special education programs. The District also offers specialized curriculum and learning environments to students enrolled in the magnet programs, which offer educational options to parents and students. GASB Codification Section 2100, Defining the Financial Reporting Entity, provides guidance for the inclusion of entities in the District’s financial statements. The financial reporting entity consists of:
  - i. The primary government
  - ii. Organizations for which the primary government is financially accountable
  - iii. Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

The Pittsburgh Mt. Oliver Intermediate Unit (the “Intermediate Unit”) is excluded from the District’s financial statements. The Intermediate Unit operates as a separate entity, which in addition to being responsible for providing services to public school students is solely responsible for providing comparable services to all nonpublic school students within the geographic boundaries of the City of Pittsburgh and the Borough of Mt. Oliver. The Intermediate Unit operates independently of the District, having separate management and receiving the majority of its funds directly from the Commonwealth of Pennsylvania (the “Commonwealth” or “State”). The Directors of the Board of Public Education of the District (the “Board”) authorized that its officers enter into an agreement with the Intermediate Unit whereby the District will provide all special education services, including transportation for the Intermediate Unit. A fund was established for the operation of a special education program in the District. The officers of the Board authorized the acceptance of the Commonwealth revenue from the



Intermediate Unit and the transfer of special education revenues, which the District received, from the Commonwealth to the Intermediate Unit. The Intermediate Unit utilized the monies to fund the operation of the special education program. During 2023, the District received \$29,887,200 from the Commonwealth for special education costs. The Intermediate Unit's financial statements can be obtained at 1305 Muriel Street, Pittsburgh, PA 15206. The Intermediate Unit is not part of the District reporting entity and is not included in the accompanying financial statements in accordance with the GASB's definition of the financial reporting entity and component units.

- b. **Government-Wide Financial Statements** — The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. Interfund activity primarily for payroll allocation has been removed based on salary percentages. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The *statement of activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The functional expenses include an element of indirect costs. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

- c. **Fund Financial Statements** — Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds composed of an OPEB Trust, a Private Purpose Trust and a Custodial Fund, even though the latter are excluded from the governmental financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. All other nonmajor funds are aggregated on the governmental or proprietary fund financial statements as applicable. The District's major governmental funds are the general fund, capital projects fund, and special revenue fund. The major enterprise fund is food service.

i. **Governmental Funds**

*General Fund* — The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

*Special Revenue Fund* — The Special Revenue Fund is used to account for proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than major capital projects and debt service). Revenue sources include federal and state grants and other sources, which are used to finance particular activities within specific administrative and legal restrictions. This fund is legally restricted to expenditures for specified purposes, as defined by the appropriate federal, state, and other nonprofit grant programs and those created by District legislative action.

*Capital Projects Fund* — The Capital Projects Fund is used to account for financial resources that are restricted, committed or assigned, related to acquisition, construction, improvement, and major maintenance of capital facilities.

*Nonmajor Governmental Funds* — The Nonmajor Governmental Funds are used to account for both special revenue funds and debt service funds. Special revenue funds are used to account for a nonprofit grant program and funds created by District legislative action. The debt service fund accounts for the resources accumulated that will be used by the District for payments of principal and interest related to long-term general obligation debt for closed school buildings.

ii. **Proprietary Funds**

*Food Service* — The Food Service Fund is used to account for all of the District's food service operations, which are financed and operated in a manner similar to private business enterprises. Food service operations intend to provide services at cost, which are financed or recovered primarily through user charges or governmental subsidies.

*Internal Service Funds* — The internal service funds are used to account for the workers' compensation, medical benefits, unemployment compensation, general liability, and duplication services.

iii. **Fiduciary Funds**

*OPEB Trust Fund* — This fund accounts for retiree health care benefits.

*Private Purpose Trust Fund* — The private purpose trust fund is used to account for assets held by the District in a trustee capacity. The District uses these funds to account for escheated property.

*Custodial Fund* — The custodial fund is used to account for assets that the District holds on behalf of various student activity groups.

- d. **Measurement Focus and Basis of Accounting** — The government-wide financial statements are reported using the “economic resources” measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year from 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.

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. This focuses on the determination of and changes in financial position, and generally only current assets and current liabilities are included in the balance sheet.

Revenues are recorded as soon as they are both measurable and available, as follows:

- Property and other taxes are susceptible to accrual and are recognized as current revenue when received during the year and also when received by the District within 60 days after the close of the year.
- Currently levied property and other taxes that are not received by the District within 60 days after the close of the current year are susceptible to accrual and are recorded as unavailable revenue of the General Fund after giving effect to a reserve for uncollectible taxes.
- State subsidies due to the District as current-year entitlements are recognized as revenue in the year that they are due to be received.
- Revenues from federal, state, and other grants designated for payment of specified District expenditures are recognized in the Special Revenue Fund when the related expenditures are incurred.

Expenditures are generally recorded when a liability is incurred as under accrual accounting. However, because of their “current financial resources” measurement focus, expenditure recognition for governmental fund types excludes certain liabilities. Such liabilities are not recognized as governmental fund-type expenditures or fund liabilities. These liabilities include 1) principal and interest on general long-term debt (including leases/financed purchases); 2) compensated absences, which are recorded only when payment is due; 3) pension and other postemployment benefit liabilities; and 4) judgments and claims.

Proprietary funds are accounted for on the “economic resources” measurement focus and the accrual basis of accounting. This means that all assets and liabilities, whether current or noncurrent, associated with their activities are included in the statement of net position.

Proprietary fund-type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. The principal operating revenues of the District's enterprise fund and of the government's internal service funds are charges to customers for sales and services. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition, including governmental subsidies, are reported as nonoperating revenues and expenses.

All Fiduciary Funds use the accrual method of accounting. The measurement focus of these funds is similar to proprietary funds.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

e. ***Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position:***

- i. **Deposits and Investments** — Cash is pooled (except where legal restrictions require a separate account to be maintained) to improve the District's cash and investment management programs. All interest earnings are reported in the general fund except where legally restricted.

Receipts from member funds increase their equity in the account, and disbursements made on behalf of member funds reduce their equity. Interest earned on investments is distributed, where applicable, to member funds based on their equity in the consolidated cash account. Investment income earned on capital project funds is legally accrued to benefit the general fund.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

- ii. **Restricted Assets** — Certain cash and investments of the District are classified as restricted assets because their use is limited by applicable covenants or a court order.

Investments are restricted in the Workers' Compensation Fund under Internal Service Funds for benefit claims.

- iii. **Inventories** — Inventory in the Proprietary Fund consists of food and supplies. Commodities donated by the U.S. Department of Agriculture to the District are recorded at fair value. The remainder of the inventory is priced at average cost. The inventory is accounted for under the consumption method.
- iv. **Receivables and Payables** — All property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance is equal to 45.27% of outstanding property taxes at December 31, 2023.

The Treasurer has dual responsibility for collection of taxes for the City of Pittsburgh and the District. The Treasurer of the City of Pittsburgh bills and collects all property taxes based on assessed valuations provided by Allegheny County. Jordan Tax Service collects prior year real estate and earned income taxes. For the year ended December 31, 2023, the District paid \$3,246,578 to the City of Pittsburgh and Jordan Tax Service for collection of these taxes.

The statutory dates applicable to property taxes are as follows:

- Levy date January 1
- Lien date January 1
- Due date February 28

Real estate taxes are billed in January. The gross amount is due on February 28. A 2% discount can be taken if the taxes are paid in full by February 10. Real estate taxes can also be paid in installments. The first installment is due by February 28, the second is due by April 30, and the third is due by July 31. A 2% discount can be taken on the first installment, if it is paid by February 10. No discount is allowed on the second or third installments. Also, no discount is allowed on that part of a payment paid by February 10 that is more than the first installment, but less than the full year's taxes. Interest is charged at a rate of 10% per annum, accrues on the first of the month for the entire month or part thereof from the date that the tax claim is filed in the Office of Court Records, and continues until the end of the month in which the tax is fully paid.

The District provides programs and schedules of real estate tax abatement for new construction and rehabilitation of deteriorated residential properties pursuant to the Commonwealth legislative authority. The residential abatement program provides for the abatement of taxes for a period of three years on the increased assessment attributable to new construction or rehabilitation as prescribed in the Board resolutions of December 21, 1977, and June 25, 1980.

The school tax rate in 2023 was 10.25 mills (\$1 per \$1,000 assessed valuation) on an assessed value of \$22.1 billion.

*Tax Abatements and Other Tax Arrangements* — The District has issued Board Policy No. 705.1-AR-1 which authorizes preferential land assessment programs. The District's tax abatements are authorized by Board resolution and require Board approval. Recipients

are eligible for tax abatement for various reasons such as development costs, property location, or renovations that would otherwise result in increased property assessment. All tax abatements are a set dollar amount and are received as tax credits with the exception of Act 42 abatements which reduce the assessed value. Applicants must, at minimum, satisfy eleven (11) criteria in order for the District to consider participation in a preferential land assessment including Tax Increment Financing (TIF), Transit Revitalization Investment District Act (TRID) and Local Economic Revitalization Tax Assistance Act 76 (LERTA) programs. The most significant criteria include:

- The project would not proceed without the additional revenue source generated by the tax increment financing or preferential assessment program. Applicant must provide evidence of a funding “gap” that will be resolved only by approval of the preferential land assessment program.
- The site is considered a blighted area, which blight would be reversed by the project development.
- The District will provide no more than:
  - Sixty percent (60%) of its tax increment for twenty (20) years, not to exceed ten percent (10%) of the development costs for TIF and TRID projects.
  - Seventy-five percent (75%) of tax increment for ten (10) years, not to exceed ten percent (10%) of the development costs for TIF and TRID projects.
  - Seventy-five percent (75%) of the tax increment for twenty (20) years for projects with significant value added or multiplier effects for TIF and TRID projects.
- For TIF and TRID projects, a one percent (1%) fee of the total bond(s) issued will be assessed as an application fee to cover the District’s costs for review of the project.
- For LERTA projects, a one percent (1%) fee of the total abated taxes each year over the life of the LERTA will be assessed as an application fee to cover the District’s costs for review of the project.

For TIF and TRID projects, the tax increment financing proposal which is submitted to the Board for final approval must contain specific information regarding the parties involved in the preferential land assessment program proposal, specific levels of participation by each taxing body, a detailed description of the financing method in the plan; and it shall contain a verification statement by a duly qualified engineer, accountant, or other appropriate professional as to the accuracy of the estimated revenue and projections of the plan.

For TIF, TRID, and LERTA projects, applicants must first demonstrate approval by the City and County for their application. In instances where preferential land assessment is denied due to conditions pertaining to the purchase of the property from a taxing jurisdiction, the District may consider approval of the application.

The Board reserves the right to conduct a public hearing and hold such other proceedings as it solely shall deem necessary prior to final approval of any preferential land assessment program.

The following are the District’s tax abatement programs:

- 3-year Act 42 – available Citywide for residential properties for sale or rental;
- 10-year Act 42 Enhanced – available in 28 defined Targeted Growth zones for residential properties for sale or rental;
- 10-year Residential LERTA – available in 4 defined areas for residential properties rental or hotels;
- 10-year Residential Enhanced LERTA – available in 4 defined areas for residential properties separately assessed units.

The District’s tax abatement agreements do not contain recapture provisions for non-compliance. There were no amounts received or receivable from other governments in association with the forgone taxes. The District did not make other commitments other than to reduce taxes as part of the tax abatement agreements.

During 2023, real estate tax abatements were as follows:

Act 42	\$	25,458
Act 42 Enhanced		1,097,817
Residential LERTA		3,558,508
Residential Enhanced LERTA		515,217
TRID		812,381
 Total tax abatements	 \$	 6,009,381

Other tax arrangements include the following:

- Tax Increment Financing – Real estate tax revenue is diverted to another entity to cover bond payments for debt used for redevelopment and other community improvement projects.
- Homestead – Exemption for first \$38,565 of assessed value for residential property that is owner occupied. The Homestead application must be filed at the Allegheny County Office of Property Assessment.

During 2023, other real estate tax arrangements as defined above resulted in the following forgone tax amounts:

Homestead Exemption	\$ 19,471,550
Tax Increment Financing	<u>2,069,091</u>
Total other tax arrangements	<u>\$ 21,540,641</u>

- v. **Due from Other Funds** — Activities between funds are representative of lending/borrowing arrangements outstanding at the end of the year and are referred to as either “due to/from other funds” in the fund financial statements.
- vi. **Due from Other Governments** — Grant revenues from federal, state, and local governmental agencies and other entities are recognized when expenditures are incurred. “Due from other governments” primarily represents the excess of grant expenditures over funds collected and other state subsidies.
- vii. **Prepays** — The District uses specific identification methods to record insurance prepayments in governmental funds.
- viii. **Capital Assets** — Capital assets, which include property, plant, equipment, and intangibles, are reported in the applicable governmental-type or business-type activity columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than \$1,500 (plus all desktops, laptops, and network printers if the historical cost is less than \$1,500) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would have been paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Electrical/plumbing/sprinkler/fire	25
Heating, ventilation, and air conditioning systems	25
Interior construction	25
Roofing	25
Land improvements	20
Equipment	10
Fleet	10
Vehicle/copier	5
Computer hardware	3–5
Intangibles/internally generated software	5



ix. **Deferred Inflows of Resources, Deferred Outflows of Resources and Unearned Revenues**— In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of resources that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources include the following:

- In the General Fund, deferred inflows-unavailable relate to property tax receivables that were levied in the current and prior years and earned income tax receivables on wages in the current year that will not be available to pay liabilities of the current period. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet.
- The District's receipt of State gaming revenue to be used for 2024 Homestead reductions for property taxes is recorded as deferred inflows-advanced revenue on both the statement of net position and the governmental funds balance sheet.

In addition to assets, the statement of net position and balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of resources that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows of resources include the following:

- The deferred charge on refunding is reported in the government-wide statement of net position as a deferred outflow. 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.

In conjunction with pension and other post-employment benefits (OPEBs) accounting requirements, the effect of the change in the District's proportion, the net difference between projected and actual investment earnings, differences between expected and actual experience, changes in assumptions, and payments made to PSERS subsequent to the measurement date are recorded as a deferred inflow or outflow of resources related to pensions and OPEBs (as applicable) on the government-wide financial statements. These amounts are determined based on the actuarial valuations performed for the pension and OPEB plans. Notes 6d through 6h present additional information about these plans.

Unearned revenues represent grant funds received prior to expenditure and are reported on both the statement of net position and the governmental funds balance sheet.

x. **Compensated Absences** — Twelve-month employees of the District earn vacation on a monthly basis at the rate of 10 to 25 days per year depending on employment

classification and length of service. Unused vacation may be carried beyond the leave year of July 1 to June 30 only with the approval of the Superintendent of Schools. Certain employees also earn two personal leave days per year beginning with their third year of continuous service. Unused personal days are converted to sick leave on the employee's annual anniversary date.

Unpaid earned vacation and unconverted personal leave days are accrued relating to the carry over period January 1 to June 30.

Sick leave is cumulative and is earned based on the length of an employee's work year and employment agreement with the District.

Severance pay is based on the accumulated balance of sick leave and personal leave. Administrator retirees are entitled to 50%–65% of their daily rate of pay at 75% of their accumulated balance as specified in specific contracts, and resignees are entitled to one-third of their accumulated balance. The daily rate for resignees is the lesser of \$60 per day or their daily rate. The accrual for severance compensation at December 31, 2023, is based on whether the employee is qualified to receive retirement pay or resignation pay at December 31, 2023.

In addition, employees in certain administrative positions earn terminal vacation days. They may accumulate these days as a one-time allotment to a maximum of 25 days, which will be paid upon retirement or resignation from the District. This terminal leave benefit has been eliminated for new school administrators promoted or hired after January 1, 2000.

Severance pay for food service employees is accrued in the proprietary fund. The current portion is based on the amount estimated to be paid in 2024.

All vacation pay and severance pay is accrued when incurred in the government-wide and proprietary funds' financial statements for the estimated amount to be paid in future years. The liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

- x. **Postemployment Benefits** — In the government-wide financial statements, long-term liabilities related to postemployment benefits, including pensions and health insurance, are calculated based on actuarial valuations as described in Notes 6d through 6h.
- xii. **Long-Term Obligations** — In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts, as well as prepaid insurance costs, are deferred and amortized over the term of the related debt.

Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are expensed in the current period.

In governmental funds, bond issuances, bond premiums and discounts are treated as other financing sources or uses. Issuance costs are treated as an expenditure in that same statement.

xiii. **Fund Balance** — In the fund financial statements, governmental funds report fund balance in categories based on the level of constraint placed upon the funds. The School District of Pittsburgh is a quasi-municipal corporation and a school district of the first class A within the Commonwealth of Pennsylvania. It was created by the General Assembly of the Commonwealth of Pennsylvania in 1911 and was organized exclusively for educational purposes. The Public School Code of 1949, as amended (24 P.S. §1-101, et seq.) is the statute from which the School District of Pittsburgh and its governing board, The Board of Public Education of The School District of Pittsburgh, derives its authority. The levels are as follows:

- **Nonspendable** — This category represents funds that are not in spendable form and includes such items as prepaid insurance and inventory. As of December 31, 2023, the District has nonspendable fund balance related to prepaid insurance.
- **Restricted** — This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. At December 31, 2023, the District had restrictions for scholarships and legally restricted construction funds via debt covenants as described in the governmental funds balance sheet.
- **Committed** — This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by the Board of Public Education. Such commitment is made via a Board resolution and must be made prior to the end of the fiscal year. Removal of this commitment requires a Board resolution. The District currently has a stabilization fund for one-time capital project or emergency operational expenditures, which was authorized by Policy #721, Fund Balance and Stabilization Fund, revised on July 24, 2013. The Board has also committed funds for various General Fund and capital projects contracts.
- **Assigned** — This category represents intentions of the District to use the funds for specific purposes as determined by the Board of Public Education. The assignment cannot exceed the available spendable unassigned fund balance in any particular fund. Assigned fund balances as of December 31, 2023, are described in the governmental funds balance sheet.
- **Unassigned** — This category includes the residual classification for the District's General Fund and includes all spendable amounts not contained in other

classifications. The General Fund is the only fund that reports a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to the those purposes, it may be necessary to report negative unassigned fund balance in that fund.

The District's fund balance policy for the General Fund provides for a minimum unassigned fund balance of 5% of the General Fund annual operating expenditures. After the completion of the annual audit, if the unassigned fund balance exceeds fifteen percent (15%) of the General Fund's current year budgeted expenditures, the excess shall be specifically designated for one or more of the following: subsequent years expenditure increases; subsequent years revenue reductions; or transfers to the Capital Projects Reserve Fund. The District's fund balance policy also outlines conditions for the use of unassigned fund balance.

The District does not have a formal policy for its use of unrestricted fund balance amounts; however, in practice, the District uses funds in the order of the most restrictive to the least restrictive.

- xiv. **Net Position** — The government-wide and proprietary fund financial statements are required to report three components of net position:
- Net Investment in Capital Assets — This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
  - Restricted — This component of net position consists of constraints placed on net position use through external restrictions. The amounts reported as restricted net position at December 31, 2023, represent funds for Workers' Compensation liability and scholarships.
  - Unrestricted — This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets."
- f. **Interest Expense** — The District accounts for interest on its debt as an expense of the period in which it is incurred. There is no capitalized interest on debt included as part of the cost of the asset.
- g. **Estimates** — The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets and liabilities, disclosure of contingent assets, and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

- h. **Risks and Uncertainties** — Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements.
- i. **Newly Adopted Accounting Pronouncements** – The following Governmental Accounting Standards Board (GASB) Statements were adopted for the year ended December 31, 2023: Statement Nos. 94 (Public-Private and Public-Public Partnerships and Availability Payment Arrangements) and 96 (Subscription-Based Information Technology Arrangements). These statements had no significant impact on the Organization’s financial statements for the year ended December 31, 2023.
- j. **Recent Accounting Pending Pronouncements** – GASB has issued statements that will become effective in future years including 100 (Accounting Changes and Error Corrections), 101 (Compensated Absences), 102 (Certain Risk Disclosures), and 103 (Financial Reporting Model Improvements) . Management has not yet determined the impact of these statements on the financial statements.

**2. REPORTING ON BUDGETARY BASIS**

The District reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. This resulted in a reconciliation of fund balance computed on a GAAP basis and budgetary basis as follows:

	<b>General Fund</b>
GAAP basis:	
Fund balance — December 31, 2023	\$ 84,650,667
Deduct outstanding:	
Committed contracts	(1,448,949)
Assigned supply purchases	<u>(886,799)</u>
Budgetary basis — fund balance — December 31, 2023	<u><u>\$ 82,314,919</u></u>

**3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS**

- a. **Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position** —The governmental funds balance sheet includes a reconciliation between *fund balance — total governmental funds* and *net position — governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Certain liabilities, including bonds, notes payable,

pension, and post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 293,115,000
Compensated absences	13,224,462
Notes payable	25,765,765
Premium on issuance (to be amortized as interest expense)	22,496,332
Less deferred charge on refunding	(2,232,649)
Less deferred charge for insurance costs (to be amortized over life of debt)	(364,731)
Less deferred outflows of resources for pension	(81,209,268)
Less deferred outflows of resources for OPEB	(36,941,835)
Accrued interest payable	4,885,880
Obligations under financed purchases	2,718,773
Net OPEB liability	194,865,792
Net pension liability	859,610,000
Deferred inflows of resources for pension	58,540,000
Deferred inflows of resources for OPEB	37,901,610
Termination benefits	<u>336,261</u>
Net adjustment to reduce fund balance — total governmental funds to arrive at net position — governmental activities	<u>\$ 1,392,711,392</u>

- b. ***Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities*** — The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances — *total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities.

One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlays	\$ 34,829,439
Depreciation expense and changes in accumulated depreciation	<u>(38,206,799)</u>
Net adjustment to increase net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (3,377,360)</u>

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the changes in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of

principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. Also, governmental funds report the effect of issuance prepaid insurance, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

Net proceeds/financing received — issuance of general obligation bonds payable	\$ (37,551,516)
Repayment — to bondholders and lessors	<u>29,221,429</u>
Net adjustments to decrease net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (8,330,087)</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.” The details of this difference are as follows:

Accrued expenses	\$ 31,197,594
Amortization of premium	2,375,826
Amortization of bond discount, issuance prepaid insurance and deferred change on refunding	<u>(922,661)</u>
Net adjustments to decrease net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 32,650,759</u>

- c. ***Explanation of Certain Differences Between the Proprietary Funds Statement of Net Position and the Government-wide Statement of Net Position*** — The proprietary funds statement of net position includes a reconciliation between *net position — total enterprise* funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.” The details of this difference are as follows:

Internal receivable representing the consolidation of Internal Service Fund activities related to Enterprise Funds — prior years	\$ (272,532)
Internal receivable representing the consolidation of Internal Service Fund activities related to Enterprise Funds — current year	<u>58,082</u>
Net adjustment to increase net position — total enterprise funds to arrive at net position — business-type position activities	<u>\$ (214,450)</u>

#### 4. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Budgetary Information** — An operating budget is adopted each year for the General Fund. The Pennsylvania School Code dictates specific procedures relative to adoption of the District’s budget and the reporting of its financial statements, specifically:

- The District, before levying the annual school taxes, is required to prepare an operating budget for the succeeding fiscal year.
- The District is required to publish notice by advertisement at least once in two newspapers of general circulation in the municipality in which it is located, and within 15 days of final action, that the proposed budget has been prepared and is made available for public inspection by the Board.
- Notice that public hearings will be held on the proposed operating budget must be included in the advertisement. Such hearings are required to be scheduled at least 10 days before the Board takes final action.
- The legal level of budgetary control is established at major object accounts within the General Fund. Line item accounts are further defined as the lowest (most specific) level of details as established pursuant to the minimum chart of accounts referenced in the Pennsylvania School Code. The District’s annual operating transfers to the Special Revenue Fund for special education and indirect costs are integrated into budgetary controls at the major object level, but are properly reclassified and presented as other financing uses for financial reporting purposes. Any expenditures that exceed major object accounts were funded by revenue excesses or available fund balance.
- The budgetary basis applied to the General Fund differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures whereas GAAP does not.
- The Board may make transfers of funds appropriated to any particular item of expenditures by legislative action. An affirmative vote of two-thirds of all members of the Board is required. The Board made several such transfers of appropriations in 2023. There were no supplemental budget appropriations in 2023, except for the 2022 carry over encumbrances.

Fund balance is appropriated based on resolutions passed by the Board, which authorizes the District to make expenditures. Appropriations lapse at the end of the year. Encumbrance accounting, under which supply purchases, contracts, and other commitments for the expenditure of monies are to be recorded in order to encumber that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the general, capital projects, and certain special revenue funds. In order to reserve a portion of applicable appropriations for which the expenditure of monies has been committed by supply purchases, a contract, or other form of commitment, an encumbrance is recorded.



Encumbrances outstanding at year-end are reported as committed or assigned fund balances. Amounts committed under contract and approved by the Board are presented as committed fund balance unless already restricted or committed. Encumbrances presented as assigned include amounts intended for specific purposes as determined by the Board.

Special Revenue funds generally begin their fiscal period as of July 1 and are usually of a 12-month duration. While all of these funds are legislatively accepted or established by the Board on an individual fiscal-year program basis, budgets for these funds are not legally adopted. Accordingly, the District has not presented a budget to actual comparison of Special Revenue funds in the financial statements.

Capital budgets are implemented to control revenues and expenditures for capital improvements, capital projects, and major maintenance in the Capital Projects funds. The budgets coincide with the anticipated length of the projects.

**5. FUND INFORMATION**

- a. **Deposits and Investments** — The District reports deposits and investments in accordance with GASB Codification Section 150, Investments. GASB Codification Section 150 requires that investments be reported at fair value rather than cost. The District’s investments are reported at fair value at December 31, 2023.

A summary of deposits and investments with financial institutions at December 31, 2023, is as follows:

<b>Deposits and Investments</b>	<b>Book Balance</b>
General Fund	\$ 81,829,909
Capital Projects Funds	52,722,552
Special Revenue Funds	168,830
Nonmajor Governmental Funds	1,189,696
Food Service Fund	2,223,482
Internal Service Funds	33,308,221
OPEB Trust	17,755,601
Private Purpose Trusts	26,694
Fiduciary Funds	<u>1,081,347</u>
 Total deposits and investments	 <u>\$ 190,306,332</u>

Funds are invested pursuant to the Public School Code of 1949 and investment policy guidelines established by the District and approved by the Members of the Board. The School Code states that authorized types of investments shall be: U.S. Treasury Bills; short-term obligations of the U.S. Government or its agencies or instrumentalities; deposits in savings accounts, time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC), obligations of the United States or any of its agencies or instrumentalities backed by the full

faith and credit of the United States, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision, short term commercial paper issued by a public corporation, or banker's acceptances. The statutes allow pooling of governmental funds for investment purposes.

The deposit and investment policy of the 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 District.

*Custodial Credit Risk — Deposits* — Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's deposit policy for custodial credit risk generally requires that no more than 50% of the District funds shall be invested in one institution in total. Deposits in excess of amounts covered by the FDIC are collateralized in accordance with Act 72 of 1971 of the Pennsylvania State Legislature, which requires the institution to pool collateral for all government deposits and have the collateral held by an approved custodian in the institution's name. As of December 31, 2023, \$60,753,575 of the District's \$66,721,797 bank balance, including its nonnegotiable certificates of deposit with original maturities of greater than 90 days, was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank agent not in the District's name	<u>\$ 60,753,575</u>
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As of December 31, 2023, the District had the following investments:

<b>Unrestricted Investments</b>	<b>Maturity Date</b>	<b>Fair Value</b>
Money market funds:		
PA School District Liquid Asset Fund (PSDLAF)	n/a	\$ 6,931,543
PA Local Government Investment Trust — Prime (PLGIT)	n/a	42,313,386
PLGIT — Class	60 days or less	10,020,583
PLGIT — Term	60 days or less	3,034,206
PA INVEST	60 days or less	23,241,735
Federated Government Obligations Fund	36 days average	270,153
PNC Government Money Market Fund	60 days or less	10,712,316
FNB Wealth Management	60 days or less	468,214
Nonnegotiable certificates of deposit:		
PLGIT — 5.36% - 5.75%	Various - 08/28/24	2,128,000
First Natl - .99%	09/10/24	1,050,333
First Commonwealth - 4.51%	05/17/24	5,150,623
First Commonwealth - 4.80%	05/16/24	5,312,222
Various - Each Certificate Under \$250,000 — .25% — 4.60%	Various - 11/24/28	2,569,431
FNB Wealth Management Municipal Bond Portfolio (Level 2)	Various	2,073,010
Repurchase agreement	01/01/24	7,451,008
Total unrestricted investments		<u><u>\$ 122,726,763</u></u>
<b>Restricted Investments</b>		
PA OPEB Trust		\$ 17,755,601
Money market funds:		
All other restricted investments		<u>702,866</u>
Total restricted investments		<u><u>\$ 18,458,467</u></u>

Restricted cash as of December 31, 2023, in the amount of \$3,081,310 is held in demand deposits at a financial institution.

*Interest Rate Risk* — The District’s investment policy that limits investment maturities as a means of managing its exposure to fair value losses, arising from increasing interest rates, is the maturity of any investments in U.S. Government or its agencies or instrumentalities may not exceed one year. The money market funds maintain an average maturity that is less than 60 days.

*Credit Risks* — The Pennsylvania Public School Code authorizes the types of investments allowed, which are described above. The District has no investment policy that would further limit its investment choices. As of December 31, 2023, the District’s investments were rated as follows:

<b>Investments</b>	<b>Standard and Poor’s</b>
PSDLAF	AAAm
PLGIT — Class	AAAm
PLGIT — Prime	AAAm
PLGIT — Reserve	AAAm
PLGIT — Term	AAAm
PA INVEST	AAAm
Federated Government Obligations Fund	AAA
FNB Daily Money Market	BBB-
PNC Government Money Market Fund	A+

The repurchase agreement is not subject to credit risk disclosure as the securities underlying the repurchase agreement are U.S. Treasuries or obligations explicitly guaranteed by the U.S. Government.

*Concentration of Credit Risk* — The District’s investment procedures generally require that no more than 50% of the District funds shall be invested in one institution in total. Certificates of deposit purchased from commercial banks or savings or equivalent shall be limited to an amount up to 20% of a bank’s total capital and surplus. As of December 31, 2023, the repurchase agreement was 6% of the District’s total unrestricted and restricted investments.

*Custodial Credit Risk* — For an investment, custodial credit risk is the risk that, in event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District has no investments subject to custodial credit risk.

*PSDLAF and PLGIT* — PSDLAF and PLGIT were established as common law trusts, organized under laws of the Commonwealth of Pennsylvania. Shares of the funds are offered to certain Pennsylvania school districts, intermediate units, area vocational-technical schools, and municipalities. The purpose of the funds 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. These funds have the characteristics of open-end mutual funds.

PSDLAF and PLGIT, collectively referred to as the “Funds,” are governed by elected boards of trustees who are responsible for the overall management of the Funds. The trustees are elected from the several classes of local governments participating in the Funds. Each fund is audited annually by independent auditors. The Funds operate in a manner consistent with the Securities and Exchange Commission’s Rule 2(a)7 of the Investment Company Act of 1940. The Funds use amortized cost to report net position to compute share prices. The Funds maintain net asset

value of \$1 per share. Accordingly, the fair value of the position in PSDLAF and PLGIT is the same as the value of PSDLAF and PLGIT shares.

The District is invested in PLGIT - Class shares, which require no minimum balance, no minimum initial investment, and have a one day minimum investment period. At December 31, 2023, PLGIT-Class carried an AAAM rating and had an average maturity of less than one year.

The District is invested in PLGIT/PRIME, which is a variable rate investment portfolio which requires no minimum balance, no minimum initial investment, and limits redemptions or exchanges to two per calendar month. At December 31, 2023, PLGIT/PRIME carried an AAAM rating and had an average maturity of less than one year.

The District is invested in PLGIT/Term, which require a minimum investment of \$100,000 and limits redemptions to maturity. There is a 60-day minimum investment period. At December 31, 2023, PLGIT/Term carried an Aam rating and had an average maturity of less than one year and dividends are paid at redemption.

The District is invested in PSDLAF Max Series which uses a principal investment strategy of investing in short-term money-market instruments and maintaining a constant net asset value (NAV) of \$1.00 per share. Investments (other than direct deposits of, state aid payments) are to be deposited for a minimum of fourteen (14) days. At December 31, 2023, PSDLAF carried an AAAM rating.

*PA INVEST* — PA INVEST is a diversified investment portfolio open to local governments of the Commonwealth of Pennsylvania. PA INVEST was implemented in early 1993 in order to provide local governments an alternative to existing investment methods. INVEST operates by pooling local government funds and by investing them under the investment expertise and integrity of the Pennsylvania Treasury Department.

The District invested in PA INVEST which offers two rated pools with short-term maturity as well as periodic custom investment opportunities for longer-term investment needs. At December 31, 2023, PA INVEST carries an AAAM rating.

*Other Postemployment Benefit Trust Fund* – The Other Postemployment Benefit Trust Fund (OPEB Trust) investments are held separately from those of other District funds. Investments of the plan are reported at fair value. The OPEB Trust is invested in a master trust fund which holds investments to fund future health payments on behalf of the District’s employees. The District is allocated a share of the investments held in the master trust based on a net asset value per share. The fair value of the District’s portion of the trust is \$17,755,601 at December 31, 2023. The OPEB Trust funds are not insured.

Investment allocations of the master trust are as follows as of December 31, 2023: Fixed income – 68.5%; Domestic Equity – 20.9%; International Equity – 10.2%; Cash – .4%.

- b. **Receivables** — Receivables as of December 31, 2023, for the government’s individual major funds, nonmajor funds, and internal service funds, including the applicable allowances for refunds and uncollectible accounts, are as follows:

	General Fund	Capital Project Funds	Special Revenue Fund	Other Governmental Funds	Food Service	Internal Service Funds	Total
Receivables — taxes:							
Real estate	\$ 37,641,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,641,870
Earned income	40,256,004	-	-	-	-	-	40,256,004
Due from other governments:							
Commonwealth of Pennsylvania	17,201,319	-	20,141,305	-	3,796,122	-	41,138,746
City of Pittsburgh	1,052,810	-	-	-	-	-	1,052,810
Other receivables	146,365	-	-	-	524,811	855,086	1,526,262
Interest	435,945	-	-	4,384	-	8,852	449,181
Gross receivables	96,734,313	-	20,141,305	4,384	4,320,933	863,938	122,064,873
Less allowance for uncollectibles	16,679,045	-	-	-	-	-	16,679,045
Net receivables	<u>\$ 80,055,268</u>	<u>\$ -</u>	<u>\$ 20,141,305</u>	<u>\$ 4,384</u>	<u>\$ 4,320,933</u>	<u>\$ 863,938</u>	<u>\$ 105,385,828</u>

The District’s governmental funds report deferred inflows of resources-unavailable in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned. As of December 31, 2023, the various components of deferred inflows and unearned revenue reported in the governmental funds are as follows:

	Deferred Inflows Advanced	Deferred Inflows Unavailable	Unearned Revenues
Earned income taxes receivable	\$ -	\$ 4,808,939	\$ -
State property tax relief (General Fund)	19,636,817	-	-
Delinquent property taxes receivable (General Fund)	-	19,280,736	-
Grant drawdowns prior to meeting all eligibility requirements (Special Revenue Funds and General Fund)	-	-	<u>11,395,175</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 19,636,817</u>	<u>\$ 24,089,675</u>	<u>\$ 11,395,175</u>

- c. **Interfund Balances and Transfers** — Interfund receivables and payables between the general fund and special revenue fund 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 of the balances are expected to be collected in the subsequent year.

The composition of interfund balances between funds as of December 31, 2023, are as follows:

	<u>Due To</u> <b>Special Revenue Fund</b>
Due From:	
General Fund	<u>\$ 276,849</u>
Total	<u><u>\$ 276,849</u></u>

The composition of transfers between funds as of December 31, 2023, are as follows:

	<u>Transfers — In</u>						
	<b>General Fund</b>	<b>Capital Projects</b>	<b>Special Revenue Fund</b>	<b>Food Service Fund</b>	<b>Other Governmental Funds</b>	<b>Internal Service Fund</b>	<b>Total</b>
Transfers — out:							
General Fund	\$ -	\$ 2,000,000	\$ 105,709,023	\$ 7,829,430	\$ -	\$ 5,142,843	\$ 120,681,296
Other Governmental Funds	-	-	-	-	-	-	-
Special Revenue Funds	<u>4,697,643</u>	-	-	-	-	-	<u>4,697,643</u>
Total transfers — in	<u><u>\$ 4,697,643</u></u>	<u><u>\$ 2,000,000</u></u>	<u><u>\$ 105,709,023</u></u>	<u><u>\$ 7,829,430</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,142,843</u></u>	<u><u>\$ 125,378,939</u></u>

Transfers are used to 1) fund the District special education program that is accounted for as a Special Revenue fund; 2) move unrestricted General Fund revenues to finance various programs that the District accounts for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs in special revenue funds; 3) General Fund transfer for capital improvements; 4) General Fund transfers to Internal Service Funds for general liability claims; and 5) General Fund transfers to Food Service to fund operating deficits.

d. **Capital Assets** — Capital asset activities for the year ended December 31, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets — not being depreciated:				
Land	\$ 23,277,381	\$ -	\$ -	\$ 23,277,381
Total capital assets — not being depreciated	<u>23,277,381</u>	<u>-</u>	<u>-</u>	<u>23,277,381</u>
Capital assets — being depreciated:				
Land improvements	23,674,055	140,839	(400,673)	23,414,221
Buildings	401,036,245	-	(3,293,293)	397,742,952
Building improvements	522,957,173	28,898,077	(1,710,030)	550,145,220
Furniture, fixtures, machinery, and equipment	103,996,933	5,790,523	-	109,787,456
Computer software	13,697,833	-	(13,697,833)	-
Total capital assets — being depreciated	<u>1,065,362,239</u>	<u>34,829,439</u>	<u>(19,101,829)</u>	<u>1,081,089,849</u>
Total at historical cost	<u>1,088,639,620</u>	<u>34,829,439</u>	<u>(19,101,829)</u>	<u>1,104,367,230</u>
Less accumulated depreciation for:				
Land improvements	(12,946,303)	(1,181,660)	400,673	(13,727,290)
Buildings	(297,071,593)	(8,083,093)	3,293,293	(301,861,393)
Building improvements	(224,166,546)	(19,858,804)	1,710,030	(242,315,320)
Furniture, fixtures, machinery, and equipment	(93,973,667)	(9,083,242)	-	(103,056,909)
Computer software	(13,697,833)	-	13,697,833	-
Total accumulated depreciation	<u>(641,855,942)</u>	<u>(38,206,799)</u>	<u>19,101,829</u>	<u>(660,960,912)</u>
Total capital assets — being depreciated — net	<u>423,506,297</u>	<u>(3,377,360)</u>	<u>-</u>	<u>420,128,937</u>
Governmental activities capital assets — net	<u>\$ 446,783,678</u>	<u>\$ (3,377,360)</u>	<u>\$ -</u>	<u>\$ 443,406,318</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets — not being depreciated — land				
Land	\$ 43,878	\$ -	\$ -	\$ 43,878
Total capital assets — not being depreciated	<u>43,878</u>	<u>-</u>	<u>-</u>	<u>43,878</u>
Capital assets — being depreciated:				
Buildings	15,070,740	-	-	15,070,740
Furniture, fixtures, machinery, and equipment	6,316,114	20,893	-	6,337,007
Total capital assets — being depreciated	<u>21,386,854</u>	<u>20,893</u>	<u>-</u>	<u>21,407,747</u>
Total at historical cost	<u>21,430,732</u>	<u>20,893</u>	<u>-</u>	<u>21,451,625</u>
Less accumulated depreciation for:				
Buildings	(8,563,497)	(352,588)	-	(8,916,085)
Furniture, fixtures, machinery, and equipment	(5,991,761)	(88,507)	-	(6,080,268)
Total accumulated depreciation	<u>(14,555,258)</u>	<u>(441,095)</u>	<u>-</u>	<u>(14,996,353)</u>
Total capital assets — being depreciated — net	<u>6,831,596</u>	<u>(420,202)</u>	<u>-</u>	<u>6,411,394</u>
Business-type activities capital assets — net	<u>\$ 6,875,474</u>	<u>\$ (420,202)</u>	<u>\$ -</u>	<u>\$ 6,455,272</u>



Depreciation expense charged to governmental functions/programs of the District is as follows:

Governmental funds:	
Instruction	\$ 28,297,238
Instruction student support	7,074,319
Administrative and financial support service	861,257
Operation and maintenance of plant services	355,462
Facilities, construction and improvement services	1,383,881
Student activities	210,203
Community services	<u>24,439</u>
	<u>\$ 38,206,799</u>

The carrying amount of temporarily impaired capital that was idle at year-end is as follows:

Building	Carrying Value	Year of Closing	Future Use
Knoxville			
Elementary/Middle	\$ 1,527,660	July 1, 2006	May reopen as classroom space
Fort Pitt Elementary	2,005,350	July 1, 2012	May reopen as classroom space
Northview Elementary	<u>1,763,970</u>	July 1, 2012	May reopen as classroom space
	<u>\$ 5,296,980</u>		

The carrying amount of impaired capital assets that are idle at year-end, regardless of whether the impairment is considered permanent or temporary, is \$5,635,882.

e. **Construction Commitments** — As of December 31, 2023, the District had no committed construction projects.

f. **Long-Term Debt**

*General Obligation Bonds* — In October of 2023, the District issued General Obligation Bonds Series 2023 in the amount of \$36,510,000 to fund various capital projects. The Bonds will mature in September 2043. In addition, the original amount of current outstanding general obligation bonds issued in prior years was \$351,415,000. The general obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 15- to 20-year serial bonds.

*Notes Payable* — On December 14, 2010, the District issued General Obligation Bond Notes — Series A of 2010 in the amount of \$9,578,000. The notes were issued under the State Public School Building Authority pooled, Qualified School Construction Bond (QSCB) Program. The taxable coupon rate is 6.495% and the tax credit rate is 5.219%, hence, a net rate after reimbursement of 1.276%. The notes will mature in 2028.

On December 14, 2010, the District also issued General Obligation Bond Notes — Series B of 2010 in the amount of \$13,972,000. The notes were issued under the State Public School Building Authority pooled, Qualified Zone Academy Bond (QZAB) Program. The taxable coupon rate is 6.495% and the tax credit rate is 5.219%, hence, a net rate after reimbursement of 1.276%. The notes will mature in 2028.

In April of 2021, the District issued a General Obligation Note Series of 2021 (Series 2021 Note) to currently refund the General Obligation Bonds, Series A of 2012 and Series B 2012. The note proceeds of \$10,705,000 provided for the purchase of U.S. Government and State and Local Government Series securities that were placed into escrow amounting to \$10,705,000. The reacquisition price exceeded the net carrying amount of the old debt for refunding by approximately \$350,000. The corresponding interest rate on the Series 2021 Note allowed the District to realize debt service savings at levels meeting their governing criteria, as well as comply with Internal Revenue Service regulations on tax-exempt refinancing.

In May of 2022, the District issued General Obligation Note Refunding Series A of 2022 and General Obligation Note Refunding Series B of 2022 to currently refund a portion of the General Obligation Bonds, Series A of 2014 and Series C of 2014. The face amount of \$7,402,000 and \$4,932,000, respectively, provided for the purchase of U.S. Government and State and Local Government Series securities that were placed into escrow amounting to \$12,226,893. The reacquisition price exceeded the net carrying amount of the old debt for refunding by approximately \$1.7 million, combined. The corresponding interest rates on the refunding notes allowed the District to realize debt service savings at levels meeting their governing criteria, as well as comply with Internal Revenue Service regulations on tax-exempt refinancing.

In the event of default on the repayment of the notes payable, the State Public School Building Authority shall have the right to recover the amount due by bringing action in the Court of Common Pleas. Additionally, bond holders of at least 25% may appoint a trustee to represent them.

*Taxable Bonds* — On December 7, 2010, the District issued taxable QSCB, Series D of 2010 amounting to \$19,520,000 to provide funds for costs associated with the 2010 and 2011 Capital Improvement Plan. The taxable general obligation bonds are direct obligations and pledge the full faith and credit of the government. The taxable coupon rate is 6.85%. The District receives a direct payment reimbursement tax credit of 5.117% of debt service from the federal government, hence, a net rate of 1.733%. The bonds will mature on September 1, 2029.

*Current Refunding* — The District did not issue any refunding bonds in 2023.

*Legal Debt Margin* — The District is subject to legal debt margin. This amount was \$1,071,099,781 for 2023.

*Unspent bond proceeds* — As of December 31, 2023, the District has \$43,192,108 of unspent bond proceeds presented as investments within the capital projects fund.

*Board Actions in Anticipation of Future Debt Offerings* — At the December 2023 Board of Directors meeting, the Board authorized the arrangement for capital borrowing of \$40,045,360 for 2024.

General obligation bonds and notes payable at December 31, 2023, are summarized as follows:

General Obligation Bonds	Original Interest Rates	Original Maturity Range	Issued	Amount Outstanding	Due within One Year
2014 Refunding Series B	1.00-5.00%	2014-2025	\$ 26,670,000	\$ 7,345,000	\$ 3,620,000
2014 GOB Series C	2.00-5.00	2014-2034	9,995,000	1,515,000	490,000
2015 Refunding	0.6-5.00	2015-2027	25,750,000	12,720,000	2,560,000
2015 GOB	2.00-5.00	2015-2035	21,215,000	15,015,000	1,030,000
2016 GOB	2.00-5.00	2016-2036	20,590,000	15,960,000	940,000
2017 GOB	3.00-5.00	2017-2037	24,000,000	19,845,000	1,090,000
2018 GOB	4.00-5.00	2018-2038	23,880,000	20,890,000	990,000
2019 Refunding	5.00-6.04	2019-2029	36,765,000	27,290,000	3,820,000
2019 GOB	4.00-5.00	2019-2039	33,595,000	30,645,000	1,315,000
2020 Refunding	2.00-5.00	2020-2030	15,925,000	2,695,000	330,000
2020 GOB	4.00-5.00	2020-2040	33,955,000	32,325,000	1,285,000
2021 GOB	3.00-4.00	2021-2041	35,780,000	35,775,000	5,000
2022 GOB	3.25-4.394	2022-2042	34,585,000	34,585,000	5,000
2023 GOB	4.85%-5.00%	2023-2043	36,510,000	36,510,000	5,000
Total			379,215,000	293,115,000	17,485,000
2010 QSCB Series D	6.85	2010-2029	19,520,000	5,760,000	960,000
<b>Direct Borrowings - Notes</b>					
2010 QSCB SPSBA Series A	6.50	2010-2028	9,578,000	2,749,412	549,882
2010 QZAB SPSBA Series B	6.50	2010-2028	13,972,000	4,012,353	802,471
2021 Refunding	0.69	2021-2024	10,705,000	3,320,000	3,320,000
2022 Refunding Series A	2.48	2022-2025	7,402,000	4,992,000	2,221,000
2022 Refunding Series B	3.02	2022-2034	4,932,000	4,932,000	15,000
Total			46,589,000	20,005,765	6,908,353
Total outstanding principal			\$ 445,324,000	\$ 318,880,765	\$ 25,353,353
Add interest payable in future years				130,060,849	
Total				\$ 448,941,614	

Future debt service requirements to maturity for general obligation bonds and notes are as follows:

Years Ending	General Obligation Bonds	
	Principal	Interest
December 31		
2024	\$ 18,445,000	\$ 13,162,852
2025	19,320,000	12,701,292
2026	19,720,000	11,905,692
2027	14,955,000	11,066,992
2028	14,360,000	10,439,392
2029-2033	79,660,000	37,599,647
2034-2038	85,950,000	19,412,044
2039-2043	<u>46,465,000</u>	<u>4,777,265</u>
Total	<u>\$ 298,875,000</u>	<u>\$ 121,065,176</u>

Years Ending	Direct Borrowings - Notes	
	Principal	Interest
December 31		
2024	\$ 6,908,353	\$ 1,825,229
2025	4,138,353	1,746,787
2026	1,367,353	1,677,613
2027	1,902,353	1,677,160
2028	1,917,353	1,660,550
2029-2033	3,097,000	387,949
2034	<u>675,000</u>	<u>20,385</u>
Total	<u>\$ 20,005,765</u>	<u>\$ 8,995,673</u>

Changes in long-term liabilities are as follows:

	Beginning	Additions	Reductions	Ending	Due within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds - tax exempt	\$ 275,995,000	\$ 36,510,000	\$ (19,390,000)	\$ 293,115,000	\$ 17,485,000
General obligation bonds - taxable	6,720,000	-	(960,000)	5,760,000	960,000
Direct borrowings -notes payable	<u>27,158,118</u>	<u>-</u>	<u>(7,152,353)</u>	<u>20,005,765</u>	<u>6,908,353</u>
Total before premium/discount	309,873,118	36,510,000	(27,502,353)	318,880,765	25,353,353
Add (less) deferred amounts:					
Premium on issuance	<u>23,830,642</u>	<u>1,041,516</u>	<u>(2,375,826)</u>	<u>22,496,332</u>	<u>3,133,706</u>
Total general obligation bonds and notes payable	333,703,760	37,551,516	(29,878,179)	341,377,097	28,487,059
Compensated absences	17,243,554	14,705,205	(16,408,682)	15,540,077	15,178,518
Net OPEB liability	186,503,144	8,362,648	-	194,865,792	-
Net pension liability	905,580,000	-	(45,970,000)	859,610,000	-
Termination benefits	260,614	75,647	-	336,261	70,000
Workers' compensation reserve	4,084,201	2,272,823	(1,680,024)	4,677,000	1,800,000
Financed purchases	<u>4,437,845</u>	<u>-</u>	<u>(1,719,072)</u>	<u>2,718,773</u>	<u>875,984</u>
Governmental activities long-term liabilities	<u>\$ 1,451,813,118</u>	<u>\$ 62,967,839</u>	<u>\$ (95,655,957)</u>	<u>\$ 1,419,125,000</u>	<u>\$ 46,411,561</u>
Business-type activities:					
Compensated absences	<u>\$ 417,053</u>	<u>\$ 12,036</u>	<u>\$ -</u>	<u>\$ 429,089</u>	<u>\$ 74,582</u>

Since internal service funds predominantly serve the governmental funds, their long-term liability for workers' compensation reserve and postemployment benefits are included in the above totals.

For the governmental activities: claims and judgments, postemployment health benefits, and pension benefits have been liquidated by the general fund in prior years and thus are only recorded as governmental activities. Compensated absences are recorded as either governmental or business-type activities, as applicable. For governmental and business-type activities, compensated absences have been liquidated in prior years by the general fund and food service funds, respectively.

- g. **Restricted Assets** — The balances of the restricted asset accounts in the governmental activities are as follows:

Workers' compensation claims — restricted by trust agreements with the Commonwealth	<u>\$ 3,784,176</u>
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- h. **Financed Purchases** — The District has entered into various financed purchase agreements, ranging from four to five years for financing of copy machines, computers, and servers. These financed purchase agreements have been recorded at the present value of their future minimum payments as of the inception date.

The assets acquired through financed purchases are as follows:

Asset:		
Machinery and equipment	\$	8,730,229
Less accumulated depreciation		<u>6,142,044</u>
Total	\$	<u>2,588,185</u>

The future minimum obligations for the financed purchases as of December 31, 2023, are as follows:

Years Ending December 31	Governmental Activities	
	Principal	Interest
2024	\$ 875,984	\$ 147,904
2025	933,442	90,446
2026	<u>909,347</u>	<u>29,218</u>
Total minimum payments	<u>\$ 2,718,773</u>	<u>\$ 267,568</u>

## 6. OTHER INFORMATION

- a. **Risk Management** — The District is exposed to various risks of loss related to torts; alleged negligence; acts of discrimination; breach of contracts; disagreements arising from the interpretation of laws or regulations; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for unemployment compensation, casualty losses, public liability, fire damage, workers' compensation (see Note 6b), and self-insurance health care. Under these self-insurance programs, the District maintains funds to provide for anticipated losses. Total assets less current liabilities available in the Internal Service Funds at December 31, 2023, are as follows:

Worker's compensation	\$ 11,312,929
Unemployment compensation	6,539,323
Comprehensive general liability	1,207,229
Self-insurance health care	6,722,082

In accordance with GASB Statement No. 54, the District's Fire Damage Fund, a stabilization agreement, is reported in the General Fund as committed fund balance in the amount of \$3,242,762.

Not Included in the table above for the workers' compensation fund is the long-term portion of the claims reserve, which was \$2,877,000 as of December 31, 2023.

The funds for unemployment and workers' compensation are funded based on a percentage of gross payrolls, which was 0.20% and 0.85%, respectively, from January 1, 2023 to December 31,

2023. The comprehensive general liability and Capital Emergency (Stabilization) funds are funded from transfers made from the General Fund as considered necessary.

Additionally, the District carries commercial insurance for other risks of loss, including employee performance bonds, comprehensive vehicle insurance, and boiler insurance. The District does not participate in any public-entity risk pool and does not retain risk related to its commercial coverage except for those amounts incurred relative to policy deductibles, which are not significant. The District has not significantly reduced any of its insurance coverage from the prior year and settled claims have not exceeded the District’s other commercial coverage in any of the past three years.

- b. **Workers’ Compensation Reserve** — The District is self-insured under the Workers’ Compensation Act. The self-insured status is reviewed annually by the Pennsylvania Bureau of Workers’ Compensation Self-Insurance Division. The District has purchased commercial excess insurance for its workers’ compensation self-insurance program for claims in excess of \$750,000.

The workers’ compensation reserve (the “Reserve”) for unpaid claims and claims incurred but not yet reported was based on an updated actuarial calculation as of June 30, 2023, which utilized a discount rate of 3.5%. The Reserve was reviewed through December 31, 2023 and determined to be within reasonable range. Non-incremental claims adjustment expenses have not been included as part of the liability.

The self-insurance funds, actually maintained by the District to provide for future anticipated losses, were \$3,784,176, at December 31, 2023. The expense is based on a percentage of gross payrolls for the year. The contribution rate is 0.85% of gross at December 31, 2023.

Changes in the Reserve claims liability in fiscal 2022 and 2023 are as follows:

		<b>Liability Beginning of Year</b>		<b>Claims and Changes in Estimates</b>		<b>Claim Payments</b>		<b>Liability End of Year</b>
2022	\$	3,393,848	\$	2,069,034	\$	(1,378,681)	\$	4,084,201
2023		4,084,201		2,272,823		(1,680,024)		4,677,000

- c. **Subsequent Events** – Subsequent events to report for the 2023 statement have been evaluated through the independent auditor’s report date.

d. **Public School Employees’ Retirement System:**

- i. **Plan Description** – PSERS administers a governmental cost-sharing, multi-employer defined benefit pension plan (Pension Plan) and a governmental cost-sharing, multi-employer defined benefit Health Insurance Premium Assistance Program OPEB plan (Premium Assistance) to public school employees of the Commonwealth of Pennsylvania. In addition, PSERS administers the Health Options Program (HOP) for its retirees. The

HOP is a PSERS sponsored voluntary health insurance program for the sole benefit of PSERS retirees, spouses of retirees, and survivor annuitants and their dependents who participate in HOP. The HOP is funded exclusively by the premiums paid by participants for the benefit coverage they elect. PSERS issues a publicly available financial report that can be obtained at [www.psers.pa.gov](http://www.psers.pa.gov).

Employees eligible for PSERS benefits 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.

Retirees who participate in the HOP or a Commonwealth public school employer-sponsored health insurance program are eligible for Premium Assistance 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 (as defined below) 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.

- ii. **Summary of Significant Accounting Policies** – For purposes of measuring the net pension liability, the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions or OPEBs, pension expense, and OPEB expense, information about the fiduciary net position of 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.
- iii. **Allocation of the Net Pension and OPEB Liability** – All pension and OPEB obligations are expected to be paid from the General Fund. As such, the net pension and OPEB liabilities are recorded as governmental activities and no allocation of the respective liabilities are recorded within the Food Service Fund.
- iv. **Benefits Provided – Pension Plan** – Members are eligible for monthly retirement benefits upon reaching (a) age 62 with at least one year of credited service; (b) age 60 with 30 or more years of credited service; or (c) 35 or more years of service regardless of age. Act 120 of 2010 (Act 120) preserves the benefits of existing members and introduced benefit



reductions for individuals who become new members on or after July 1, 2011 through June 30, 2019. 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 three 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. 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. 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 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.

Act 5 of 2017 (Act 5) eliminated the stand-alone defined benefit plan, introduced a hybrid benefit, and introduced 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.

- v. **Benefits Provided – Premium Assistance** – Effective January 1, 2002, under the provisions of Act 9 of 2001, participating eligible annuitants are entitled to receive Premium Assistance payments equal to the lesser of \$100 per month or their eligible out-of-pocket monthly health insurance premium. As of December 31, 2023, there were no assumed future benefit increases to participating eligible retirees.

- vi. **Member Contributions** – The following illustrates the member’s contribution as a percent of the member’s qualifying compensation:

**Active members who joined PSERS prior to July 22, 1983:**

Membership Class T-C 5.25%

Membership Class T-D 6.50%

**Members who joined PSERS on or after July 22, 1983, and who were active or inactive as of July 1, 2001:**

Membership Class T-C 6.25%

Membership Class T-D 7.50%

**Members who joined PSERS after June 30, 2001, and before July 1, 2011:**

Membership Class T-D 7.50%

**Members who joined PSERS after June 30, 2011 and before June 30, 2019:**

Membership Class T-E\* 8.00%

Membership Class T-F\* 10.80%

**Members who joined PSERS on or after July 1, 2019:**

Membership Class T-G (hybrid)\*\* 9.00% (combined rate)

Membership Class T-H (hybrid)\*\* 8.25% (combined rate)

Defined Contribution only 7.50%

\* Includes shared risk provision of +0.50% as of July 1, 2021.

\*\* Includes shared risk provision of +0.75% as of July 1, 2021.

- vii. **Employer Contributions** – The District’s contractually required PSERS contribution rate was 35.26% from January 1, 2023 to June 30, 2023 and 34.00% from July 1, 2023 to December 31, 2023 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. This rate is composed of a 34.31% and 33.09% rate for the Pension Plan, a 0.75% and 0.64% rate for the Premium Assistance, and a 0.20% and 0.27% rate for Act 5 Defined Contribution for the periods January 1, 2023 to June 30, 2023 and July 1, 2023 to December 31, 2023, respectively. The combined contribution rate will decrease to 33.90% on July 1, 2024 and is projected to grow to 38.26% by 2032.

The District remits contributions to PSERS on a quarterly basis. Approximately \$26 million is owed to PSERS as of December 31, 2023, which represents the District’s required contribution for the 4<sup>th</sup> quarter payroll less credits for overpayments that occurred during 2023. The District’s contributions which were recognized by PSERS for the year ended December 31, 2023 were as follows:

Pension Plan	\$	99,986,887
Act 5 Defined Contribution		336,698
Premium Assistance		<u>2,079,326</u>
Total	\$	<u>102,402,911</u>

In accordance with Act 29, the Commonwealth of Pennsylvania reimburses school districts for approximately one-half of contributions made to PSERS. The District recorded reimbursements from the Commonwealth approximating \$39.9 million during the current year. Because the Commonwealth payments are received as a reimbursement, and are not made directly to PSERS, they do not qualify as a special funding situation.

viii. **Proportionate Share** – The School District’s proportion of PSERS’ net pension liability was calculated utilizing the School District’s one-year reported contributions as it relates to PSERS’ total one-year reported contributions. This method was changed beginning with PSERS’ fiscal year ended June 30, 2020. In prior years, the proportion of PSERS’ net pension liability was calculated utilizing the School District’s one-year reported covered payroll as it related to PSERS’ total one-year reported covered payroll. At June 30, 2023 (measurement date), the School District’s proportion was 1.9323%, which was a decrease of 0.1046% from its proportion measured as of June 30, 2022.

The School District’s proportion of PSERS’ net OPEB liability continues to be calculated utilizing the School District’s one-year reported covered payroll as it relates to PSERS’ total one-year reported covered payroll. At June 30, 2023 (measurement date), the School District’s proportion was 1.9235%, which was a decrease of 0.1064% from its proportion measured as of June 30, 2022.

e. **Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions** – At December 31, 2023, the District reported a liability of \$859,610,000 for its proportionate share of PSERS’ 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 PSERS’ total pension liability as of June 30, 2022 to June 30, 2023.

For the year ended December 31, 2023, the District recognized pension expense of \$54,598,069.

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 195,000	\$ 11,770,000
Changes in assumptions	12,827,000	-
Net difference between projected and actual earnings on pension plan investments	24,324,000	-
Changes in proportion	1,637,000	46,770,000
District contributions subsequent to the measurement date	<u>42,226,268</u>	<u>-</u>
Total	<u>\$ 81,209,268</u>	<u>\$ 58,540,000</u>

\$42,226,268 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending December 31:</b>	
2024	\$ (14,269,000)
2025	(27,657,000)
2026	14,253,000
2027	<u>8,116,000</u>
Total	<u>\$ (19,557,000)</u>

- i. **Actuarial Assumptions** – The actuarial valuation used for the June 30, 2023 measurement date contained the following methods and assumptions:
  - Actuarial 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 2.50% for inflation and 2.00% for real wage growth and 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
  - Experience study – July 1, 2015 through June 30, 2020
  
- ii. **Changes in Assumptions** – There were no changes in assumptions affecting the June 30, 2023 measurement date.

- iii. **Changes in Benefit Terms** – There were no changes in benefit terms affecting the June 30, 2023 measurement date.
- iv. **Pension Plan Investments** – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The pension plan’s policy in regard to the allocation of invested plan assets is established and may be amended by the PSERS 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.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global public entity	30.0%	5.2%
Private equity	12.0%	7.9%
Fixed income	33.0%	3.5%
Commodities	7.5%	2.7%
Absolute return	4.0%	4.1%
Infrastructure/MLPs	10.0%	5.4%
Real estate	11.0%	5.7%
Cash	3.0%	1.2%
Leverage	-10.5%	1.2%
	100.0%	

For PSERS’ year ended June 30, 2023, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expenses, was 3.54%.

- v. **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 the contributions from plan members will be made at the current contribution rate and that the 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.

- vi. **Sensitivity of the District’s Proportionate Share of PSERS’ Net Pension Liability to Changes in the Discount Rate** – The following presents the District’s proportionate share of PSERS’ net pension liability calculated using the discount rates described above, as well as what the District’s proportionate share of PSERS’ net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share			
of PSERS' net pension liability	<u>\$ 1,114,292,000</u>	<u>\$ 859,610,000</u>	<u>\$ 644,735,000</u>

- f. **Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB** – The District maintains two separate OPEB plans – the Premium Assistance previously described in Note 6d and the School District of Pittsburgh Retiree Health Plan (Retiree Health Plan) described below. At December 31, 2023, the District reported a net OPEB liability composed of the following:

School District's proportionate share of PSERS' net OPEB liability	\$ 34,800,000
School District's total OPEB liability	
for its retiree plan	<u>160,065,792</u>
Net OPEB liability	<u>\$ 194,865,792</u>

PSERS’ net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate PSERS’ net OPEB liability was determined by rolling forward PSERS’ total OPEB liability as of June 30, 2022 to June 30, 2023. The Retiree Health Plan’s total OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the Retiree Health Plan’s net OPEB liability was determined by rolling forward the Retiree Health Plan’s total OPEB liability as of November 1, 2023 to December 31, 2023.

For the year ended December 31, 2023, the District recognized OPEB expense as follows:

OPEB expense related to PSERS	
Premium Assistance	\$ 692,482
OPEB expense related to the Retiree Health Plan	<u>20,686,133</u>
Total OPEB expense	<u>\$ 21,378,615</u>

At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Deferred Outflows of Resources:</u>	<u>PSERS Premium Assistance</u>	<u>School District's Retiree Plan</u>	<u>Total Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 228,000	\$ 10,866,410	\$ 11,094,410
Changes in assumptions	3,007,000	19,827,814	22,834,814
Net difference between projected and actual earnings on OPEB plan investments	78,000	1,483,905	1,561,905
Changes in proportion	634,000	-	634,000
School District contributions subsequent to the measurement date	<u>816,706</u>	<u>-</u>	<u>816,706</u>
Total	<u>\$ 4,763,706</u>	<u>\$ 32,178,129</u>	<u>\$ 36,941,835</u>

<u>Deferred Inflows of Resources:</u>	<u>PSERS Premium Assistance</u>	<u>School District's Retiree Plan</u>	<u>Total Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 345,000	\$ 8,518,144	\$ 8,863,144
Changes in assumptions	6,585,000	19,193,466	25,778,466
Changes in proportion	<u>3,260,000</u>	<u>-</u>	<u>3,260,000</u>
Total	<u>\$ 10,190,000</u>	<u>\$ 27,711,610</u>	<u>\$ 37,901,610</u>

\$816,706 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31:</u>	<u>PSERS Premium Assistance</u>	<u>Retiree Health Plan</u>
2024	\$ (1,034,000)	\$ 9,608,778
2025	(1,335,000)	(298,041)
2026	(1,695,000)	(5,822,346)
2027	(1,747,000)	299,071
2028	(431,000)	679,057
Thereafter	<u>(1,000)</u>	<u>-</u>
Total	<u>\$ (6,243,000)</u>	<u>\$ 4,466,519</u>

g. **Additional Required OPEB Disclosures for PSERS Premium Assistance**

- i. **Actuarial Assumptions** – The actuarial valuation used for the June 30, 2023 measurement date contained the following methods and assumptions:
  - Actuarial valuation date – June 30, 2022
  - Actuarial cost method – Entry Age Normal – level % of pay
  - Investment return – 4.13% - S&P 20-year Municipal Bond Rate
  - Salary increases – Effective average of 4.50%, comprised of 2.50% for inflation and 2.00% for real wage growth and 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
  - Experience study – July 1, 2015 through June 30, 2020
  - Participation rate –
    - Eligible retirees will elect to participate pre-age 65 at 50%
    - Eligible retirees will elect to participate post-age 65 at 70%
- ii. **Changes in Assumptions** – The discount rate increased from 4.09% to 4.13% for the June 30, 2023 measurement date.
- iii. **Changes in Benefit Terms** – There were no changes in benefit terms affecting the June 30, 2023 measurement date.
- iv. **OPEB Plan Investments** – 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 PSERS Board. Employer contribution rates are established to provide reserves in the Health Insurance Account that are sufficient for the payment of the Premium Assistance for each succeeding year. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:



Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	<u>100.0%</u>	1.2%
	<u>100.0%</u>	

For PSERS' year ended June 30, 2023, the annual money-weighted rate of return on the Premium Assistance plan investments, net of plan investment expenses, was 4.36%.

- v. **Discount Rate** – The discount rate used to measure the total OPEB liability was 4.13%. Under the Premium Assistance plan's funding policy, contributions are structured for short-term funding of the Premium Assistance. The funding policy sets contribution rates necessary to assure solvency of the 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 the 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. The discount rate used to measure the Total OPEB liability increased from 4.09% as of June 30, 2022 to 4.13% as of June 30, 2023.
- vi. **Sensitivity of the District's Proportionate Share of PSERS' Net OPEB Liability to Changes in the Discount Rate** – The following presents the District's proportionate share of PSERS' net OPEB liability calculated using the discount rates described above, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
District's proportionate share			
of PSERS' net OPEB liability	<u>\$ 39,346,000</u>	<u>\$ 34,800,000</u>	<u>\$ 30,996,000</u>

- vii. **Sensitivity of the District's Proportionate Share of PSERS' Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – Healthcare cost trend rates 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. 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 the healthcare cost trends as depicted below.

The following presents the District's proportionate share of PSERS' net OPEB liability calculated using current healthcare cost trend rates as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease	Current Trend	1% Increase
District's proportionate share of PSERS' net OPEB liability	<u>\$ 34,797,000</u>	<u>\$ 34,800,000</u>	<u>\$ 34,803,000</u>

**h. Additional Required OPEB Disclosures for the Retiree Health Plan**

- i. **Plan Description** – The District administers a single-employer defined benefit health care plan, the School District of Pittsburgh Retiree Health Plan (Retiree Health Plan). The plan provides employees, under age 65, health care insurance for eligible retirees and their dependents through the District's self-insurance group health plan, which covers both active and retired members. The District also contributes funds toward a Medicare supplement reimbursement after age 65. The amount of the reimbursement depends on the date of retirement and do not exceed \$1,000. Benefit provisions are established through negotiations between the District and various unions. The activity of the Retiree Health Plan is reported as the OPEB Trust Fund in the accompanying financial statements. Separate plan financial statements are not issued.

At November 1, 2023 (most recent valuation date), the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	1,988
Inactive employees entitled to but not yet receiving benefit payments	48
Active employees	<u>3,747</u>
Total employees	5,783
Spouses of inactive employees currently receiving benefit payments	<u>101</u>
Total participants	<u>5,884</u>

- ii. **Benefits Provided** – The District provides health insurance coverage for retired employees and their dependents. Substantially all of the employees may become eligible for this benefit if they reach normal retirement age while working for the District. The District is obligated to pay this benefit as a result of union contracts and Board rules and regulations for nonunion employees.
- iii. **Contributions** – Employee contribution requirements are negotiated with each bargaining agreement. Employees eligible under Article 140 of the CBA pay 5% of the premium, plus 20% of the premium difference from the prior year, plus the cumulative

surcharge if they retired prior to July 1, 2008. The minimum retiree contribution is \$100 per month. After July 1, 2008, employees pay the pre-July 1, 2008, rate in effect on date of retirement, plus 50% of subsequent premium increases. Retiree contributions cannot exceed 50% of current premium. Employees not eligible under Article 140 of the CBA may elect coverage under Act 110 and pay 102% of the active premium or minimum of \$100 a month. The District contributed \$5,734,070 toward actual claims paid for eligible retired plan members and their dependents. The District contributions are paid from the Self-Insurance Health Care Fund on a pay-as-you-go basis.

- iv. **Net OPEB Liability** – The components of the net OPEB liability as of December 31, 2023 were as follows:

Total OPEB liability	\$ (177,821,393)
Plan fiduciary net position	<u>17,755,601</u>
Net OPEB liability	<u>\$ (160,065,792)</u>
Plan fiduciary net position as a percentage	
of the total OPEB liability	<u>9.99%</u>

- v. **Changes in the Total OPEB Liability** – The changes in the total OPEB liability for the District’s Retiree Health Plan for the year ended December 31, 2023 were as follows:

	<u>Increases/Decreases</u>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Total OPEB liability, January 1, 2023	\$ 165,073,186	\$ 15,936,042	\$ 149,137,144
Changes for the year:			
Service cost	5,057,227	-	5,057,227
Interest on the total OPEB liability	7,087,163	-	7,087,163
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(2,376,864)	-	(2,376,864)
Changes of assumptions	8,714,751	-	8,714,751
Employer contributions	-	5,734,070	(5,734,070)
Investment income	-	1,973,673	(1,973,673)
Investment expenses	-	(154,114)	154,114
Benefit payments	<u>(5,734,070)</u>	<u>(5,734,070)</u>	<u>-</u>
Total OPEB liability, December 31, 2023	<u>\$ 177,821,393</u>	<u>\$ 17,755,601</u>	<u>\$ 160,065,792</u>

- vi. **Actuarial Assumptions** – The total OPEB liability was determined as of the November 1, 2023 actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement:

- Amortization period — 30 years
- Amortization method — level dollar, open amortization
- Actuarial cost method — entry age normal
- Actuarial value of assets – market value as of the valuation date
- Mortality – Base Tables:
  - Postretirement:
    - Healthy Males: Professional: The Society of Actuaries (SOA) Public T.H.-2010 Male Table. Others: SOA Public G.H.-2010 Male Table
    - Healthy Females: Professional: The SOA Public T.H.-2010(A) Female Table. Others: SOA Public G.H-2010 Female Table
    - Disabled Lives: SOA Public NS.H-2010 Disabled Retiree Table, sex distinct
  - Pre-Retirement:
    - Active Males: Professional: SOA Public T.H.-2010 Male Table. Others: SOA Public G.H-2010 Male Table
    - Active Females: Professional: SOA Public T.H.-2010(A) Female Table. Others: SOA Public G.H-2010 Female Table

vii. **Changes in Actuarial Assumptions**

The following actuarial assumptions were revised for the December 31, 2023 measurement date:

- The discount rate changed from 4.25% at December 31, 2022 to 4.00% at December 31, 2023.

viii. **Changes in Benefit Terms** – There were no changes in benefit terms for the December 31, 2023 measurement date.

ix. **Investment Policy** – The plan’s policy regarding the allocation of invested assets is established and may be amended by the District’s board of directors. Plan assets are managed with a long-term objective to supplement the funding for the benefits provided through the OPEB plan. There were no investment policy changes during 2023.

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

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plan’s target asset allocation as of December 31, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	21.8%	6.5%
International Equity	10.8%	6.6%
Fixed Income	60.6%	2.0%
Real Estate	3.4%	2.0%
Inflation Hedge	3.0%	2.0%
Cash Equivalent	0.4%	0.0%
	<u>100.0%</u>	

- xii. **Discount Rate** – The discount rate used to measure the December 31, 2023 net OPEB liability was 4.00%. The Retiree Health 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 the Retiree Health Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.
- xiii. **Sensitivity of the District’s Total OPEB Liability to Changes in the Discount Rate** – The following presents the District’s total OPEB liability calculated using the discount rate described above, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (3.00%)	Current Discount Rate (4.00%)	1% Increase (5.00%)
District's Net OPEB liability	\$ 174,214,715	\$ 160,065,792	\$ 146,757,804

- xiv. **Sensitivity of the District’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the District’s total OPEB liability calculated using current healthcare cost trend rates as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease	Current Trend	1% Increase
District's Net OPEB liability	\$ 142,612,301	\$ 160,065,792	\$ 180,371,090

i. **Contingent Liabilities and Commitments:**

- i. **Grants** — The District participates in state and federally assisted grant programs. These programs are subject to program compliance audits. The District is potentially liable for any expenditure, which may be disallowed pursuant to the terms of these grant programs. Adjustments related to final settlement of disallowed costs are charged to the General Fund in the year of disallowances.
- ii. **Litigation** — The District is involved in a number of claims and legal actions, including tax appeals, in the normal course of operations. The Office of the District’s Solicitor and other District officials believe that such proceedings in the aggregate will not have a materially adverse effect on the District’s financial condition or the power of the District to levy and collect taxes.
- iii. **Encumbrance Commitments** — The School District has signed various contracts related to various funds that began during the fiscal year 2023 but were not completed as of December 31, 2023. Also, the District has issued supply purchase commitments for various funds as follows:

	General Fund	Capital Project Funds	Total
Restricted— Bond Fund			
Contracts and unspent proceeds	\$ -	\$ 43,192,108	\$ 43,192,108
Committed — contracts	1,448,949		1,448,949
Assigned — supply purchases	<u>886,799</u>	<u>-</u>	<u>886,799</u>
Total	<u>\$ 2,335,748</u>	<u>\$ 43,192,108</u>	<u>\$ 45,527,856</u>

- j. **Labor Relations** — Six bargaining units represent District employees. The largest unit is composed of the Pittsburgh Federation of Teachers Local 400 for Teachers and Other Professional Employees (Federation). In addition to teachers, the Federation also represents approximately 570 paraprofessionals and 23 technical-clerical employees. At a special legislative Board meeting held on August 25, 2021, the Board ratified a three-year agreement through June 30, 2024 for all three Federation represented units. The agreement includes step movements, and a 2% increase on all salary schedules. The agreements representing the Secretarial/Clerical were renewed for the period January 1, 2024 through December 31, 2026. The agreements for the Custodial/Building Trades employees expire December 31, 2024. The District is currently in negotiations to renew the contract.
- k. **Real Estate Assessments** – During 2023 several large properties appealed their real estate assessments and won reductions in their assessed values and several more were awarded reductions from their appeals subsequent to year-end that relate to 2023 and prior years. In addition, there are currently a number of real estate appeals in process for which the outcome and possible further reduction in the real estate levy cannot be determined at this time. The District has increased its allowance for doubtful accounts by approximately \$7 million to account for its estimate of possible refunds for the appeals.

**REQUIRED SUPPLEMENTARY INFORMATION  
AS OF DECEMBER 31, 2023**

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS FOR THE RETIREE HEALTH PLAN  
 FOR THE YEARS ENDED DECEMBER 31 - LAST 10 YEARS\*

	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>							
Service cost	\$ 5,057,227	\$ 7,978,802	\$ 9,450,931	\$ 7,531,132	\$ 2,054,550	\$ 5,868,788	\$ 4,553,926
Interest	7,087,163	3,934,743	4,466,900	5,751,935	5,221,241	6,987,152	7,528,964
Changes of benefit terms	-	(664,846)	-	-	-	(61,493,736)	-
Differences between expected and actual experience	(2,376,864)	(913,951)	(11,484,307)	(1,501,661)	52,660,285	(1,159,242)	418,288
Changes of assumptions	8,714,751	(31,576,346)	2,705,082	13,798,960	34,315,284	(11,337,454)	12,329,571
Benefit payments, including refunds of member contributions	(5,734,070)	(5,801,822)	(5,728,563)	(6,151,227)	(6,389,483)	(7,019,179)	(7,195,732)
<b>Net Changes in Total OPEB Liability</b>	<b>12,748,207</b>	<b>(27,043,420)</b>	<b>(589,957)</b>	<b>19,429,139</b>	<b>87,861,877</b>	<b>(68,153,671)</b>	<b>17,635,017</b>
<b>Total OPEB Liability - Beginning</b>	<b>165,073,186</b>	<b>192,116,606</b>	<b>192,706,563</b>	<b>173,277,424</b>	<b>85,415,547</b>	<b>153,569,218</b>	<b>135,934,201</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 177,821,393</b>	<b>\$ 165,073,186</b>	<b>\$ 192,116,606</b>	<b>\$ 192,706,563</b>	<b>\$ 173,277,424</b>	<b>\$ 85,415,547</b>	<b>\$ 153,569,218</b>
<b>Plan Fiduciary Net Position:</b>							
Contributions - District	\$ 5,734,070	\$ 5,801,822	\$ 5,728,563	\$ 6,151,227	\$ 6,389,483	\$ 7,019,179	\$ 7,195,732
Net investment income	1,819,559	(3,109,817)	1,056,199	1,843,964	2,007,452	(545,256)	1,219,335
Benefit payments, including refunds of member contributions	(5,734,070)	(5,801,822)	(5,728,563)	(6,151,227)	(6,389,483)	(7,019,179)	(7,195,732)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>1,819,559</b>	<b>(3,109,817)</b>	<b>1,056,199</b>	<b>1,843,964</b>	<b>2,007,452</b>	<b>(545,256)</b>	<b>1,219,335</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>15,936,042</b>	<b>19,045,859</b>	<b>17,989,660</b>	<b>16,145,696</b>	<b>14,138,244</b>	<b>14,683,500</b>	<b>13,464,165</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 17,755,601</b>	<b>\$ 15,936,042</b>	<b>\$ 19,045,859</b>	<b>\$ 17,989,660</b>	<b>\$ 16,145,696</b>	<b>\$ 14,138,244</b>	<b>\$ 14,683,500</b>
<b>Net OPEB Liability - Ending (a-b)</b>	<b>\$ 160,065,792</b>	<b>\$ 149,137,144</b>	<b>\$ 173,070,747</b>	<b>\$ 174,716,903</b>	<b>\$ 157,131,728</b>	<b>\$ 71,277,303</b>	<b>\$ 138,885,718</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>9.99%</b>	<b>9.65%</b>	<b>9.91%</b>	<b>9.34%</b>	<b>9.32%</b>	<b>16.55%</b>	<b>9.56%</b>
<b>Covered-Employee Payroll</b>	<b>\$ 288,521,056</b>	<b>\$ 271,207,448</b>	<b>\$ 273,973,162</b>	<b>\$ 281,566,221</b>	<b>\$ 271,463,068</b>	<b>\$ 270,150,811</b>	<b>\$ 254,465,764</b>
<b>Net OPEB liability as a percentage of covered employee payroll</b>	<b>55.48%</b>	<b>54.99%</b>	<b>63.17%</b>	<b>62.05%</b>	<b>57.88%</b>	<b>26.38%</b>	<b>54.58%</b>

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary information.



**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE RETIREE HEALTH PLAN  
FOR THE YEARS ENDED DECEMBER 31 - LAST 10 YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b><u>Schedule of District's Contributions</u></b>							
Contractually or statutorily required contributions	\$ 5,734,070	\$ 5,801,822	\$ 5,728,563	\$ 6,151,227	\$ 6,389,483	\$ 7,019,179	\$ 7,195,732
Contributions in relation to contractually or statutorily required contributions	<u>5,734,070</u>	<u>5,801,822</u>	<u>5,728,563</u>	<u>6,151,227</u>	<u>6,389,483</u>	<u>7,019,179</u>	<u>7,195,732</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 288,521,056	\$ 271,207,448	\$ 273,973,162	\$ 281,566,221	\$ 271,463,068	\$ 270,150,811	\$ 254,465,764
Contributions as a percentage of covered employee payroll	1.99%	2.14%	2.09%	2.18%	2.35%	2.60%	2.83%
<b><u>Investment Returns</u></b>							
Annual money-weighted rate of return, net of investment expense	11.40%	-14.43%	6.72%	12.38%	15.20%	-2.86%	2.62%

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available.

See accompanying notes to required supplementary information.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF PSERS' NET OPEB LIABILITY  
FOR THE YEARS ENDED DECEMBER 31 - LAST 10 YEARS\***

	2023	2022	2021	2020	2019	2018
District's proportion of PSERS' net OPEB liability	1.920%	2.030%	2.020%	2.122%	2.152%	2.083%
District's proportionate share of PSERS' net OPEB liability	\$ 34,800,000	\$ 37,366,000	\$ 47,984,000	\$ 45,856,000	\$ 45,761,000	\$ 43,436,000
District's covered payroll	\$ 294,691,429	\$ 298,482,824	\$ 287,007,119	\$ 297,889,703	\$ 296,726,148	\$ 280,543,582
District's proportionate share of PSERS' net OPEB liability as a percentage of its covered payroll	11.81%	12.52%	16.72%	15.39%	15.42%	15.48%
PSERS' plan fiduciary net position as a percentage of PSERS' total OPEB liability	7.22%	6.86%	5.30%	5.69%	5.56%	5.56%

\*The amounts presented for each year were determined as of the measurement date, which is June 30. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PSERS' PREMIUM ASSISTANCE  
FOR THE YEARS ENDED DECEMBER 31 - LAST 10 YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually or statutorily required contributions	\$ 2,079,326	\$ 2,297,636	\$ 2,319,519	\$ 2,434,996	\$ 2,489,486	\$ 2,416,570
Contributions recognized by PSERS	<u>2,079,326</u>	<u>2,297,636</u>	<u>2,319,519</u>	<u>2,434,996</u>	<u>2,489,486</u>	<u>2,416,570</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 306,863,666	\$ 306,641,958	\$ 299,889,329	\$ 299,157,736	\$ 302,314,345	\$ 284,317,128
Contributions as a percentage of covered payroll	0.68%	0.75%	0.81%	0.81%	0.82%	0.85%

\*The amounts presented for each year were determined as of December 31. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF PSERS' NET PENSION LIABILITY  
FOR THE YEARS ENDED DECEMBER 31 - LAST 10 YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of PSERS' net pension liability	1.930%	2.040%	2.030%	2.130%	2.152%	2.083%	2.035%	2.019%	2.010%
District's proportionate share of PSERS' net pension liability	\$ 859,610,000	\$ 905,580,000	\$ 833,369,000	\$ 1,048,791,000	\$ 1,006,575,000	\$ 1,000,087,000	\$ 1,005,103,000	\$ 1,000,949,000	\$ 870,638,000
District's covered payroll	\$ 294,691,429	\$ 298,482,824	\$ 291,627,215	\$ 299,157,736	\$ 296,726,148	\$ 280,543,582	\$ 270,952,877	\$ 261,583,154	\$ 258,611,741
District's proportionate share of PSERS' net pension liability as a percentage of its covered payroll	291.70%	303.39%	285.77%	350.58%	339.23%	356.48%	370.95%	382.65%	336.66%
PSERS' plan fiduciary net position as a percentage of PSERS' total pension liability	61.85%	61.34%	63.67%	54.32%	55.66%	54.00%	51.84%	50.14%	54.36%

\* The amounts presented for each year were determined as of the measurement date, which is June 30. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years only for which information is available.

See accompanying notes to required supplementary information.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO PSERS' PENSION PLAN  
FOR THE YEARS ENDED DECEMBER 31 - LAST 10 YEARS\***

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually or statutorily required contributions	\$ 99,986,887	\$ 100,700,574	\$ 98,550,574	\$ 97,876,104	\$ 98,255,844	\$ 93,505,397	\$ 82,468,286	\$ 71,552,379	\$ 60,773,351
Contributions recognized by PSERS	<u>99,986,887</u>	<u>100,700,574</u>	<u>98,550,574</u>	<u>97,876,104</u>	<u>98,255,844</u>	<u>93,505,397</u>	<u>82,468,286</u>	<u>71,552,379</u>	<u>60,773,351</u>
Contribution deficiency (excess)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
District's covered payroll	\$ 306,863,006	\$ 306,641,958	\$ 299,889,392	\$ 299,157,736	\$ 302,314,345	\$ 284,317,128	\$ 276,669,586	\$ 267,692,741	\$ 259,592,860
Contributions as a percentage of covered payroll	32.58%	32.84%	32.86%	32.72%	32.50%	32.89%	29.81%	26.73%	23.41%

\* The amounts presented for each year were determined as of December 31. This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the District is presenting information for those years only for which information is available

See accompanying notes to required supplementary information.

# SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

### 1. FACTORS AND TRENDS IN ACTUARIAL ASSUMPTIONS USED UNDER GASB NO. 75 FOR THE RETIREE HEALTH PLAN

Actuarial Valuation Date	11/1/2023	11/1/2021	11/1/2021	11/1/2019	11/1/2019	11/1/2017	11/1/2017
Measurement Date	12/31/2023	12/31/22	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Discount Rate	4.00%	4.25%	2.00%	2.25%	3.25%	6.25%	4.50%
Mortality	Pub-2010 Public Retirement Plans	Pub-2010 Public Retirement Plans	Pub-2010 Public Retirement Plans	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015
Changes in Benefits	None	None	None	None	None	None	None

### 2. FACTORS AND TRENDS IN ACTUARIAL ASSUMPTIONS USED UNDER GASB NO. 75 FOR THE PSERS PREMIUM ASSISTANCE (OPEBS)

Actuarial Valuation Date/ Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
School District Fiscal Year in Which NOL is Recorded	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Discount Rate	4.13%	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Salary Increases	4.50%	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%
Mortality	50% PubT-2010 and 50% PubG-2010	50% PubT-2010 and 50% PubG-2010	50% PubT-2010 and 50% PubG-2010	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015
Changes in Benefits	None	None	None	None	None	None	None
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	0.63%	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%
School District Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018

### 3. FACTORS AND TRENDS IN ACTUARIAL ASSUMPTIONS USED UNDER GASB NO. 68 FOR THE PSERS PENSION PLAN

Actuarial Valuation Date/ Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
School District Fiscal Year in Which NPL is Recorded	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Discount Rate	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%
Salary Increases	4.50%	4.50%	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.50%	5.50%
Mortality	50% PubT-2010 and 50% PubG-2010	50% PubT-2010 and 50% PubG-2010	50% PubT-2010 and 50% PubG-2010	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2014, Scale MP-2015	RP-2000	RP-2000
Changes in Benefits	None	None	None	None	A new hybrid defined benefit/ defined contribution plan is applicable for new PSERS members on July 1, 2019 and thereafter	None	Vested Class T-E and T-F members can withdraw their accumulated contributions and interest	None	None	None
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	32.92%	33.09%	34.31%	33.99%	33.51%	33.36%	32.60%	31.74%	29.20%	25.00%
School District Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015

**SUPPLEMENTARY INFORMATION –  
COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES  
AS OF AND FOR THE YEAR DECEMBER 31, 2023**



## **GENERAL FUND**

The General Fund is the principal fund of the District and is used to account for and report all financial resources not accounted for and reported in another fund.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**BUDGET COMPARISON SCHEDULE  
LEGAL LEVEL OF BUDGETARY CONTROL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Final Budgeted Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Uncommitted Appropriations</u>
100 Personnel services — salaries	\$ 198,880,948	\$ 186,280,684	\$ -	\$ 12,600,264
200 Personnel services — employee benefits	135,486,244	125,732,632	-	9,753,612
300 Purchased professional and technical services	102,500,171	93,737,055	1,789,406	6,973,710
400 Purchased property services	7,004,515	5,420,413	-	1,584,102
500 Other purchased services	170,725,922	181,925,640	422,541	(11,622,259)
600 Supplies	20,712,958	14,139,922	103,984	6,469,052
700 Property	4,652,554	2,558,564	19,817	2,074,173
800 Other objects	21,891,899	18,547,026	-	3,344,873
900 Other financing uses	27,364,164	47,698,646	-	(20,334,482)
	<u>\$ 689,219,375</u>	<u>\$ 676,040,582</u>	<u>\$ 2,335,748</u>	<u>\$ 10,843,045</u>
Budgetary basis				
Transfer for Special Education budgeted as expenditures		(86,948,311)		
Transfer for Special Revenue Fund Indirect Costs budgeted as expenditures		(15,536,698)		
Transfer for Other Governmental Funds, Capital Projects, and Internal Service Fund not budgeted		(18,196,289)		
Tax refunds budgeted as expenditures		<u>(4,198,116)</u>		
GAAP expenditures		<u>\$ 551,161,168</u>		



## **NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor governmental funds include Special Revenue Funds and Debt Service Funds. Special Revenue Funds are used to account for a nonprofit grant program and a fund created by District legislative action.

Debt Service Funds account for resources related to long-term obligation debt.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF DECEMBER 31, 2023**

	Debt Service Fund	Special Revenue Funds		Total
		Special Trust Fund	Westinghouse Scholarship	
<b>ASSETS</b>				
Cash	\$ 991,927	\$ 43,023	\$ 103,670	\$ 1,138,620
Investments	26,107	-	24,969	51,076
Interest receivable	-	-	4,384	4,384
<b>TOTAL ASSETS</b>	<b>\$ 1,018,034</b>	<b>\$ 43,023</b>	<b>\$ 133,023</b>	<b>\$ 1,194,080</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 6,250	\$ 6,250
<b>FUND BALANCE</b>				
Restricted for — scholarships	\$ -	\$ -	\$ 126,773	\$ 126,773
Assigned to:				
Debt service	1,018,034	-	-	1,018,034
Special trust	-	43,023	-	43,023
<b>Total Fund Balance</b>	<b>\$ 1,018,034</b>	<b>\$ 43,023</b>	<b>\$ 126,773</b>	<b>\$ 1,187,830</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,018,034</b>	<b>\$ 43,023</b>	<b>\$ 133,023</b>	<b>\$ 1,194,080</b>

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Debt Service Fund</b>	<b>Special Revenue Funds</b>		<b>Total</b>
		<b>Special Trust Fund</b>	<b>Westinghouse Scholarship</b>	
REVENUES:				
Investment income	\$ -	\$ -	\$ 1,914	\$ 1,914
EXPENDITURES:				
Instruction:				
Other instructional programs	-	-	72,000	72,000
Support services:				
Administration	2,500	10,000	-	12,500
Total Expenditures	2,500	10,000	72,000	84,500
CHANGE IN FUND BALANCES	(2,500)	(10,000)	(70,086)	(82,586)
FUND BALANCES — January 1, 2023	1,020,534	53,023	196,859	1,270,416
FUND BALANCES — December 31, 2023	<u>\$ 1,018,034</u>	<u>\$ 43,023</u>	<u>\$ 126,773</u>	<u>\$ 1,187,830</u>

## **INTERNAL SERVICE FUNDS**

Internal Service Funds account for the accumulation of contributions for the various funds to provide for current and long-term workers' compensation claims, unemployment claims, health benefits, central duplicating, and general liability claims.

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
AS OF DECEMBER 31, 2023**

	<b>Workers' Compensation Fund</b>	<b>Unemployment Compensation Fund</b>	<b>General Liability Fund</b>	<b>Central Duplication Services</b>	<b>Self-Insurance Health Care Fund</b>	<b>Total</b>
<b>ASSETS</b>						
CURRENT ASSETS:						
Cash	\$ 3,743,247	\$ 6,576,236	\$ 1,215,979	\$ -	\$ 90	\$ 11,535,552
Investments	5,695,060	-	-	-	12,293,433	17,988,493
Interest receivable	-	-	-	-	8,852	8,852
Other receivables	-	-	-	855,086	-	855,086
Total current assets	<u>9,438,307</u>	<u>6,576,236</u>	<u>1,215,979</u>	<u>855,086</u>	<u>12,302,375</u>	<u>30,387,983</u>
NONCURRENT ASSETS:						
Restricted cash	3,081,310	-	-	-	-	3,081,310
Restricted investments	702,866	-	-	-	-	702,866
Total noncurrent assets	<u>3,784,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,784,176</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 13,222,483</u></u>	<u><u>\$ 6,576,236</u></u>	<u><u>\$ 1,215,979</u></u>	<u><u>\$ 855,086</u></u>	<u><u>\$ 12,302,375</u></u>	<u><u>\$ 34,172,159</u></u>
<b>LIABILITIES</b>						
CURRENT LIABILITIES:						
Accounts payable	\$ 109,554	\$ 36,913	\$ 8,750	\$ -	\$ 5,580,293	\$ 5,735,510
Current portion of workers' compensation reserve	1,800,000	-	-	-	-	1,800,000
Total current liabilities	<u>1,909,554</u>	<u>36,913</u>	<u>8,750</u>	<u>-</u>	<u>5,580,293</u>	<u>7,535,510</u>
NONCURRENT LIABILITIES:						
Workers' compensation reserve	2,877,000	-	-	-	-	2,877,000
Total noncurrent liabilities	<u>2,877,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,877,000</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 4,786,554</u></u>	<u><u>\$ 36,913</u></u>	<u><u>\$ 8,750</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,580,293</u></u>	<u><u>\$ 10,412,510</u></u>
<b>NET POSITION — Unrestricted</b>	<u><u>\$ 8,435,929</u></u>	<u><u>\$ 6,539,323</u></u>	<u><u>\$ 1,207,229</u></u>	<u><u>\$ 855,086</u></u>	<u><u>\$ 6,722,082</u></u>	<u><u>\$ 23,759,649</u></u>



**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Workers' Compensation Fund</b>	<b>Unemployment Compensation Fund</b>	<b>General Liability Fund</b>	<b>Central Duplication Services</b>	<b>Self-Insurance Health Care Fund</b>	<b>Total</b>
OPERATING REVENUES — contributions	\$ 2,535,700	\$ 596,669	\$ -	\$ -	\$ 69,942,928	\$ 73,075,297
OPERATING EXPENSES:						
Support services — central:						
Employee salaries, benefits, insurance, and supplies	566,393	14,000	860	-	-	581,253
Benefit payments	<u>3,165,647</u>	<u>78,333</u>	<u>201,557</u>	-	<u>73,533,372</u>	<u>76,978,909</u>
Total operating expenses	<u>3,732,040</u>	<u>92,333</u>	<u>202,417</u>	-	<u>73,533,372</u>	<u>77,560,162</u>
OPERATING GAIN (LOSS)	(1,196,340)	504,336	(202,417)	-	(3,590,444)	(4,484,865)
NONOPERATING REVENUES — investment earnings	<u>95,542</u>	-	-	-	<u>337,251</u>	<u>432,793</u>
INCOME (LOSS) BEFORE TRANSFERS	(1,100,798)	504,336	(202,417)	-	(3,253,193)	(4,052,072)
TRANSFERS IN / (OUT)	<u>-</u>	<u>-</u>	<u>857,312</u>	<u>720,769</u>	<u>3,564,762</u>	<u>5,142,843</u>
CHANGE IN NET POSITION	(1,100,798)	504,336	654,895	720,769	311,569	1,090,771
NET POSITION — January 1, 2023	<u>9,536,727</u>	<u>6,034,987</u>	<u>552,334</u>	<u>134,317</u>	<u>6,410,513</u>	<u>22,668,878</u>
NET POSITION — December 31, 2023	<u>\$ 8,435,929</u>	<u>\$ 6,539,323</u>	<u>\$ 1,207,229</u>	<u>\$ 855,086</u>	<u>\$ 6,722,082</u>	<u>\$ 23,759,649</u>

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Workers' Compensation Fund	Unemployment Compensation Fund	General Liability Fund	Central Duplication Services	Self-Insurance Health Care Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Contributions	\$ 2,535,700	\$ 596,669	\$ -	\$ -	\$ 69,942,928	\$ 73,075,297
Payments to claimants	(2,730,920)	(78,501)	(209,307)	-	(72,454,138)	(75,472,866)
Payments to employees	(582,487)	(14,000)	(860)	-	-	(597,347)
Net cash provided by (used in) operating activities	(777,707)	504,168	(210,167)	-	(2,511,210)	(2,994,916)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES — Transfers to/from other funds</b>						
	-	-	857,312	-	3,564,762	4,422,074
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Interest received	95,542	-	-	-	330,637	426,179
Sale (purchase) of investments	(274,158)	-	-	-	(1,384,099)	(1,658,257)
Net cash provided by (used in) investing activities	(178,616)	-	-	-	(1,053,462)	(1,232,078)
<b>INCREASE (DECREASE) IN CASH</b>	(956,323)	504,168	647,145	-	90	195,080
<b>CASH — January 1, 2023 (including \$3,310,342 included in restricted assets)</b>	7,780,880	6,072,068	568,834	-	-	14,421,782
<b>CASH — December 31, 2023 (including \$3,081,310 included in restricted assets)</b>	\$ 6,824,557	\$ 6,576,236	\$ 1,215,979	\$ -	\$ 90	\$ 14,616,862
<b>RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>						
Operating gain (loss)	\$ (1,196,340)	\$ 504,336	\$ (202,417)	\$ -	\$ (3,590,444)	\$ (4,484,865)
Changes in assets and liabilities:						
Accounts payable	(158,072)	(168)	(7,750)	-	1,079,234	913,244
Accrued salaries	(16,094)	-	-	-	-	(16,094)
Workers' compensation reserve	592,799	-	-	-	-	592,799
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	\$ (777,707)	\$ 504,168	\$ (210,167)	\$ -	\$ (2,511,210)	\$ (2,994,916)

## **STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the School District of Pittsburgh’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	
<i>These schedules contain trend information to help the reader understand how the District’s financial performance and well-being have changed over time.</i>	92-96
Revenue Capacity	
<i>These schedules contain information to help the reader assess the District’s most significant local revenue source – the property tax.</i>	97-102
Debt Capacity	
<i>These schedules present information to help the reader assess the affordability of the District’s current levels of outstanding debt and the District’s ability to issue additional debt in the future.</i>	103-106
Demographic and Economic Information	
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the District’s financial activities take place.</i>	107-108
Operating Information	
<i>These schedules contain student, employee, and infrastructure data to help the reader understand how the information in the District’s financial report relates to the services the government provides and the activities it performs.</i>	109-114

**SCHOOL DISTRICT OF PITTSBURG**

**NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)**

	2014 <sup>(a)</sup>	2015	2016	2017	2018 <sup>(b)</sup>	2019	2020	2021	2022	2023
<b>GOVERNMENTAL ACTIVITIES:</b>										
Net investment in capital assets	\$ 93,747,943	\$ 110,927,600	\$ 124,146,198	\$ 133,996,430	\$ 145,976,294	\$ 146,330,493	\$ 155,250,425	\$ 149,678,177	\$ 146,937,398	\$ 140,627,204
Restricted:										
Capital projects	4,397,245	-	-	-	-	-	-	-	-	-
Workers' compensation	8,554,591	8,287,367	7,772,626	7,079,087	6,286,054	5,744,990	4,348,090	3,393,848	4,084,201	3,784,176
Scholarships	402,166	402,165	402,165	405,208	398,165	354,152	313,334	246,540	466,280	521,623
Unrestricted	<u>(613,199,772)</u>	<u>(683,452,971)</u>	<u>(717,030,505)</u>	<u>(751,423,327)</u>	<u>(866,245,017)</u>	<u>(928,147,836)</u>	<u>(970,963,684)</u>	<u>(964,180,424)</u>	<u>(950,400,795)</u>	<u>(908,864,465)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES NET POSITION</b>	<u>\$ (506,097,827)</u>	<u>\$ (563,835,839)</u>	<u>\$ (584,709,516)</u>	<u>\$ (609,942,602)</u>	<u>\$ (713,584,504)</u>	<u>\$ (775,718,201)</u>	<u>\$ (811,051,835)</u>	<u>\$ (810,861,859)</u>	<u>\$ (798,912,916)</u>	<u>\$ (763,931,462)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Investment in capital assets	\$ 8,078,273	\$ 7,696,326	\$ 7,545,477	\$ 8,575,997	\$ 8,452,268	\$ 8,053,001	\$ 7,713,582	\$ 7,316,174	\$ 6,875,474	\$ 6,455,272
Unrestricted	<u>2,483,606</u>	<u>3,462,655</u>	<u>4,290,587</u>	<u>4,744,436</u>	<u>4,882,476</u>	<u>5,572,336</u>	<u>54,231</u>	<u>(4,575,678)</u>	<u>(4,472,529)</u>	<u>5,583,108</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION</b>	<u>\$ 10,561,879</u>	<u>\$ 11,158,981</u>	<u>\$ 11,836,064</u>	<u>\$ 13,320,433</u>	<u>\$ 13,334,744</u>	<u>\$ 13,625,337</u>	<u>\$ 7,767,813</u>	<u>\$ 2,740,496</u>	<u>\$ 2,402,945</u>	<u>\$ 12,038,380</u>
<b>PRIMARY GOVERNMENT:</b>										
Net investment in capital assets	\$ 101,826,216	\$ 118,623,926	\$ 131,691,675	\$ 142,572,427	\$ 154,428,562	\$ 154,383,494	\$ 162,964,007	\$ 156,994,351	\$ 153,812,872	\$ 147,082,476
Restricted:										
Capital projects	4,397,245	-	-	-	-	-	-	-	-	-
Workers' compensation	8,554,591	8,287,367	7,772,626	7,079,087	6,286,054	5,744,990	4,348,090	3,393,848	4,084,201	3,784,176
Scholarships	402,166	402,165	402,165	405,208	398,165	354,152	313,334	246,540	466,280	521,623
Unrestricted	<u>(610,716,166)</u>	<u>(680,000,316)</u>	<u>(712,739,918)</u>	<u>(746,678,891)</u>	<u>(861,362,541)</u>	<u>(922,575,500)</u>	<u>(970,909,453)</u>	<u>(968,756,102)</u>	<u>(954,873,324)</u>	<u>(903,281,357)</u>
<b>TOTAL PRIMARY GOVERNMENT NET POSITION</b>	<u>\$ (495,535,948)</u>	<u>\$ (552,686,858)</u>	<u>\$ (572,873,452)</u>	<u>\$ (596,622,169)</u>	<u>\$ (700,249,760)</u>	<u>\$ (762,092,864)</u>	<u>\$ (803,284,022)</u>	<u>\$ (808,121,363)</u>	<u>\$ (796,509,971)</u>	<u>\$ (751,893,082)</u>

(a) 2014 has been amended to reflect GASB #68

(b) 2018 has been amended to reflect GASB #75

Source: School District of Pittsburgh, Finance Division

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>EXPENSES:</b>										
Governmental activities:										
Instruction	\$ 382,170,153	\$ 436,217,437	\$ 442,659,232	\$ 454,890,810	\$ 419,608,810	\$ 488,002,406	\$ 510,934,392	\$ 489,095,629	\$ 489,865,693	\$ 520,211,313
Instruction student support	63,231,453	74,714,596	67,861,876	70,597,215	69,861,843	84,075,485	79,049,981	81,462,495	60,307,508	63,097,425
Administrative and financial support services	41,313,696	51,982,083	53,352,513	52,720,424	49,010,594	65,545,993	60,867,209	57,359,103	64,775,127	64,629,662
Operation and maintenance of plant services	48,695,238	55,071,032	52,330,948	56,049,883	53,511,469	63,675,484	58,599,014	52,787,812	58,762,547	57,135,804
Student transportation services	40,978,967	38,781,256	40,256,083	41,047,248	39,786,317	41,605,702	23,795,204	28,536,545	45,752,133	47,132,729
Facilities	3,913,433	4,686,576	3,528,096	2,428,204	3,480,114	4,264,966	4,286,195	6,286,450	6,571,324	5,758,836
Student activities	5,070,318	5,580,447	5,509,900	5,217,046	5,011,319	5,682,005	4,201,123	4,278,031	5,010,503	5,881,042
Community services	53,681	256,939	595,541	471,385	323,665	609,284	651,342	261,392	573,451	1,455,262
Scholarships and awards	-	-	-	-	-	-	-	-	-	-
Interest on long-term debt	15,434,255	15,295,648	14,882,745	14,554,589	13,432,180	12,330,395	11,930,701	9,517,032	10,556,103	13,290,396
<b>Total governmental activities</b>	<b>600,861,194</b>	<b>682,586,014</b>	<b>680,976,934</b>	<b>697,976,804</b>	<b>654,026,311</b>	<b>765,791,720</b>	<b>754,315,161</b>	<b>729,584,489</b>	<b>742,174,389</b>	<b>778,592,469</b>
Business-type activities:										
Food service operations	16,807,538	16,588,099	17,871,176	17,923,655	18,526,497	18,150,119	14,569,625	12,798,129	19,039,900	20,315,000
<b>Total business-type activities</b>	<b>16,807,538</b>	<b>16,588,099</b>	<b>17,871,176</b>	<b>17,923,655</b>	<b>18,526,497</b>	<b>18,150,119</b>	<b>14,569,625</b>	<b>12,798,129</b>	<b>19,039,900</b>	<b>20,315,000</b>
<b>Total primary government</b>	<b>617,668,732</b>	<b>699,174,113</b>	<b>698,848,110</b>	<b>715,900,459</b>	<b>672,552,808</b>	<b>783,941,839</b>	<b>768,884,786</b>	<b>742,382,618</b>	<b>761,214,289</b>	<b>798,907,469</b>
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services — instruction	2,325,206	3,156,220	4,293,385	6,542,880	6,734,546	5,995,713	6,304,261	6,186,028	6,775,045	6,450,864
Operating grants and contributions	84,614,775	83,350,244	102,181,958	87,155,820	84,689,895	91,842,862	93,816,541	98,069,801	111,991,036	156,595,988
<b>Total governmental activities program revenues</b>	<b>86,939,981</b>	<b>86,506,464</b>	<b>106,475,343</b>	<b>93,698,700</b>	<b>91,424,441</b>	<b>97,838,575</b>	<b>100,120,802</b>	<b>104,255,829</b>	<b>118,766,081</b>	<b>163,046,852</b>
Business-type activities:										
Charges for services — food sales	1,347,648	1,033,129	1,164,566	1,141,617	1,101,798	1,263,479	1,214,145	1,354,772	1,135,197	1,465,568
Operating grants and contributions	15,444,970	16,152,072	17,182,450	16,976,423	17,392,811	17,096,091	7,479,245	6,414,363	17,477,519	20,213,146
<b>Total business-type activities program revenues</b>	<b>16,792,618</b>	<b>17,185,201</b>	<b>18,347,016</b>	<b>18,118,040</b>	<b>18,494,609</b>	<b>18,359,570</b>	<b>8,693,390</b>	<b>7,769,135</b>	<b>18,612,716</b>	<b>21,678,714</b>
<b>Total primary government program revenues</b>	<b>103,732,599</b>	<b>103,691,665</b>	<b>124,822,359</b>	<b>111,816,740</b>	<b>109,919,050</b>	<b>116,198,145</b>	<b>108,814,192</b>	<b>112,024,964</b>	<b>137,378,797</b>	<b>184,725,566</b>
<b>NET (EXPENSE) REVENUE:</b>										
Governmental activities	(513,921,213)	(596,079,550)	(574,501,591)	(604,278,104)	(562,601,870)	(667,953,145)	(654,194,359)	(625,328,660)	(623,408,308)	(615,545,617)
Business-type activities	(14,920)	597,102	475,840	194,385	(31,888)	209,451	(5,876,235)	(5,028,994)	(427,184)	1,363,714
<b>TOTAL PRIMARY GOVERNMENT NET EXPENSE</b>	<b>\$ (513,936,133)</b>	<b>\$ (595,482,448)</b>	<b>\$ (574,025,751)</b>	<b>\$ (604,083,719)</b>	<b>\$ (562,633,758)</b>	<b>\$ (667,743,694)</b>	<b>\$ (660,070,594)</b>	<b>\$ (630,357,654)</b>	<b>\$ (623,835,492)</b>	<b>\$ (614,181,903)</b>

(Continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual basis of accounting)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL REVENUES:										
Taxes:										
Real estate	\$ 166,111,256	\$ 169,534,710	\$ 177,051,628	\$ 180,898,950	\$ 186,571,183	\$ 186,315,908	\$ 193,479,869	\$ 210,146,308	\$ 198,961,617	\$ 192,367,825
Earned income	115,024,230	125,232,644	120,904,738	129,029,271	134,432,723	144,121,729	147,645,461	147,082,350	169,827,347	175,504,913
Others	350,243	329,639	329,770	311,479	319,477	297,626	330,413	339,174	346,673	341,156
Federal and state grants and subsidies	248,356,557	233,699,572	248,634,332	265,111,419	270,647,094	268,507,153	274,786,286	265,208,117	263,066,068	281,159,427
Investment income	771,590	1,070,711	1,036,203	2,144,835	3,939,521	4,631,029	1,529,302	569,933	2,055,822	7,490,177
Gain on sale of Capital Assets	-	-	-	-	-	-	-	-	-	274,946
Miscellaneous income	11,385,123	8,464,262	5,880,905	2,824,885	3,326,085	1,946,003	1,089,394	2,172,754	1,099,724	1,218,055
Transfers	-	-	(199,662)	(1,275,821)	-	-	-	-	-	(7,829,430)
Total government activities	541,998,999	538,331,538	553,637,914	579,045,018	599,236,083	605,819,448	618,860,725	625,518,636	635,357,251	650,527,069
BUSINESS-TYPE ACTIVITIES:										
Investment income	-	-	1,581	14,163	46,199	81,142	18,711	1,677	89,633	442,291
Transfers	-	-	199,662	1,275,821	-	-	-	-	-	7,829,430
Total business-type activities	-	-	201,243	1,289,984	46,199	81,142	18,711	1,677	89,633	8,271,721
Total primary government	541,998,999	538,331,538	553,839,157	580,335,002	599,282,282	605,900,590	618,879,436	625,520,313	635,446,884	658,798,790
CHANGE IN NET POSITION:										
Governmental activities	28,077,786	(57,748,012)	(20,863,677)	(25,233,086)	36,634,213	(62,133,697)	(35,333,634)	189,976	11,948,943	34,981,454
Business-type activities	(14,920)	597,102	677,083	1,484,369	14,311	290,593	(5,857,524)	(5,027,317)	(337,551)	9,635,435
TOTAL PRIMARY GOVERNMENT	\$ 28,062,866	\$ (57,150,910)	\$ (20,186,594)	\$ (23,748,717)	\$ 36,648,524	\$ (61,843,104)	\$ (41,191,158)	\$ (4,837,341)	\$ 11,611,392	\$ 44,616,889

(Concluded)

Source: School District of Pittsburgh, Finance Division

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**FUND BALANCE OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>GENERAL FUND:</b>										
Nonspendable	\$ 314,304	\$ 349,889	\$ 409,617	\$ 463,988	\$ 460,092	\$ 506,125	\$ 549,977	\$ 395,131	\$ 466,280	\$ 521,623
Committed	22,924,133	22,166,362	22,884,045	24,422,976	22,383,557	23,842,825	8,536,543	5,954,928	6,948,886	4,691,711
Assigned	27,597,380	23,792,065	16,702,390	26,937,325	34,843,565	40,833,158	40,356,146	29,444,398	17,389,659	32,871,830
Unassigned	<u>78,377,293</u>	<u>86,923,714</u>	<u>93,606,169</u>	<u>80,087,911</u>	<u>57,242,893</u>	<u>25,996,304</u>	<u>42,259,239</u>	<u>47,508,614</u>	<u>56,531,612</u>	<u>46,565,503</u>
Total general fund	<u>129,213,110</u>	<u>133,232,030</u>	<u>133,602,221</u>	<u>131,912,200</u>	<u>114,930,107</u>	<u>91,178,412</u>	<u>91,701,905</u>	<u>83,303,071</u>	<u>81,336,437</u>	<u>84,650,667</u>
<b>CAPITAL PROJECTS:</b>										
Restricted	4,397,245	9,702,809	5,245,757	7,740,109	10,085,975	10,328,615	15,622,823	27,597,954	35,067,489	43,192,108
Committed	1,870,946	2,995,565	3,882,349	3,427,265	1,275,836	880,173	876,311	-	90,098	-
Assigned	<u>6,132,860</u>	<u>8,798,125</u>	<u>7,556,510</u>	<u>3,281,537</u>	<u>2,105,829</u>	<u>3,265,738</u>	<u>2,728,476</u>	<u>4,008,979</u>	<u>2,112,778</u>	<u>5,422,439</u>
Total capital projects	<u>12,401,051</u>	<u>21,496,499</u>	<u>16,684,616</u>	<u>14,448,911</u>	<u>13,467,640</u>	<u>14,474,526</u>	<u>19,227,610</u>	<u>31,606,933</u>	<u>37,270,365</u>	<u>48,614,547</u>
<b>SPECIAL REVENUE FUNDS:</b>										
Nonspendable	-	-	-	146,531	146,530	-	-	-	-	-
Assigned	-	-	6,733,949	5,917,093	4,316,479	5,374,374	3,484,314	675,633	400,558	2,856,793
Total special funds	-	-	6,733,949	6,063,624	4,463,009	5,374,374	3,484,314	675,633	400,558	2,856,793
<b>OTHER GOVERNMENTAL FUNDS:</b>										
Restricted	402,166	402,165	402,165	405,208	398,165	351,900	313,334	246,540	196,859	126,773
Assigned	<u>4,589,524</u>	<u>7,162,793</u>	<u>2,226,867</u>	<u>2,224,367</u>	<u>2,210,867</u>	<u>2,221,617</u>	<u>2,209,948</u>	<u>1,080,450</u>	<u>1,073,557</u>	<u>1,061,057</u>
Total other governmental funds	<u>4,991,690</u>	<u>7,564,958</u>	<u>2,629,032</u>	<u>2,629,575</u>	<u>2,609,032</u>	<u>2,573,517</u>	<u>2,523,282</u>	<u>1,326,990</u>	<u>1,270,416</u>	<u>1,187,830</u>
<b>TOTAL ALL FUNDS</b>	<b>\$ 146,605,851</b>	<b>\$ 162,293,487</b>	<b>\$ 159,649,818</b>	<b>\$ 155,054,310</b>	<b>\$ 135,469,788</b>	<b>\$ 113,600,829</b>	<b>\$ 116,937,111</b>	<b>\$ 116,912,627</b>	<b>\$ 120,277,776</b>	<b>\$ 137,309,837</b>

Source: School District of Pittsburgh



**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(Modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>REVENUES:</b>										
Taxes	\$ 283,619,068	\$ 293,937,695	\$ 302,762,421	\$ 310,474,784	\$ 321,257,976	\$ 334,427,668	\$ 337,599,258	\$ 354,564,813	\$ 378,418,052	\$ 372,240,503
Local nontax revenue	13,710,331	11,620,482	10,169,915	9,368,821	16,059,182	7,941,716	7,393,655	7,239,706	7,874,769	7,668,919
Federal and state grants and subsidies	332,971,291	332,629,306	350,816,290	352,267,239	349,338,439	360,350,014	368,602,826	364,396,994	375,057,105	437,755,421
Investment earnings	730,103	999,250	974,411	2,064,048	3,745,938	4,409,892	1,477,669	565,529	1,960,792	7,057,382
<b>Total revenues</b>	<b>631,030,793</b>	<b>639,186,733</b>	<b>664,723,037</b>	<b>674,174,892</b>	<b>690,401,535</b>	<b>707,129,290</b>	<b>715,073,408</b>	<b>726,767,042</b>	<b>763,310,718</b>	<b>824,722,225</b>
<b>EXPENDITURES:</b>										
Instruction	356,458,279	361,474,054	404,463,169	414,059,644	430,908,240	446,836,082	468,072,831	477,919,135	482,094,532	512,898,438
Support service instruction	39,574,812	39,194,396	45,521,198	44,423,389	52,072,463	62,848,255	59,752,319	66,448,765	57,439,864	60,250,142
Administration and business	54,071,188	56,499,043	60,707,061	58,691,510	62,263,791	59,783,327	54,493,212	56,027,749	51,742,375	51,274,832
Pupil health	8,428,528	8,603,277	9,494,670	10,942,905	12,537,663	12,653,869	12,358,262	12,926,465	12,494,783	14,459,755
Operation and maintenance	48,876,362	47,463,714	50,075,735	54,330,332	56,842,665	57,511,835	52,306,207	52,271,869	58,599,205	57,996,337
Transportation	40,983,089	38,614,822	40,189,432	41,095,873	39,862,021	40,923,870	23,688,815	28,534,195	45,764,199	47,172,209
Operation of noninstructional services	5,433,551	5,359,136	5,799,667	5,485,868	5,683,772	5,946,634	4,745,444	4,744,373	5,530,559	7,340,266
Facilities — capital outlay	20,524,374	21,397,755	41,950,021	29,223,895	27,696,454	39,747,717	46,335,730	26,442,094	27,272,363	34,829,439
Facilities — noncapital outlay	(1,389,763)	1,300,750	(8,593,381)	(962,297)	(698,613)	991,382	(10,623,029)	1,343,627	5,256,607	4,374,955
Debt service principal and interest:										
Principal	38,472,050	38,483,949	34,574,420	30,914,348	34,109,343	31,049,408	27,149,542	39,954,747	41,630,024	27,502,357
Interest	17,497,178	16,758,523	15,924,774	15,024,022	14,807,930	13,956,880	13,927,789	14,144,230	13,571,966	14,188,022
Other charges	4,307,056	3,492,886	3,125,668	316,395	96,926	313,324	368,708	327,241	622,709	257,599
<b>Total expenditures</b>	<b>633,236,704</b>	<b>638,642,305</b>	<b>703,232,434</b>	<b>703,545,884</b>	<b>736,182,655</b>	<b>772,562,583</b>	<b>752,575,830</b>	<b>781,084,490</b>	<b>802,019,186</b>	<b>832,544,351</b>
<b>EXCESS OF REVENUES OVER/ UNDER EXPENDITURES</b>	<b>(2,205,911)</b>	<b>544,428</b>	<b>(38,509,397)</b>	<b>(29,370,992)</b>	<b>(45,781,120)</b>	<b>(65,433,293)</b>	<b>(37,502,422)</b>	<b>(54,317,448)</b>	<b>(38,708,468)</b>	<b>(7,822,126)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Issuance of general obligation bonds	9,995,000	21,215,000	20,590,000	24,000,000	23,880,000	33,595,000	33,955,000	35,780,000	34,585,000	36,510,000
Premium on refunding	3,222,496	3,175,970	-	889,093	-	-	-	-	-	-
Premium on general obligation bonds	378,833	1,164,174	1,226,239	1,626,539	1,917,715	13,060,210	7,523,902	2,980,884	941,380	1,041,516
Issuance of refunding bonds/notes	36,740,000	25,750,000	-	8,710,000	-	36,765,000	15,925,000	10,705,000	12,334,000	-
Debt service (payments to refunded bond escrow agent)	(42,091,668)	(28,675,926)	-	(9,599,093)	-	(43,345,072)	(16,686,972)	-	-	-
Other capital leases	6,926,213	365,700	13,802,396	-	-	4,355,832	-	4,374,398	-	-
Sale of or compensation for capital assets	1,577,107	248,290	1,406,754	379,011	203,915	-	1,500	390,157	5,500	274,946
Transfers in	29,029,304	31,727,233	32,363,404	19,427,831	18,885,568	22,027,754	17,758,889	18,262,674	19,715,444	25,458,355
Transfers out	(30,229,304)	(39,827,233)	(33,523,066)	(20,657,897)	(18,690,600)	(22,894,390)	(17,638,615)	(18,200,149)	(25,507,707)	(38,430,630)
<b>Total other financing sources</b>	<b>15,547,981</b>	<b>15,143,208</b>	<b>35,865,727</b>	<b>24,775,484</b>	<b>26,196,598</b>	<b>43,564,334</b>	<b>40,838,704</b>	<b>54,292,964</b>	<b>42,073,617</b>	<b>24,854,187</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 13,342,070</b>	<b>\$ 15,687,636</b>	<b>\$ (2,643,670)</b>	<b>\$ (4,595,508)</b>	<b>\$ (19,584,522)</b>	<b>\$ (21,868,959)</b>	<b>\$ 3,336,282</b>	<b>\$ (24,484)</b>	<b>\$ 3,365,149</b>	<b>\$ 17,032,061</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>9.13 %</b>	<b>8.95 %</b>	<b>7.64 %</b>	<b>6.81 %</b>	<b>6.90 %</b>	<b>6.14 %</b>	<b>5.82 %</b>	<b>7.17 %</b>	<b>7.13 %</b>	<b>5.23 %</b>

Source: School District of Pittsburgh, Finance Division

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**LAST TEN FISCAL YEARS**

**(Accrual basis of accounting)**

---

<b>Fiscal Year</b>	<b>Real Estate Tax</b>	<b>Real Estate Transfer Tax</b>	<b>Earned Income Tax</b>	<b>Mercantile Tax</b>	<b>Public Utility Realty Tax</b>	<b>Total</b>
2014	\$ 156,014,965	\$ 10,096,291	\$ 115,024,230	\$ 206	\$ 350,037	\$ 281,485,729
2015	158,342,753	11,191,957	125,232,644	30	329,609	295,096,993
2016	163,086,053	13,965,575	120,904,738	-	329,770	298,286,136
2017	168,307,547	14,915,327	129,029,271	-	311,479	312,563,624
2018	171,455,459	15,115,724	134,432,723	24	319,453	321,323,383
2019	171,507,647	14,808,261	144,121,729	56	297,570	330,735,263
2020	178,676,739	14,803,130	147,645,461	-	330,413	341,455,743
2021	188,656,569	21,489,739	147,082,349	-	339,174	357,567,831
2022	177,262,893	21,698,724	169,827,347	-	346,673	369,135,637
2023	177,407,322	14,960,503	175,504,913	-	341,156	368,213,894

Source: School District of Pittsburgh, Finance Division

## SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

### GENERAL GOVERNMENT TAX REVENUES BY SOURCE

LAST TEN FISCAL YEARS

(Modified accrual basis of accounting)

Fiscal Year	Real Estate Tax	Earned Income Tax	Mercantile Tax <sup>(a)</sup>	Real Estate Transfer Tax	Public Utility Realty Tax	Total
2014	\$ 158,148,304	\$ 115,024,230	\$ 206	\$ 10,096,291	\$ 350,037	\$ 283,619,068
2015	162,960,019	119,456,080	30	11,191,257	329,609	293,936,995
2016	165,114,071	123,353,005	-	13,965,575	329,770	302,762,421
2017	168,884,866	128,687,036	-	14,915,327	311,479	312,798,708
2018	174,783,209	133,609,259	24	15,115,724	319,429	323,827,645
2019	173,169,897	146,151,884	56	14,808,261	297,570	334,427,668
2020	180,023,037	145,094,029	-	14,803,130	330,413	340,250,609
2021	180,638,276	152,097,624	-	21,489,739	339,174	354,564,813
2022	190,365,946	166,006,709	-	21,698,724	346,673	378,418,052
2023	182,422,231	174,516,612	-	14,960,504	341,156	372,240,503

(a) The Mercantile Tax was eliminated as of 2005 by Pennsylvania General Assembly legislation HB 850 and HB 197 to provide as part of its plan of financial assistance to the City of Pittsburgh.

Source: School District of Pittsburgh, Finance Division

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY <sup>(a)</sup>**

**LAST TEN FISCAL YEARS**

**(Amounts in thousands)**

Fiscal Year	City of Pittsburgh and Mt. Oliver Borough (Values Assessed in Thousands) <sup>(b)</sup>					Estimated Actual Taxable Value	Total Assessed Value to Total Estimated Actual Value <sup>(c)</sup>	Total Average Direct Rate
	Assessed Value Residential	Assessed Value Commercial	Total Assessed Value	Less Tax-Exempt Real Property	Total Taxable Assessed Value			
2014	\$ 10,235,792	\$ 20,960,046	\$ 31,195,838	\$ 12,464,686	\$ 18,731,152	\$ 18,731,152	1.000	9.84
2015	10,380,472	20,908,046	31,288,518	12,535,072	18,753,446	18,753,446	1.000	9.84
2016	10,523,335	21,114,724	31,638,059	12,314,232	19,323,827	22,222,401	0.870	9.84
2017	10,609,141	21,257,418	31,866,559	12,224,697	19,641,862	22,588,141	0.870	9.84
2018	10,727,275	20,861,859	31,589,134	11,509,052	20,080,082	23,092,094	0.870	9.84
2019	10,858,689	21,252,289	32,110,978	11,543,201	20,567,777	18,716,677	1.099	9.84
2020	10,989,504	21,471,562	32,461,066	11,491,952	20,969,114	24,324,172	0.862	9.95
2021	11,194,295	21,802,856	32,997,151	11,711,180	21,285,971	24,691,726	0.862	9.95
2022	11,351,555	21,763,631	33,115,186	11,584,904	21,530,282	33,802,543	0.637	10.25
2023	11,505,665	22,153,516	33,659,181	11,561,954	22,097,227	34,692,646	0.637	10.25

(a) Figures in U.S. dollars.

(b) City of Pittsburgh, Department of Finance, Division of Real Estate Property — updated levy.

(c) Pennsylvania State Tax Equalization Board ([www.steb.state.pa.us](http://www.steb.state.pa.us)) and Pennsylvania Department of Revenue Common Level Ratio.

## SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

### PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal Year	School District of Pittsburgh Millage	Overlapping Rates			Total Direct Tax Rate <sup>(a)</sup>	
		City of Pittsburgh Millage	Mt. Oliver Borough Millage	Allegheny County Millage	Total Millage City Resident <sup>(b)</sup>	Total Millage Mt. Oliver Resident <sup>(c)</sup>
2014	9.840	7.560	13.500	4.730	22.130	28.070
2015	9.840	8.060	13.500	4.730	22.630	28.070
2016	9.840	8.060	13.500	4.730	22.630	28.070
2017	9.840	8.060	13.500	4.730	22.630	28.070
2018	9.840	8.060	13.500	4.730	22.630	28.070
2019	9.840	8.060	13.500	4.730	22.630	28.070
2020	9.950	8.060	13.500	4.730	22.740	28.180
2021	9.950	8.560	13.500	4.730	23.240	28.180
2022	10.250	8.560	13.500	4.730	23.540	28.480
2023	10.250	8.560	13.500	4.730	23.540	28.480

(a) Overlapping rates are those of local and county governments that apply to property owners within the District.

(b) Determined by adding District, Average City of Pittsburgh and Allegheny County Millage.

(c) Determined by adding District, Mount Oliver Borough and Allegheny County Millage.

Under PA Act, District Real Estate Revenues are limited in index.

The basis for the property tax rates is per each \$1,000 of assessed valuation.

Source: Allegheny County municipal website ([www.alleghenycounty.us/munimap](http://www.alleghenycounty.us/munimap))

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**PRINCIPAL PROPERTY TAXPAYERS  
2023 AND NINE YEARS AGO**

Taxpayer	2023			2014		
	Taxable Assessed Value <sup>(a)</sup>	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
PNC Bank Corporation	\$ 417,630,400	1	1.89 %	\$ 281,631,500	2	1.50 %
Buncher Company	387,730,500	2	1.75	229,613,800	5	1.23
Holdings Acqui Sition Co LP	244,524,400	3	1.11	248,136,300	3	1.32
500 Grant St. Assoc/Mellon Bank	233,545,600	4	1.06	372,004,000	1	1.99
HRLP Fourth Avenue LLC	179,400,000	5	0.81	179,400,000	6	0.96
600 GS Prop LP	141,573,600	6	0.64	233,211,300	4	1.25
IX Liberty Center Owner LP	120,000,000	7	0.54	123,500,000	8	0.66
Pittsburgh CBD LLC	118,000,000	8	0.53	-	-	-
Liberty Avenue Holdings LLC	79,000,000	9	0.36	79,000,000	9	0.42
Hertz Gateway Center LP	64,560,000	10	0.29	-	-	-
Oxford Development	-	-	-	154,000,000	7	0.82
North Shore Developers	-	-	-	71,209,000	10	0.38
	<u>\$ 1,985,964,500</u>			<u>\$ 1,971,705,900</u>		
Total Taxable Assessed Value	<u>\$ 22,097,227,000</u>			<u>\$ 18,731,152,000</u>		

Source: City of Pittsburgh, Department of Finance

## SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

### PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Taxable Valuation (Millions) <sup>(a)</sup>	Adjusted Levy <sup>(b)</sup>	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
						Amount	Percentage of Levy
2014	\$ 16,211.6	\$ 159,522,560	\$ 152,331,919	95.49 %	6,056,429	\$ 158,388,348	99.29 %
2015	16,523.6	162,592,276	155,539,550	95.66	5,075,820	160,615,370	98.78
2016	17,077.2	168,039,758	161,384,672	96.04	5,335,121	166,719,793	99.21
2017	17,287.8	170,112,154	163,630,093	96.19	5,501,625	169,131,718	99.42
2018	17,796.4	175,116,697	168,447,786	96.19	4,960,339	173,408,125	99.02
2019	18,842.2	177,485,481	171,002,759	96.35	4,924,730	175,927,489	99.12
2020	22,904.1	184,607,200	174,867,046	94.72	5,669,567	180,536,613	97.80
2021	23,153.1	186,614,230	176,692,039	94.68	7,178,723	183,870,762	98.53
2022	24,287.4	195,756,292	185,131,270	94.57	3,720,980	188,852,250	96.47
2023	24,446.2	197,036,727	181,252,465	91.99	-	181,252,465	91.99

(a) Original taxable valuation plus adjustments less exonerations and refunds

(b) Original levy plus/less adjustments and exonerations.

Figures were calculated on a collection basis, whereas, the figures used in the District's financial statements are calculated on a modified accrual basis.

Source: School District of Pittsburgh Real Estate Tax Collection Records

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities		Total Primary Government	(Net) General Bonded Debt Estimated Actual Taxable Value <sup>(b)</sup> of Property	Total Outstanding Debt Per Capita	(Net) General Bonded Debt Per Capita	Total Outstanding Debt as a Percentage of Personal Income <sup>(c)</sup>
	(Net) General Obligation Bonds <sup>(a)</sup>	Financed Purchases					
2014	\$ 362,801,715	\$ 8,689,049	\$ 371,490,764	1.94	\$ 1,201.82	\$ 1,173.71	0.31
2015	346,024,253	6,524,215	352,548,468	1.85	1,140.54	1,119.45	0.33
2016	330,257,876	14,461,206	344,719,082	1.49	1,115.21	1,068.43	0.35
2017	322,230,002	10,969,739	333,199,741	1.43	1,077.94	1,042.45	0.36
2018	311,033,794	7,724,013	318,757,807	1.35	1,031.22	1,006.23	0.39
2019	317,571,973	8,382,506	325,954,479	1.70	1,054.50	1,027.39	0.41
2020	327,801,210	4,697,048	332,498,258	1.35	1,107.27	1,091.63	0.42
2021	331,900,805	6,079,680	337,980,485	1.34	1,103.20	1,083.35	0.44
2022	333,703,760	4,437,845	338,141,605	0.99	1,112.99	1,098.38	0.46
2023	341,377,097	2,718,773	344,095,870	0.98	1,123.16	1,114.28	0.54

(a) Presented net of original issuance discount, premiums, and deferred outflows related to debt.

(b) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 99 for property value data.

(c) See the Schedule of Demographic and Economic Statistics on page 107 for Total Personal Income.

Source: School District of Pittsburgh, Finance Division



## SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

### RATIOS OF ANNUAL DEBT SERVICE EXPENDITURES TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES LAST TEN FISCAL YEARS

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Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2014	\$ 38,472,050	\$ 17,497,178	\$ 55,969,228	\$ 633,236,704	8.84
2015	38,486,855	16,755,617	55,242,472	726,185,408	7.61
2016	34,574,420	15,924,774	50,499,194	703,232,434	7.18
2017	30,914,348	15,024,022	45,938,370	703,545,884	6.53
2018	34,109,343	14,807,930	48,917,273	736,182,655	6.64
2019	31,049,408	13,956,880	45,006,288	772,562,583	5.83
2020	27,149,542	13,927,789	41,077,331	752,575,830	5.46
2021	39,954,747	14,144,230	54,098,977	781,084,490	6.93
2022	41,630,024	13,571,966	55,201,990	802,019,186	6.88
2023	27,502,357	14,188,022	41,690,379	832,544,351	5.01

Source: School District of Pittsburgh, Finance Division

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**DIRECT AND OVERLAPPING DEBT OF GOVERNMENTAL DEBT  
AS OF DECEMBER 31, 2023**

Jurisdiction	Net Debt Outstanding	Percentage Applicable to District	Amount Applicable to District
DIRECT DEBT — School District of Pittsburgh:			
General obligation bonds	\$ 298,875,000	100 %	\$ 298,875,000
Notes	20,005,765	100	20,005,765
Premium and discount	22,496,332	100	22,496,332
Financed purchases	<u>2,718,773</u>	100	<u>2,718,773</u>
Total direct debt	<u>344,095,870</u>		<u>344,095,870</u>
OVERLAPPING DEBT:			
Allegheny County <sup>(a)</sup>	\$ 833,720,000	25 %	\$ 208,430,000
City of Pittsburgh:			
City	520,849,000	100	520,849,000
Parking Authority	<u>35,891,000</u>	100	<u>35,891,000</u>
Total overlapping debt	<u>1,390,460,000</u>		<u>765,170,000</u>
TOTAL DEBT AND OVERLAPPING DEBT	<u>\$ 1,734,555,870</u>		<u>\$ 1,109,265,870</u>

(a) Percentage of the City's residential population of the county.

Note: The percentage of the overlap is calculated by dividing the total revenue base of the overlapping debt by the overlapping portion of the District.

Source: City of Pittsburgh, Department of Finance

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt limit	\$ 1,166,865,779	\$ 1,170,489,505	\$ 1,194,602,047	\$ 1,227,093,661	\$ 1,282,126,315	\$ 1,307,354,679	\$ 1,375,053,243	\$ 1,395,876,794	\$ 1,390,961,679	\$ 1,415,195,651
Total net debt										
applicable to limit	<u>371,490,764</u>	<u>352,548,466</u>	<u>344,719,082</u>	<u>333,199,741</u>	<u>318,757,807</u>	<u>325,954,479</u>	<u>332,498,258</u>	<u>337,980,485</u>	<u>338,141,605</u>	<u>344,095,870</u>
Legal debt margin	<u>\$ 795,375,015</u>	<u>\$ 817,941,039</u>	<u>\$ 849,882,965</u>	<u>\$ 893,893,920</u>	<u>\$ 963,368,508</u>	<u>\$ 981,400,200</u>	<u>\$ 1,042,554,985</u>	<u>\$ 1,057,896,309</u>	<u>\$ 1,052,820,074</u>	<u>\$ 1,071,099,781</u>
Total net debt applicable to the limit as a percentage to debt limit	<u>31.84 %</u>	<u>30.12 %</u>	<u>28.86 %</u>	<u>27.15 %</u>	<u>24.86 %</u>	<u>24.93 %</u>	<u>24.18 %</u>	<u>24.21 %</u>	<u>24.31 %</u>	<u>24.31 %</u>

Legal Debt Margin Calculation for Fiscal Year 2023

	2020	2021	2022	Total
Total general funds	\$ 619,054,471	\$ 627,165,848	\$ 647,992,433	\$ 1,894,212,752
Less required deduction rental and sinking fund reimbursement	<u>(1,181,036)</u>	<u>(3,763,063)</u>	<u>(2,341,118)</u>	<u>(7,285,217)</u>
Total net general fund revenues	<u>\$ 617,873,435</u>	<u>\$ 623,402,785</u>	<u>\$ 645,651,315</u>	<u>\$ 1,886,927,535</u>
Average of three years				<u>\$ 628,975,845</u>
Multiply by 225% <sup>(a)</sup>				<u>225 %</u>
Debt limit				\$ 1,415,195,651
Less total net debt applicable to limit				<u>(344,095,870)</u>
Legal debt margin				<u>\$ 1,071,099,781</u>

(a) Act 177 of 1996 changed the borrowing calculation from 350% to 225% of average annual revenues.

Source: School District of Pittsburgh, Finance Division



## SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

### DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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Fiscal Year	Population <sup>(a)</sup>	Total Personal Income <sup>(b)</sup>	Per Capita Personal Income <sup>(c)</sup>	Median Age	School Enrollment <sup>(d)</sup>	Unemployment Rate <sup>(e)</sup>
2014	309,107	\$ 115,799,024	\$ 49,049	33.5	25,504	4.80
2015	309,107	116,265,059	49,349	33.7	25,003	5.00
2016	309,107	119,431,607	50,756	32.9	24,652	5.10
2017	309,107	119,895,738	51,187	33.5	23,711	4.50
2018	309,107	125,648,500	53,849	33.5	23,152	3.80
2019	309,107	135,002,633	58,072	33.3	22,859	4.50
2020	306,365	139,582,271	60,227	33.3	21,603	7.10
2021	306,365	147,040,883	63,675	33.3	20,350	4.50
2022	306,365	154,698,269	65,730	33.3	20,080	3.70
2023	306,365	187,359,911	70,837	33.1	19,764	2.90

Sources:

(a) U.S. Census Bureau

(b) Bureau of Economic Analysis — two-year lag

(c) U.S. Bureau of Economic Analysis — two-year lag

(d) Includes Pre-K Students

(e) U.S. Department of Labor, Bureau of Labor Statistics

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**PRINCIPAL EMPLOYERS, PITTSBURGH METROPOLITAN STATISTICAL AREA  
2022 AND NINE YEARS AGO**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment <sup>(a)</sup>	Employees	Rank	Percentage of Total City Employment <sup>(a)</sup>
University of Pittsburgh Medical Center	59,100	1	21.46 %	43,000	1	12.72 %
US Government	24,000	2	8.71	19,000	2	5.62
Highmark Health	18,912	3	6.87	18,028	3	5.33
Commonwealth of Pennsylvania	14,959	4	5.43	13,298	4	3.93
University of Pittsburgh	14,108	5	5.12	11,982	5	3.54
PNC Financial Services Group, Inc.	11,700	6	4.25	6,200	9	1.83
Giant Eagle Inc.	11,600	7	4.21	-		
Wal-Mart Stores	10,826	8	3.93	10,577	6	3.13
BNY Mellon	7,300	9	2.65	-		
Allegheny County	7,000	10	2.54	7,600	7	2.25
West Penn Allegheny Health System	-	-	-	7,150	8	2.11
Westinghouse Electric	-	-	-	5,600	10	1.66

(a) Total City Employment reflects only people making more than \$12,000 annually.

Sources:

City of Pittsburgh Annual Comprehensive Financial Report  
Pittsburgh Business Times Book of Lists

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**STUDENT MEMBERSHIP  
LAST TEN YEARS**

	<b>2014-2015</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>2023-2024</b>
Elementary school <sup>(a)</sup>	11,562	11,485	11,243	12,097	11,794	10,013	9,264	8,537	8,463	8,526
Middle school	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284	4,146	4,017
Secondary school	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614	5,368	5,299
Special education	581	513	561	479	705	642	728	724	683	538
Pre-K/Head Start	<u>1,401</u>	<u>1,364</u>	<u>1,366</u>	<u>1,349</u>	<u>1,326</u>	<u>1,584</u>	<u>1,165</u>	<u>1,191</u>	<u>1,420</u>	<u>1,384</u>
Total	<u><u>25,504</u></u>	<u><u>25,003</u></u>	<u><u>24,652</u></u>	<u><u>23,711</u></u>	<u><u>23,152</u></u>	<u><u>22,859</u></u>	<u><u>21,603</u></u>	<u><u>20,350</u></u>	<u><u>20,080</u></u>	<u><u>19,764</u></u>

(a) Schools with the K-8 designation are included in the elementary school number.

Source: School District of Pittsburgh, Office of Technology

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**GRADUATION RATE  
LAST TEN YEARS**

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023
Number of schools:										
Elementary	34	34	34	34	34	34	34	34	34	34
Junior/middle	7	7	7	7	7	7	7	7	7	7
Senior	10	10	10	10	10	10	10	10	9	9
Special	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>7</u>	<u>7</u>
Total public schools	54	54	54	54	54	54	54	54	57	57
Number of charter schools <sup>(a)</sup>	<u>32</u>	<u>33</u>	<u>34</u>	<u>36</u>	<u>37</u>	<u>37</u>	<u>37</u>	<u>38</u>	<u>39</u>	<u>39</u>
Total number of schools	<u><u>86</u></u>	<u><u>87</u></u>	<u><u>88</u></u>	<u><u>90</u></u>	<u><u>91</u></u>	<u><u>91</u></u>	<u><u>91</u></u>	<u><u>92</u></u>	<u><u>96</u></u>	<u><u>96</u></u>
School enrollment:										
Elementary	11,562	11,485	11,243	12,097	11,794	10,013	9,264	8,537	8,463	8,526
Junior/middle	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284	4,146	4,017
Senior/special/vocational	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614	5,368	5,299
Special	581	513	561	479	705	642	728	724	683	538
Pre-K	<u>1,401</u>	<u>1,364</u>	<u>1,366</u>	<u>1,349</u>	<u>1,326</u>	<u>1,584</u>	<u>1,165</u>	<u>1,191</u>	<u>1,420</u>	<u>1,384</u>
Total public schools	25,504	25,003	24,652	23,711	23,152	22,859	21,603	20,350	20,080	19,764
Charter schools	<u>3,737</u>	<u>3,840</u>	<u>3,957</u>	<u>4,080</u>	<u>4,241</u>	<u>4,398</u>	<u>4,705</u>	<u>5,069</u>	<u>5,157</u>	<u>5,323</u>
Total school enrollment	<u><u>29,241</u></u>	<u><u>28,843</u></u>	<u><u>28,609</u></u>	<u><u>27,791</u></u>	<u><u>27,393</u></u>	<u><u>27,257</u></u>	<u><u>26,308</u></u>	<u><u>25,419</u></u>	<u><u>25,237</u></u>	<u><u>25,087</u></u>
Number of graduates:										
Public high school	1,511	1,336	1,525	1,446	1,344	1,478	1,415	1,338	1,323	1,276
High school/charter graduates <sup>(b)</sup>	<u>407</u>	<u>307</u>	<u>331</u>	<u>274</u>	<u>248</u>	<u>224</u>	<u>225</u>	<u>185</u>	<u>220</u>	<u>208</u>
Total number of high school graduates	<u><u>1,918</u></u>	<u><u>1,643</u></u>	<u><u>1,856</u></u>	<u><u>1,720</u></u>	<u><u>1,592</u></u>	<u><u>1,702</u></u>	<u><u>1,640</u></u>	<u><u>1,523</u></u>	<u><u>1,543</u></u>	<u><u>1,484</u></u>

(a) Includes all charter and cyber charter schools attended by Pittsburgh students.

(b) As reported to School District of Pittsburgh, Finance Division, by charter and cyber charter schools.

Source: School District of Pittsburgh, Finance Division, Office of Technology



**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**STUDENT OPERATING STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year	Operating Expenses <sup>(a)</sup>	Enrollment <sup>(b)</sup>	Cost Per Pupil	Percentage Change	Expenses <sup>(c)</sup>	Cost Per Pupil	Change	Teaching Staff <sup>(d)</sup>	Pupil Teacher Ratio	Student Attendance % <sup>(e)</sup>
2014	\$ 558,132,865	25,504	\$ 21,884	5.38	\$ 617,668,732	\$ 24,219	4.48	1,929	13	94.30
2015	583,399,833	25,003	23,333	6.62	620,774,556	24,828	2.52	1,962	13	91.40
2016	619,376,000	24,652	25,125	7.68	698,848,110	28,349	1.38	1,992	12	91.80
2017	629,345,916	23,711	26,542	5.64	715,900,459	28,843	1.75	2,048	12	91.90
2018	660,170,615	23,152	28,515	7.43	672,552,808	29,049	10.24	2,062	11	91.40
2019	686,503,872	22,859	30,032	5.32	783,941,839	34,295	5.52	2,078	11	91.60
2020	675,417,090	21,603	31,265	4.11	768,884,786	35,592	2.91	2,070	10	91.50
2021	698,872,551	20,350	34,343	9.84	742,382,618	36,481	2.50	1,971	10	91.30
2022	713,665,517	20,080	35,541	3.49	761,214,290	37,909	3.91	1,907	11	87.20
2023	751,391,979	19,764	38,018	5.59	798,907,469	40,422	9.41	1,857	11	89.50

- (a) Based on fund-level financial reports — total expenditures, less capital outlay, less debt service
- (b) Enrollment based on start of school year census
- (c) Based on government-wide financial reports
- (d) Teaching staff are full-time equivalents and include academic coaches
- (e) Attendance is a yearly average

Sources: School District of Pittsburgh, Finance Division, Student Information Department

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**TOTAL NUMBER OF EMPLOYEES  
LAST TEN YEARS**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Administration:</b>										
Officials, administrators, and managers	113	119	119	130	141	139	126	98	103	110
Legal services	1	1	1	1	-	-	-	-	-	-
Clerical and other nonprofessionals	516	530	534	552	562	570	554	768	749	730
<b>Total administration</b>	<b>630</b>	<b>650</b>	<b>654</b>	<b>683</b>	<b>703</b>	<b>709</b>	<b>680</b>	<b>866</b>	<b>852</b>	<b>840</b>
<b>Instruction:</b>										
Principals	62	65	63	58	59	58	59	60	59	60
Supervisors and assistant principals	29	29	29	41	44	51	46	41	37	30
Teachers	1,929	1,962	1,992	2,048	2,062	2,078	2,070	1,971	1,907	1,857
Librarians	23	22	20	29	31	31	30	32	34	36
Professionals and support staff	385	375	392	380	368	367	366	213	231	249
<b>Total instruction</b>	<b>2,428</b>	<b>2,453</b>	<b>2,496</b>	<b>2,556</b>	<b>2,564</b>	<b>2,585</b>	<b>2,571</b>	<b>2,317</b>	<b>2,268</b>	<b>2,232</b>
<b>Pupil affairs:</b>										
Directors and coordinators	-	-	-	-	-	-	-	-	-	-
Attendance personnel	40	43	39	42	39	44	43	51	53	54
Guidance and psychological personnel	113	112	132	136	136	136	138	154	155	163
<b>Total pupil affairs</b>	<b>153</b>	<b>155</b>	<b>171</b>	<b>178</b>	<b>175</b>	<b>180</b>	<b>181</b>	<b>205</b>	<b>208</b>	<b>217</b>
<b>Health services:</b>										
Nurses and health workers	41	42	42	62	66	64	62	63	57	64
Dentist and hygienists	3	3	3	2	3	3	3	3	3	3
<b>Total health services</b>	<b>44</b>	<b>45</b>	<b>45</b>	<b>64</b>	<b>69</b>	<b>67</b>	<b>65</b>	<b>66</b>	<b>60</b>	<b>67</b>
<b>Operation and maintenance:</b>										
Supervisors	11	10	11	11	11	10	11	14	14	13
Operation and maintenance	330	333	347	335	346	336	331	333	321	332
<b>Total operation and maintenance</b>	<b>341</b>	<b>343</b>	<b>358</b>	<b>346</b>	<b>357</b>	<b>346</b>	<b>342</b>	<b>347</b>	<b>335</b>	<b>345</b>
<b>Food service:</b>										
Director	1	1	1	1	1	1	1	1	1	1
Salaried employees	101	110	114	114	114	114	114	153	179	210
<b>Total food service</b>	<b>102</b>	<b>111</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>115</b>	<b>154</b>	<b>180</b>	<b>211</b>
<b>Total</b>	<b>3,698</b>	<b>3,757</b>	<b>3,839</b>	<b>3,942</b>	<b>3,983</b>	<b>4,002</b>	<b>3,954</b>	<b>3,955</b>	<b>3,903</b>	<b>3,912</b>

Source: District PeopleSoft HR

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

**TEACHER'S BASE SALARY  
ANNUAL SCHOOL YEAR SALARY  
LAST TEN FISCAL YEARS**

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<b>Year</b>	<b>Minimum Salary <sup>(a)</sup></b>	<b>Median Salary</b>	<b>Maximum Salary <sup>(b)</sup></b>
2014	\$ 39,620	\$ 64,260	\$ 88,900
2015	39,620	64,260	88,900
2016	40,736	66,048	91,360
2017	41,551	67,353	93,155
2018	42,382	68,684	94,986
2019	43,230	70,042	96,854
2020	43,230	70,042	96,854
2021	43,446	71,008	98,569
2022	43,663	72,086	100,508
2023	43,881	73,184	102,486

(a) The minimum salary represents the minimum amount a District teacher with a bachelor's degree may earn for regular classroom instruction during the school year according to the Pittsburgh Federation of Teachers contract. The minimum starting wage has five different levels dependent on level of education attained:

- Level 1: Bachelor's Degree
- Level 2: Master's Degree
- Level 3: Master's Degree + 30 Credits
- Level 4: Master's Degree + 60 Credits
- Level 5: Earned Doctorate

(b) The maximum salary represents the maximum amount a District teacher with a doctoral degree may earn for regular classroom instruction during the school year according to the salary schedule dependent on educational attainment and years of service. The maximum salary for each level (Level 1 through Level 5) is reached in 11 years. The majority of teachers receive the maximum salary due to the 11-year minimum needed to reach the highest pay scale dependent on years of service only. Maximum salary excludes pension and hospitalization benefits.

Source: School District of Pittsburgh, Human Resource Department

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

BUILDING FUNCTIONAL SQUARE FOOTAGE AND CAPACITY

LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction and instruction student support:										
Elementary:										
Total schools	34	34	34	34	34	34	34	34	34	34
Total square footage	2,289,330	2,289,330	2,289,330	2,289,330	2,289,330	2,289,330	2,289,330	2,289,330	2,289,330	2,289,330
Enrollment	11,562	11,485	11,243	12,097	11,194	10,013	9,264	8,537	8,463	8,526
Functional capacity <sup>(a)</sup>	20,713	20,713	20,713	20,713	20,713	20,713	20,713	20,354	20,354	19,717
Percentage of capacity used	59 %	55 %	54 %	58 %	54 %	48 %	45 %	42 %	42 %	43 %
Middle:										
Total schools	7	7	7	7	7	7	7	7	7	7
Total square footage	768,525	768,525	768,525	768,525	768,525	768,525	768,525	768,525	768,525	768,525
Enrollment	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284	4,146	4,017
Functional capacity <sup>(a)</sup>	3,992	3,992	3,992	3,992	3,992	3,992	3,992	3,992	3,992	3,532
Percentage of capacity used	131 %	127 %	124 %	51 %	49 %	119 %	118 %	107 %	104 %	114 %
Secondary:										
Total schools	11	11	10	10	9	9	9	9	9	9
Total square footage	2,244,706	2,244,706	2,244,706	2,244,706	2,244,706	2,244,706	2,244,706	2,244,706	2,244,706	2,244,706
Enrollment	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614	5,368	5,299
Functional capacity <sup>(a)</sup>	12,227	12,659	12,659	12,659	12,659	12,659	12,659	11,536	11,536	11,345
Percentage of capacity used	55 %	52 %	52 %	61 %	58 %	46 %	45 %	49 %	47 %	47 %
Special:										
Total schools	5	5	5	4	7	7	7	7	7	7
Total square footage	436,754	436,754	436,754	436,754	436,754	436,754	436,754	436,754	436,754	436,754
Enrollment	581	513	561	479	705	642	728	724	683	538
Functional capacity <sup>(a)</sup>	746	1,224	1,224	1,224	1,224	1,224	1,224	1,622	1,622	884
Percentage of capacity used	78 %	42 %	46 %	39 %	58 %	52 %	59 %	45 %	42 %	61 %
Pre-K and head start:										
Enrollment	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191	1,420	1,384
Functional capacity <sup>(a)</sup>	914	914	914	914	914	914	914	1,038	1,038	774
Percentage of capacity used	153 %	149 %	149 %	148 %	145 %	173 %	127 %	115 %	137 %	179 %
Administrative and financial support service:										
Total buildings	1	1	1	1	1	1	1	1	1	1
Total square footage	110,100	110,100	110,100	110,100	110,100	110,100	110,100	110,100	110,100	110,100
Operation and maintenance of plant services:										
Total buildings	1	1	1	1	1	1	1	1	1	1
Total square footage	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Food service:										
Total buildings	1	1	1	1	1	1	1	1	1	1
Total square footage	87,800	87,800	87,800	87,800	87,800	87,800	87,800	87,800	87,800	87,800
Grand total all buildings:										
Total buildings	60	60	59	58	60	60	60	60	60	60
Total square footage	6,007,215	6,007,215	6,007,215	6,007,215	6,007,215	6,007,215	6,007,215	6,007,215	6,007,215	6,007,215
Enrollment	25,504	25,003	24,652	23,711	22,552	22,859	21,603	20,350	20,080	19,764
Functional capacity <sup>(a)</sup>	38,052	39,502	39,502	39,502	39,502	39,502	39,502	38,542	38,542	36,252
Percentage of capacity used	67 %	63 %	62 %	60 %	57 %	58 %	55 %	53 %	52 %	55 %

(a) Functional Capacity is based on how a building is used currently and changes every school year depending on the space usage as determined by the school principal. Gymnasiums, computer labs, shops and other spaces where safety or vandalism is a concern, are not considered for homerooms. There is no information to report on Educational Capacity beginning year 2013.

Source: School District of Pittsburgh, Facilities Division

## **OTHER INFORMATION**

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2023

<u>Serial Bonds</u>	<u>Date of Issue</u>	<u>Amount Sold</u>	<u>Amount Outstanding</u>	<u>Maturity Information</u>	<u>Coupon or Ceiling Rate of Interest Remaining</u>	<u>2024 Maximum Debt Service Requirements</u>	
						<u>Interest</u>	<u>Principal</u>
General Obligation Bonds Refunding Series B of 2014	7/10/2014	26,670,000	7,345,000	\$3,620,000 in 2024 \$3,725,000 in 2025	3.00% 3.00%	220,350	3,620,000
General Obligation Bonds Series C of 2014	11/6/2014	9,995,000	1,515,000	\$490,000 in 2024 \$505,000 in 2025 \$520,000 in 2026	3.00% 3.00% 3.00%	45,450	490,000
General Obligation Bonds Refunding Series A of 2015	3/10/2015	25,750,000	12,720,000	\$2,560,000 in 2024 \$2,690,000 in 2025 \$6,185,000 in 2026 \$1,285,000 in 2027	5.00% 4.00% 4.00% 3.00%	521,550	2,560,000
General Obligation Bonds Series B of 2015	12/9/2015	21,215,000	15,015,000	\$1,030,000 in 2024 \$1,085,000 in 2025 \$1,125,000 in 2026 \$1,155,000 in 2027 \$1,190,000 in 2028 \$1,225,000 in 2029 \$1,265,000 in 2030 \$1,300,000 in 2031 \$1,345,000 in 2032 \$1,385,000 in 2033 \$1,430,000 in 2034 \$1,480,000 in 2035	5.00% 4.00% 2.60% 3.00% 3.00% 3.00% 3.10% 3.15% 3.20% 3.25% 3.30% 3.35%	496,238	1,030,000

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2023

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of	2024 Maximum Debt Service Requirements	
					Interest Remaining	Interest	Principal
General Obligation Bonds Series B of 2016	12/28/2016	20,590,000	15,960,000	\$940,000 in 2024	5.00%	691,650	940,000
				\$1,000,000 in 2025	5.00%		
				\$1,020,000 in 2026	5.00%		
				\$1,070,000 in 2027	4.00%		
				\$1,110,000 in 2028	4.00%		
				\$1,155,000 in 2029	5.00%		
				\$1,210,000 in 2030	5.00%		
				\$1,275,000 in 2031	4.00%		
				\$1,325,000 in 2032	4.00%		
				\$1,380,000 in 2033	4.00%		
				\$1,435,000 in 2034	4.00%		
				\$1,490,000 in 2035	4.00%		
				\$1,550,000 in 2036	4.00%		
				General Obligation Bonds Series of 2017	11/14/2017		
\$1,140,000 in 2025	5.00%						
\$1,200,000 in 2026	5.00%						
\$1,260,000 in 2027	4.00%						
\$1,310,000 in 2028	4.00%						
\$1,360,000 in 2029	3.00%						
\$1,405,000 in 2030	3.00%						
\$1,445,000 in 2031	3.00%						
\$1,490,000 in 2032	3.00%						
\$1,535,000 in 2033	3.00%						
\$1,580,000 in 2034	3.00%						
\$1,625,000 in 2035	3.13%						
\$1,675,000 in 2036	3.13%						
\$1,730,000 in 2037	3.13%						
General Obligation Bonds Series of 2018	10/25/2018	23,880,000	20,890,000	\$990,000 in 2024	5.00%	916,200	990,000
				\$1,040,000 in 2025	5.00%		
				\$1,090,000 in 2026	5.00%		
				\$1,145,000 in 2027	5.00%		
				\$1,205,000 in 2028	5.00%		
				\$1,265,000 in 2029	5.00%		
				\$1,325,000 in 2030	5.00%		
				\$1,395,000 in 2031	4.00%		
				\$1,450,000 in 2032	4.00%		
				\$1,505,000 in 2033	4.00%		
				\$1,565,000 in 2034	4.00%		
				\$1,630,000 in 2035	4.00%		
				\$1,695,000 in 2036	4.00%		
				\$1,760,000 in 2037	4.00%		
\$1,830,000 in 2038	4.00%						

(continued)

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2023

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2024 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2019 Refunding	3/14/2019	36,765,000	27,290,000	\$3,820,000 in 2024 \$4,075,000 in 2025 \$4,370,000 in 2026 \$4,670,000 in 2027 \$5,005,000 in 2028 \$5,350,000 in 2029	5.20% 6.04% 6.04% 6.04% 6.04% 6.04%	1,364,500	3,820,000
General Obligation Bonds Series of 2019	9/26/2019	33,595,000	30,645,000	\$1,315,000 in 2024 \$1,385,000 in 2025 \$1,450,000 in 2026 \$1,525,000 in 2027 \$1,600,000 in 2028 \$1,680,000 in 2029 \$1,765,000 in 2030 \$1,850,000 in 2031 \$1,945,000 in 2032 \$2,040,000 in 2033 \$2,125,000 in 2034 \$2,210,000 in 2035 \$2,295,000 in 2036 \$2,390,000 in 2037 \$2,485,000 in 2038 \$2,585,000 in 2039	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%	1,370,950	1,315,000
General Obligation Bonds Series of 2020 Refunding	7/22/2020	15,925,000	2,695,000	\$330,000 in 2024 \$350,000 in 2025 \$370,000 in 2026 \$385,000 in 2027 \$405,000 in 2028 \$420,000 in 2029 \$435,000 in 2030	5.00% 5.00% 5.00% 5.00% 3.00% 3.00% 3.00%	109,550	330,000
General Obligation Bonds Series of 2020	10/28/2020	33,955,000	32,325,000	\$1,285,000 in 2024 \$1,350,000 in 2025 \$1,415,000 in 2026 \$1,485,000 in 2027 \$1,560,000 in 2028 \$1,640,000 in 2029 \$1,720,000 in 2030 \$1,805,000 in 2031 \$1,895,000 in 2032 \$1,970,000 in 2033 \$2,050,000 in 2034 \$2,135,000 in 2035 \$2,220,000 in 2036 \$2,305,000 in 2037 \$2,400,000 in 2038 \$2,495,000 in 2039 \$2,595,000 in 2040	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%	1,415,600	1,285,000

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**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2023

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2024 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2021	11/1/2021	35,780,000	35,775,000	\$5,000 in 2024	4.00%	1,098,500	5,000
				\$5,000 in 2025	4.00%		
				\$5,000 in 2026	4.00%		
				\$5,000 in 2027	4.00%		
				\$5,000 in 2028	4.00%		
				\$5,000 in 2029	4.00%		
				\$2,495,000 in 2030	4.00%		
				\$2,595,000 in 2031	3.00%		
				\$2,675,000 in 2032	3.00%		
				\$2,755,000 in 2033	3.00%		
				\$2,835,000 in 2034	3.00%		
				\$2,920,000 in 2035	3.00%		
				\$3,010,000 in 2036	3.00%		
				\$3,100,000 in 2037	3.00%		
				\$3,195,000 in 2038	3.00%		
				\$3,290,000 in 2039	3.00%		
				\$5,980,000 in 2040	3.00%		
\$3,490,000 in 2041	3.00%						
General Obligation Bonds Series of 2022	10/4/2022	34,585,000	34,585,000	\$5,000 in 2024	5.00%	1,543,800	5,000
				\$5,000 in 2025	5.00%		
				\$5,000 in 2026	5.00%		
				\$5,000 in 2027	5.00%		
				\$5,000 in 2028	5.00%		
				\$5,000 in 2029	5.00%		
				\$1,990,000 in 2030	5.00%		
				\$2,095,000 in 2031	5.00%		
				\$2,195,000 in 2032	5.00%		
				\$2,305,000 in 2033	5.00%		
				\$2,425,000 in 2034	5.00%		
				\$2,545,000 in 2035	4.00%		
				\$2,640,000 in 2036	4.13%		
				\$2,750,000 in 2037	4.13%		
				\$2,865,000 in 2038	4.25%		
				\$2,990,000 in 2039	4.25%		
				\$3,115,000 in 2040	4.25%		
\$3,250,000 in 2041	4.25%						
\$3,390,000 in 2042	4.38%						

(continued)

**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2023

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2024 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2023	10/4/2023	36,510,000	36,510,000	\$5,000 in 2024	5.00%	1,445,058	5,000
				\$5,000 in 2025	5.00%		
				\$5,000 in 2026	5.00%		
				\$5,000 in 2027	5.00%		
				\$5,000 in 2028	5.00%		
				\$5,000 in 2029	5.00%		
				\$1,860,000 in 2030	5.00%		
				\$1,960,000 in 2031	5.00%		
				\$2,055,000 in 2032	5.00%		
				\$2,150,000 in 2033	5.00%		
				\$2,280,000 in 2034	5.00%		
				\$2,390,000 in 2035	5.00%		
				\$2,510,000 in 2036	5.00%		
				\$2,635,000 in 2037	5.00%		
				\$2,760,000 in 2038	4.60%		
				\$2,890,000 in 2039	4.65%		
				\$3,025,000 in 2040	4.70%		
				\$3,165,000 in 2041	4.75%		
				\$3,320,000 in 2042	4.80%		
				\$3,480,000 in 2043	4.85%		
<b>Total General Obligation Bonds</b>			<u>\$ 293,115,000</u>			<u>\$ 11,935,334</u>	<u>\$ 17,485,000</u>
Taxable General Obligation Bonds							
Qualified School Construction Bonds, Series D of 2010	12/7/2010	19,520,000	5,760,000	\$960,000 in 2024	6.85%	1,227,520	960,000
				\$960,000 in 2025	6.85%		
				\$960,000 in 2026	6.85%		
				\$960,000 in 2027	6.85%		
				\$960,000 in 2028	6.85%		
				\$960,000 in 2029	6.85%		
<b>Total Taxable General Obligation Bonds</b>			<u>\$ 5,760,000</u>			<u>\$ 1,227,520</u>	<u>\$ 960,000</u>
General Obligation Notes							
Qualified School Construction Bonds, Series A of 2010 (SPSBA)	12/14/2010	9,578,000	2,749,412	\$549,882 in 2024	6.50%	\$ 622,091	\$ 549,882
				\$549,882 in 2025	6.50%		
				\$549,882 in 2026	6.50%		
				\$549,882 in 2027	6.50%		
				\$549,882 in 2028	6.50%		
Qualified Zone Academy Bonds, Series B of 2010 (SPSBA)	12/14/2010	13,972,000	4,012,353	\$802,471 in 2024	6.50%	907,481	802,471
				\$802,471 in 2025	6.50%		
				\$802,471 in 2026	6.50%		
				\$802,471 in 2027	6.50%		
				\$802,471 in 2028	6.50%		

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**SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA**

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2023

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of	2024 Maximum Debt Service Requirements	
					Interest Remaining	Interest	Principal
General Obligation Bonds Series of 2021 Refunding	4/28/2021	10,705,000	3,320,000	\$3,320,000 in 2024	0.69%	22,908	3,320,000
General Obligation Bonds Series of 2022 Refunding Series A	5/27/2022	7,402,000	4,992,000	\$2,221,000 in 2024 \$2,771,000 in 2025	2.48% 2.48%	123,802	2,221,000
General Obligation Bonds Series of 2022 Refunding Series B	5/27/2022	4,932,000	4,932,000	\$15,000 in 2024 \$15,000 in 2025 \$15,000 in 2026 \$550,000 in 2027 \$565,000 in 2028 \$585,000 in 2029 \$597,000 in 2030 \$622,000 in 2031 \$639,000 in 2032 \$654,000 in 2033 \$675,000 in 2034	3.02% 3.02% 3.02% 3.02% 3.02% 3.02% 3.02% 3.02% 3.02% 3.02% 3.02%	148,946	15,000
Total General Obligation Notes			\$ 20,005,765			\$ 1,825,229	\$ 6,908,353
Total General Obligation Bonds Payable			\$ 293,115,000			\$ 11,935,334	\$ 17,485,000
Total Taxable General Obligation Bonds			\$ 5,760,000			\$ 1,227,520	\$ 960,000
Total General Obligation Notes			\$ 20,005,765			\$ 1,825,229	\$ 6,908,353
Total Outstanding			\$ 318,880,765			\$ 14,988,083	\$ 25,353,353

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*Always, in all ways.*



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