

School District of Pittsburgh, Pennsylvania
Annual Comprehensive Financial Report
for the fiscal year ended December 31, 2022

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, 2022



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



August 31, 2023

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

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

A Comprehensive Annual Financial Report (Annual Report) for the School District of Pittsburgh (the "District") for the year ended December 31, 2022, 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, 2022, 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, 2022, 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 2022-23 membership included 20,080 students (Pre-K to 12) attending 57 schools. The projected enrollment for 2023-24 is 18,493 students (Pre-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, 5,157 pupils residing in the city and boroughs attended 39 charter schools, including 12 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 2022 totaled \$123,750,358.

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 results 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 exemplar 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 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.

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 11th 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 9th grade student (like most PPS students) would not be reflected until the student reaches 11th 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 7th grade in SY2020-21 took their 7th grade exams in the beginning of their 8th grade year (SY2021-22)

Accountability Metrics

3rd-8th Grade Accountability:

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

11th Grade Accountability:

Includes results for 11th grade students from PASA or Keystone Exams taken prior to or during their 11th 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.

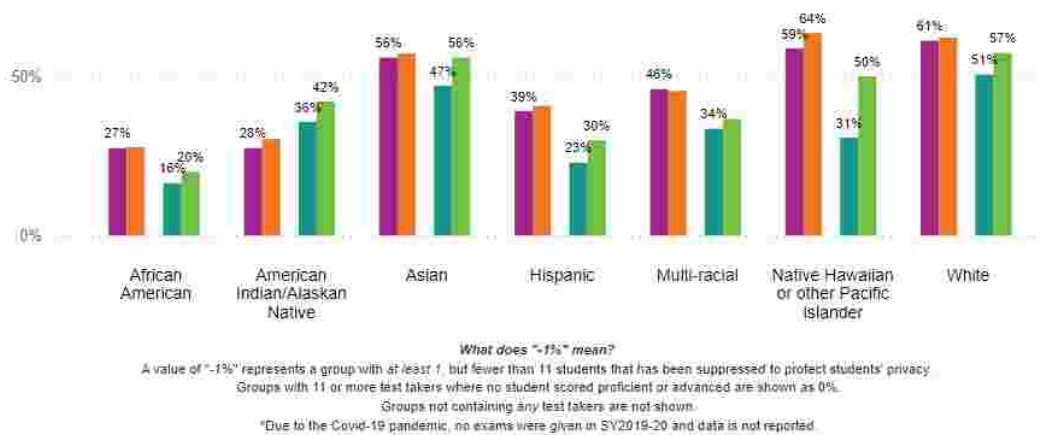
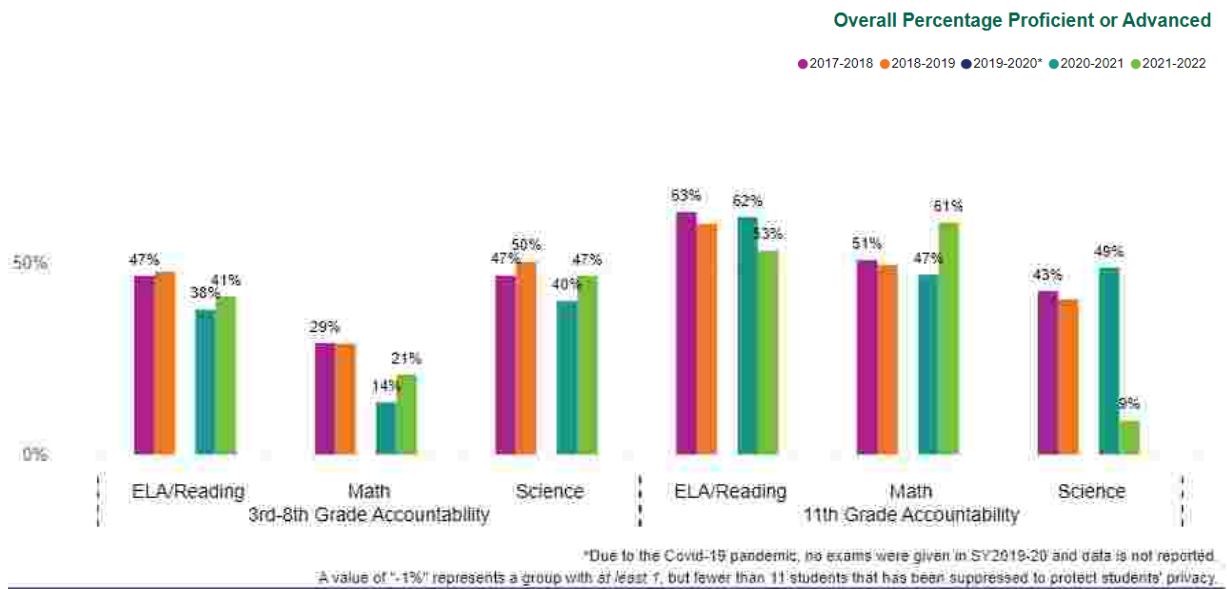
Pennsylvania Alternate System of Assessment (PASA):

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.

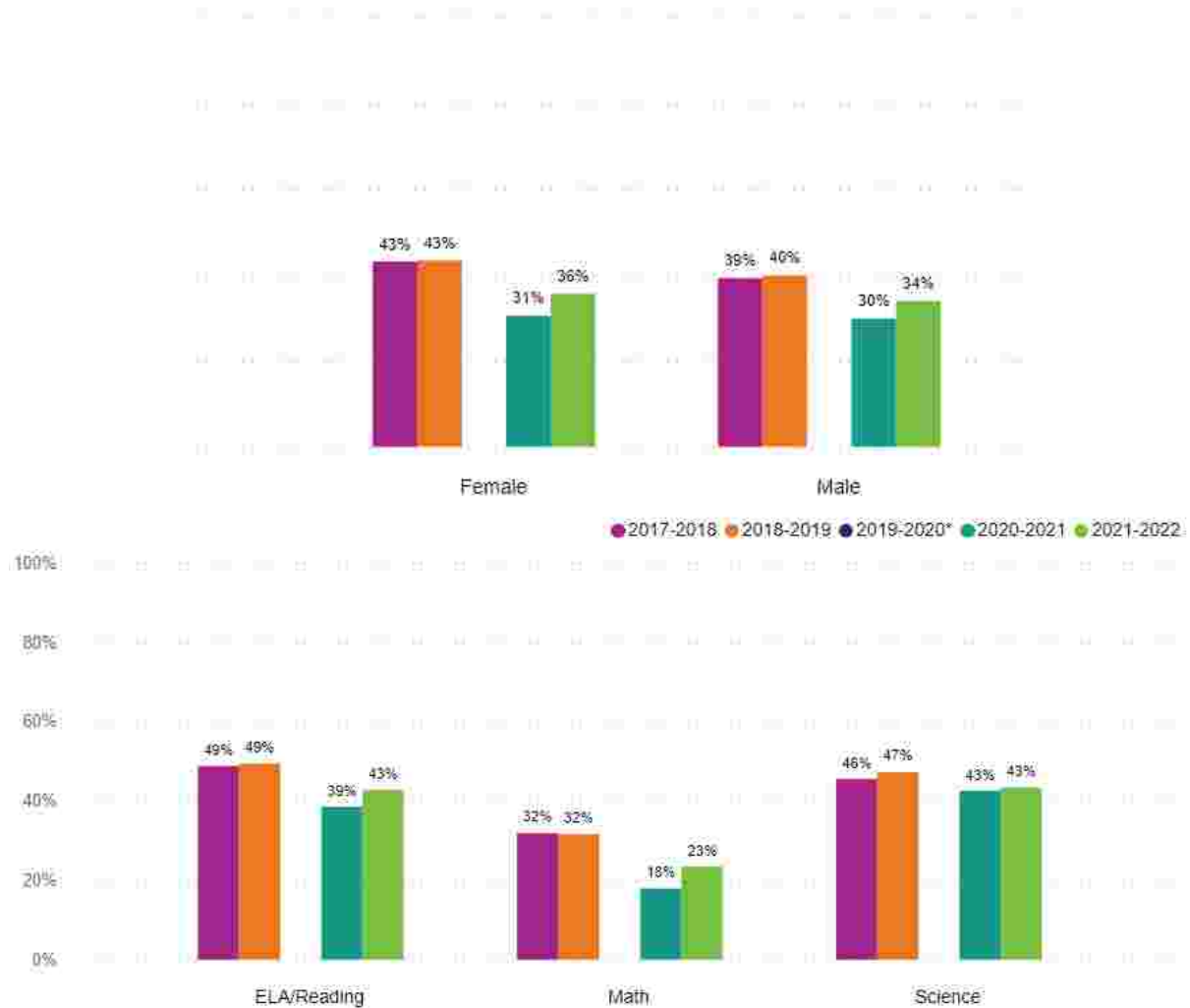
Keystone Exams:

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



District Level Proficiency: 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.

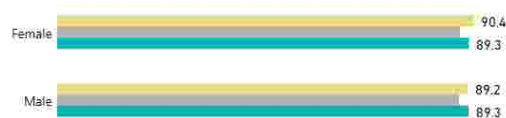
On November 9, 2019, Pittsburgh Public Schools announced the next phase in its ongoing efforts to bridge racial equity gaps in the city's public schools. *On Track to Equity: Integrating Equity Throughout PPS* is a comprehensive implementation plan that seeks to reduce racial disparities throughout the 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.

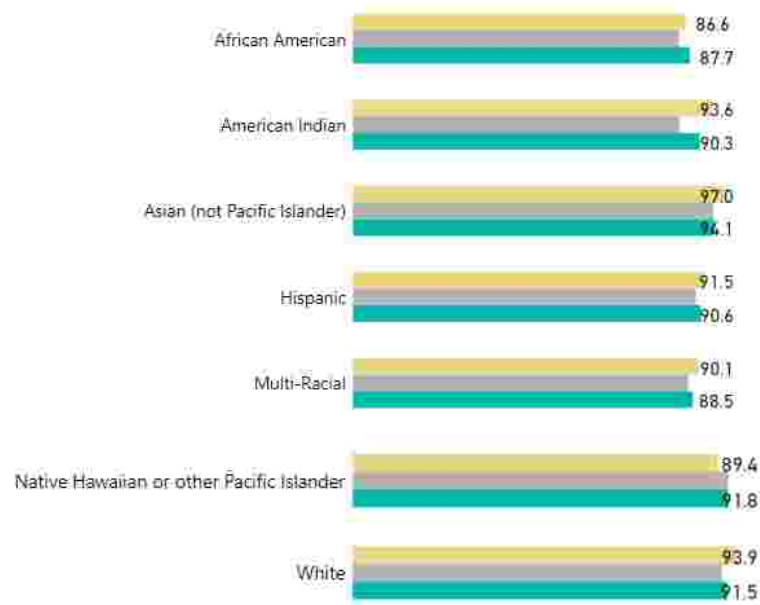
District Chronic Absence Rate

2020-21 2021-22 2022-23



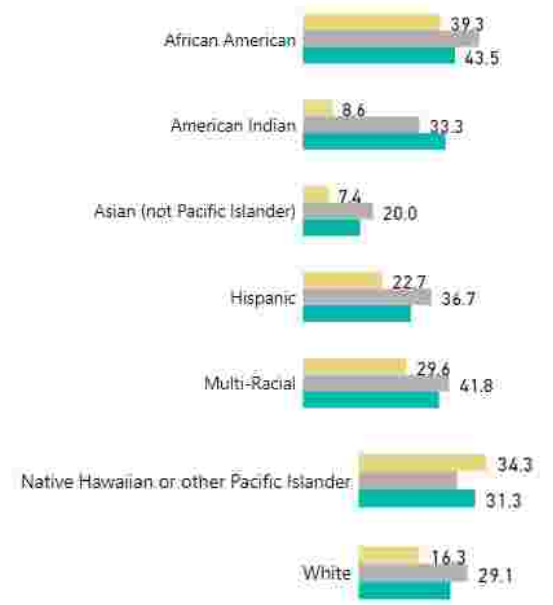
Attendance Rate by Race

2020-21 2021-22 2022-23



Chronic Absence Rate by Race

2020-21 2021-22 2022-23



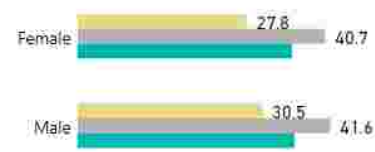
Attendance Rate by Gender

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.

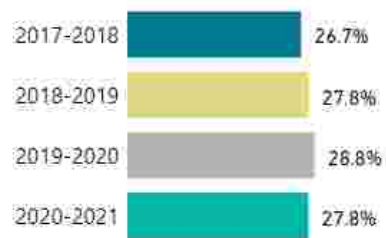
- According to a 2001 Admissions Trends Survey by the National Association for College Admission Counseling (NACAC), grades in rigorous courses such as AP are the single most important factor in college admission decisions. Research also shows that students who score a 3, 4, or 5 on AP exams are 3 times 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

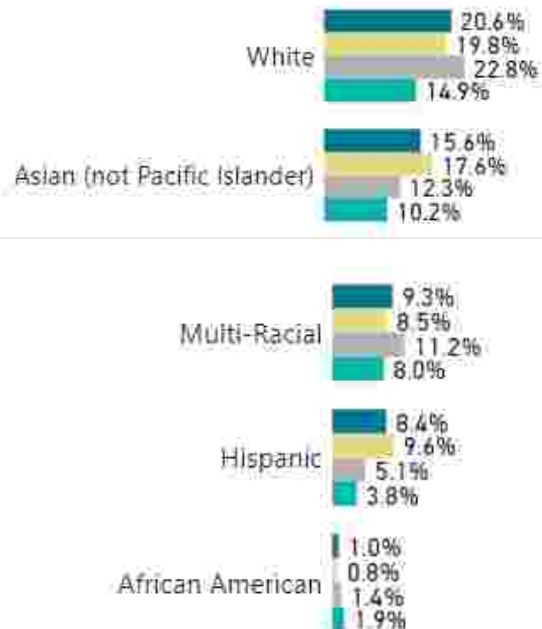
This bar chart represents the percent of students who passed an AP or IB course and passed an AP or IB exam out of all students who were enrolled in grades 10 to 12.



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.

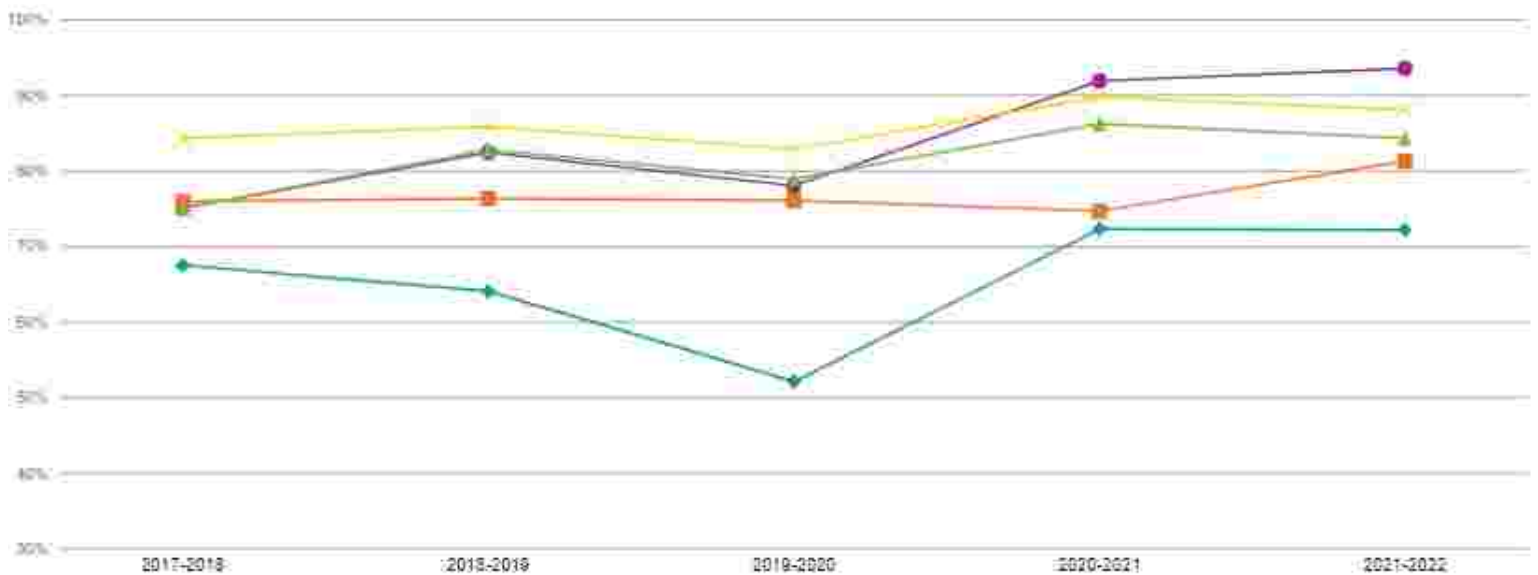
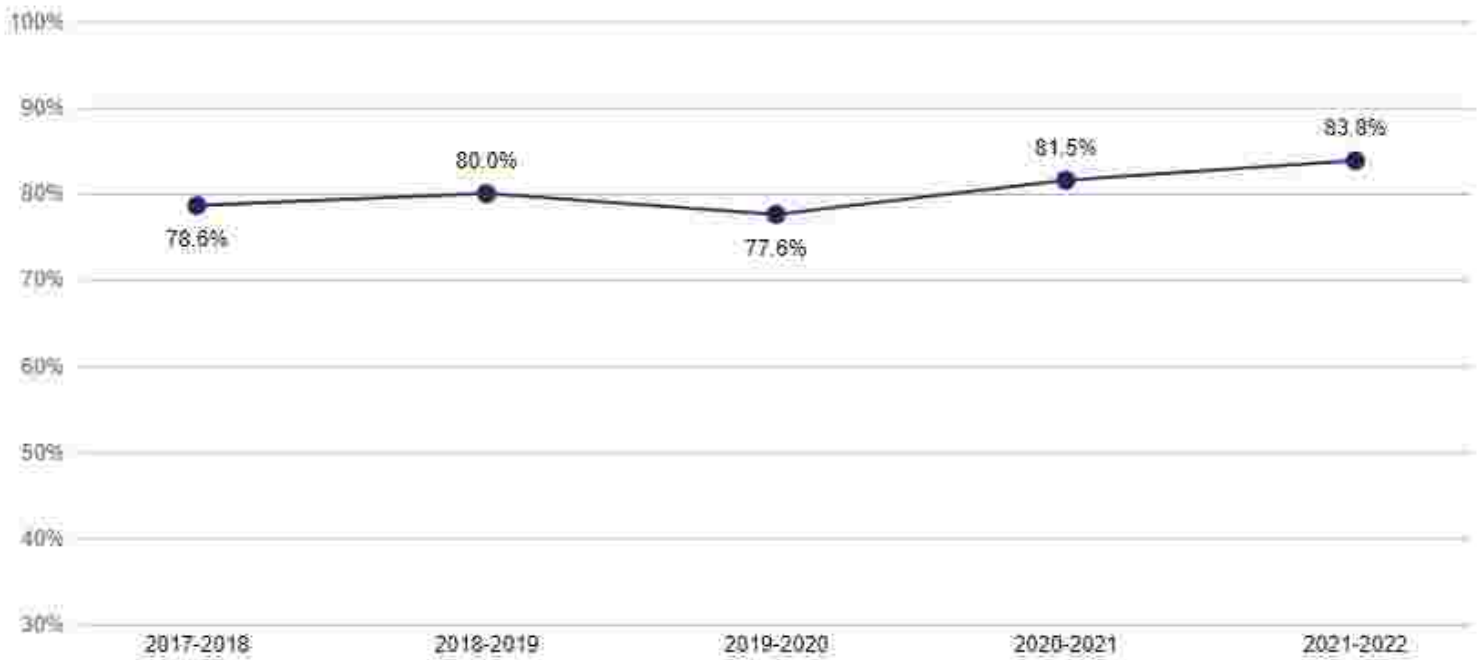
Over time, we have seen progressions in school and District culture. The Office of Equity, established in 2012, is supportive in this process but we know our collective work is far from over.

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

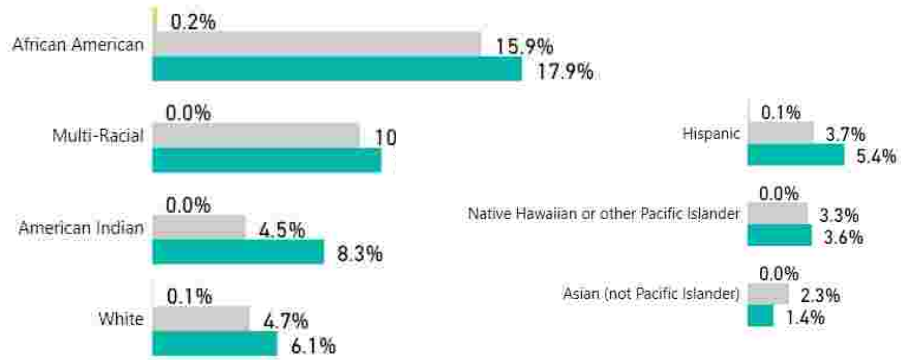
0.1%

10.9%

12.3%

Suspension Rate by Race

2020-21 2021-22 2022-23



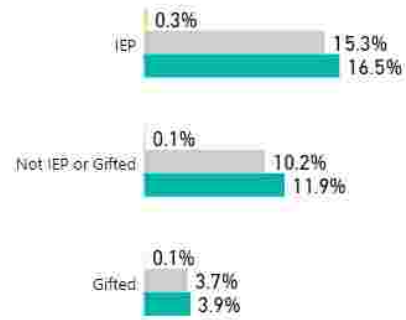
Suspension Rate by Gender

2020-21 2021-22 2022-23



Suspension Rate by IEP Status

2020-21 2021-22 2022-23



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.

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 Milliones 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

The unemployment rate in the City of Pittsburgh has finally rebounded in 2022, at 4%, which is has been the lowest unemployment rate since 1976. This rate also kept tread with the State unemployment rate, which was also at 4%. Pittsburgh also added 24,000 new jobs in 2022, which outpaced many other cittyies in the region.

Housing

With a cost-of-living score of 91.9, an increase over 2021, where the national average is 104.6, Pittsburgh continues to be recognized as one of the least costly places to live. Pittsburgh's housing market has been able to maintain stability despite the longer time in selling property. While the sales are not as robust as they had been in prior years after the pandemic, the real estate market continues to be stable. The City of Pittsburgh was also moved from 30th to 18th place on the Best Places to Live, per the ranking and review company Niche.

Demographics

Pittsburgh's population has seen a decline in 2022. This decline has been offset by a substantial increase in migrants to the city, accounting for close to 3,400 people. The City has a workforce that is rapidly getting younger and better educated, with over half of the residents aged 25-34 holding at least a bachelor's degree. This is mainly due to the high number of college and universities located within, and right outside of, the city limits. Housing market stability is a plus for the market area, and Pittsburgh is always well positioned to attract and retain young workers with its industrial diversity and presence of high-tech and cutting-edge employers. While telework has become the new norm, downtown has transformed form a business center to a residential center, with more than 20,000 people living downtown or in surrounding neighborhoods. The residential population has increased by 4% in downtown over 2021. However, those industries will have to grow more rapidly for Pittsburgh to turn that favorable positioning into determined action on population growth. Reliable education, healthcare and financial industry employers are firmly entrenched and will support workforce development for the foreseeable future.

Outlook Summary

In the mid-1800s, Pittsburgh gained notoriety for developing its glass, iron, and steel industries and emerged as the world's steel-producing capital by the end of the century. This continued until the steel industry's collapse in the early 1980s. In recent years, the City of Pittsburgh's economy has undergone a transformation. Though heavy manufacturing continues to play a role in the City's economic growth, it is no longer the region's sole driving force. Instead, Pittsburgh has reestablished itself as a leader in technological innovation. The same entrepreneurial spirit the forged Pittsburgh's growth in the past has been reborn, producing a diverse economy consisting of high technology, finance, healthcare and education sectors. Pittsburgh's economy is now fueled in great part by these growths by the strong colleges and universities in the area.

Pittsburgh's highly regarded universities and hospitals will support stable income and employment trends over the longer term. Marcellus Shale natural gas drilling operations and ongoing expansion of high-tech employers also provide the basis for a significantly faster growth pace than that seen over the past few decades. Demographic trends can be reversed once these industries move from planning stages to action. Pittsburgh is among several dozen global cities that have the institutions, innovative capacity, and core science and technology competencies to compete for leadership in some of these next-generation technologies. Nevertheless, while the opportunity is there, success is by no means guaranteed. The overall

outlook for Pittsburgh remains quite promising. The City's investments and initiatives in the past several years are facilitating an increase in business development, which has fueled an increase in residential construction.

The overall outlook on the City of Pittsburgh remains stable. With constant growth and reinvestment in the area, the City is adapting to the changing times.

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 2020 fiscal year, the City's governmental funds reported combined ending fund balances of \$260.0 million, a decrease of \$32.8 million from the previous year. Approximately 32.8% of this total amount or \$85.4 million is available for spending at the government's discretion (unassigned fund balance). The unassigned fund balance for the General Fund was \$85.4 million (compared to \$133.5 million in 2019) or 14.5% of total General Fund expenditures and debt service transfers for 2020, down from 23.49% in 2019. The City's outstanding general obligation bonds and notes including unamortized premium/discount amounted to \$458.6 million at the end of the fiscal year up from \$427.6 million in 2019.

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 2022 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.
- The impact of the General Assembly's action, in 2006, to eliminate \$20 million of the District's future annual revenues.
- Underutilized facilities create resource inequities and diseconomies of scale.
- No desire to raise taxes beyond statutory limits.
- Potential uncertainty due to COVID-19 pandemic and fiscal impact.

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, 2021.

This was the thirteenth 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, 2022.

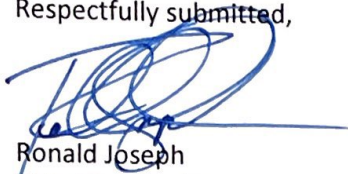
The **Association of School Business Officials International (ASBO)** awarded a **Certificate of Excellence in Financial Reporting** to the District for its Annual Report for the fiscal year ended December 31, 2021.

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, 2022.

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 Comprehensive Annual Financial Report of the District for the fiscal year ended December 31, 2022.

Respectfully submitted,



Michael E. Lamb
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,

2021

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, 2021.**

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



A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

School District of Pittsburgh
List of Elected and Appointed Officials
June 2022

Elected Officials

Board of Directors

Kevin Carter	Member
Gene Walker	Member
Devon Taliaferro	First Vice President
Pam Harbin	Second Vice President
William Gallagher	Member
Jamie Piotrowski	Member
Sala Udin	President
Sylvia Wilson	Member
Tracey Reed	Member

School Controller's Office

Michael E. Lamb	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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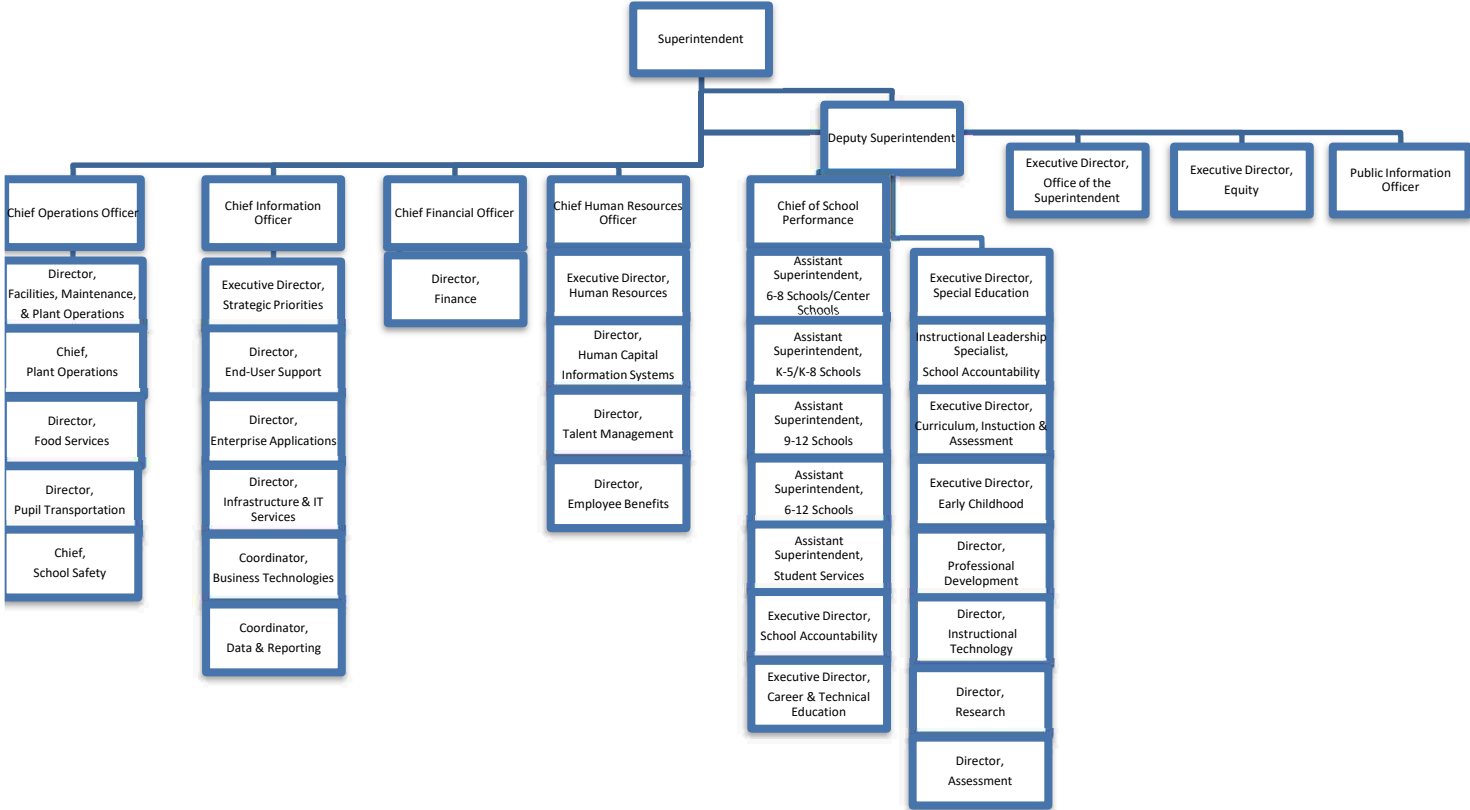
Law Office

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, 2022, 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, 2022, 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 (GAAS). 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 GAAS, we:

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

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

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

Pittsburgh, Pennsylvania
August 31, 2023

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. 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.

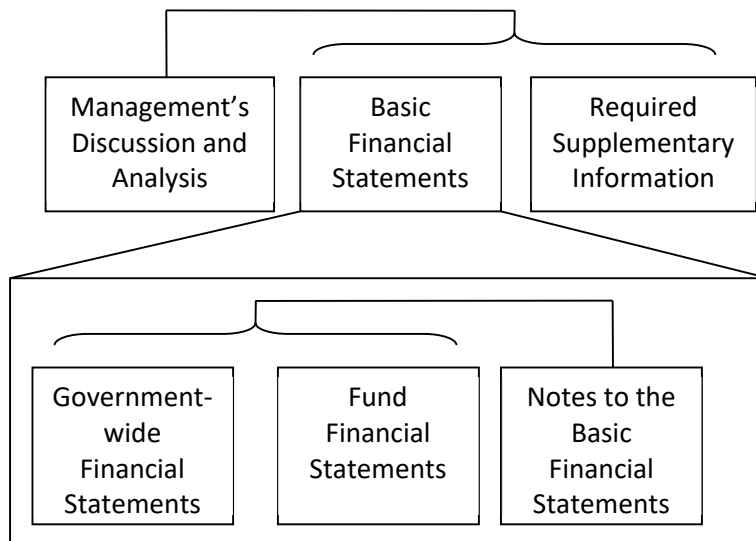
FINANCIAL HIGHLIGHTS

- 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 \$798,912,916 (net position).
- The government-wide financial statements reflect the recording of the net pension liability of \$905,580,000 and the net OPEB liability of \$186,503,144 as of December 31, 2022.
- Total net position of the District's governmental activities increased by \$11,948,943 or 147%, while net position of business-type activities decreased by \$337,551 or 12.32%.
- The unassigned fund balance of the general fund as of December 31, 2022, was \$56,531,612 or 8.68% of total general fund expenses and other financing uses. The assigned and unassigned general fund balance represents 11.35% of general fund expenditures and other financing uses for fiscal year 2022.
- 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 2022. Net position of the OPEB Trust is \$15,936,042.
- Total general obligation bonds and notes outstanding increased by \$5,288,976. 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.

Required Components of the
School District of Pittsburgh's
Financial Report



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 \$(796,509,971) at December 31, 2022. The District's combined net position for governmental activities and business-type activities increased by \$11,611,392 during fiscal year 2022. The net effect of the following factors contributed to the increase:

- The adjustment of the net pension and OPEB liabilities and related deferred inflows and outflows on the net position statement resulted in a reduction of expenses of approximately \$33.5 million for 2022.
- Student transportation expenditures increased approximately \$20.2 million as the District returned to onsite learning for the 2022.

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	
	2022	2021	2022	2021	2022	2021
Current assets	\$ 250,126,147	\$ 242,626,658	\$ (2,865,167)	\$ (3,937,844)	\$ 247,260,980	\$ 238,688,814
Capital assets	446,783,678	455,808,606	6,875,474	7,316,174	453,659,152	463,124,780
Other noncurrent assets	4,376,406	3,614,550	-	-	4,376,406	3,614,550
Total assets	701,286,231	702,049,814	4,010,307	3,378,330	705,296,538	705,428,144
Deferred outflows for pension	73,136,450	92,030,029	-	-	73,136,450	92,030,029
Deferred outflows for OPEBS	49,451,679	65,161,310	-	-	49,451,679	65,161,310
Deferred charge on refunding	3,227,836	4,252,102	-	-	3,227,836	4,252,102
Total deferred outflows of resources	125,815,965	161,443,441	-	-	125,815,965	161,443,441
Current liabilities	107,972,396	97,039,094	1,269,226	285,662	109,241,622	97,324,756
Non-current liabilities outstanding	1,403,308,065	1,360,813,803	338,136	352,172	1,403,646,201	1,361,165,975
Total liabilities	1,511,280,461	1,457,852,897	1,607,362	637,834	1,512,887,823	1,458,490,731
Real estate taxes received in advance	19,639,859	15,582,013	-	-	19,639,859	15,582,013
Deferred inflows for pension	49,886,000	184,928,000	-	-	49,886,000	184,928,000
Deferred inflows for OPEBS	45,208,792	15,992,204	-	-	45,208,792	15,992,204
Total deferred inflows of resources	114,734,651	216,502,217	-	-	114,734,651	216,502,217
Net position:						
Net investment in capital assets	146,937,398	149,678,177	6,875,474	7,316,174	153,812,872	156,994,351
Restricted	4,550,481	3,640,388	-	-	4,550,481	3,640,388
Unrestricted	(950,400,795)	(964,180,424)	(4,472,529)	(4,575,678)	(954,873,324)	(968,756,102)
Total net position	\$ (798,912,916)	\$ (810,861,859)	\$ 2,402,945	\$ 2,740,496	\$ (796,509,971)	\$ (808,121,363)

The District's net investment in capital assets for governmental activities of \$146,937,398 as of December 31, 2022, reflects its significant investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt 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.

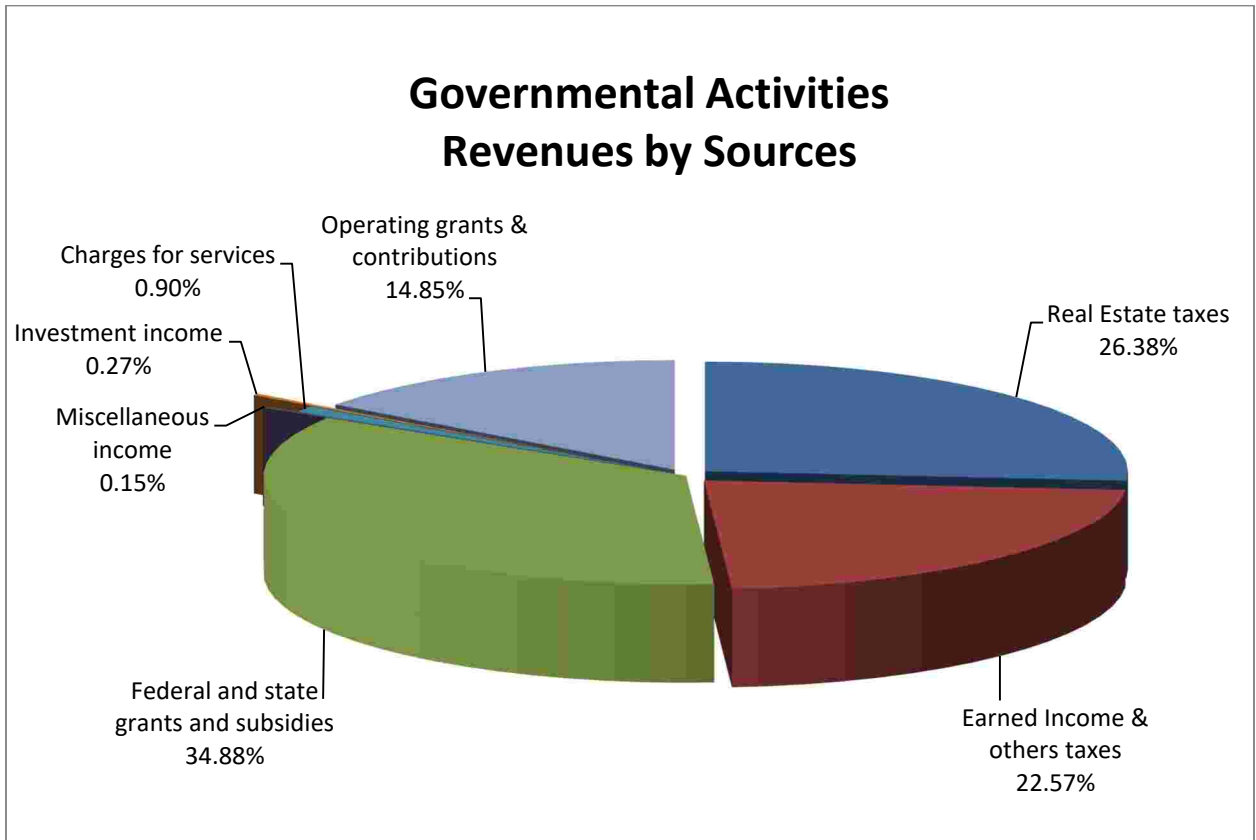
TABLE 2 — CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 6,775,045	\$ 6,186,028	\$ 1,135,197	\$ 1,354,772	\$ 7,910,242	\$ 7,540,800
Operating grants and contributions	111,991,036	98,069,801	17,477,519	6,414,363	129,468,555	104,484,164
General revenues:						
Property taxes and other taxes	369,135,637	357,567,832	-	-	369,135,637	357,567,832
Investment income	2,055,822	569,933	89,633	1,677	2,145,455	571,610
Federal and state grants and subsidies	263,066,068	265,208,117	-	-	263,066,068	265,208,117
Miscellaneous income	1,099,724	2,172,754	-	-	1,099,724	2,172,754
Total revenues	754,123,332	729,774,465	18,702,349	7,770,812	772,825,681	737,545,277
Expenses:						
Instruction	489,865,693	489,095,629	-	-	489,865,693	489,095,629
Instruction student support	60,307,508	81,462,495	-	-	60,307,508	81,462,495
Administrative and financial support services	64,775,127	57,359,103	-	-	64,775,127	57,359,103
Operation & maintenance of plant services	58,762,547	52,787,812	-	-	58,762,547	52,787,812
Student transportation	45,752,133	28,536,545	-	-	45,752,133	28,536,545
Student activities	5,010,503	4,278,031	-	-	5,010,503	4,278,031
Community services	573,451	261,392	-	-	573,451	261,392
Food services	-	-	19,039,900	12,798,129	19,039,900	12,798,129
Facilities	6,571,324	6,286,450	-	-	6,571,324	6,286,450
Interest on long-term debt	10,556,103	9,517,032	-	-	10,556,103	9,517,032
Total expenses	742,174,389	729,584,489	19,039,900	12,798,129	761,214,289	742,382,618
Change in net position	11,948,943	189,976	(337,551)	(5,027,317)	11,611,392	(4,837,341)
Net position — January 1	(810,861,859)	(811,051,835)	2,740,496	7,767,813	(808,121,363)	(803,284,022)
Net position — December 31	<u>\$ (798,912,916)</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>

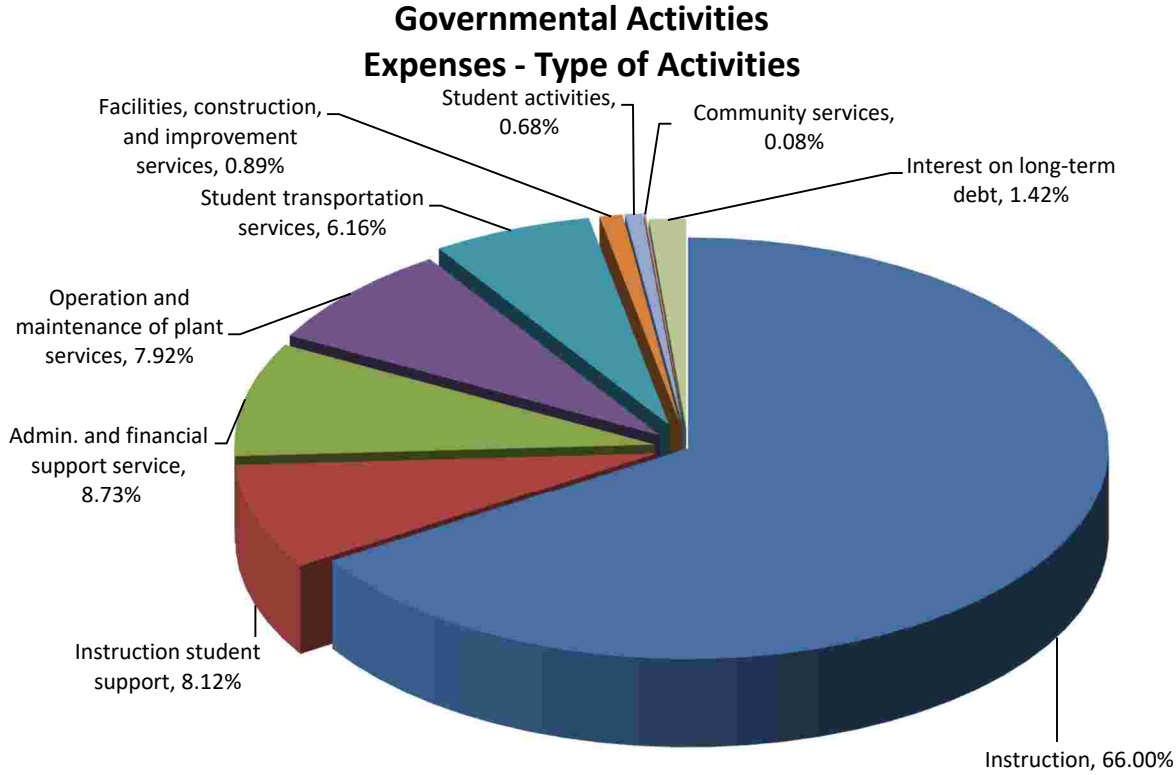
GOVERNMENTAL ACTIVITIES — Net position for governmental activities increased by \$11,948,943, as compared to an increase of \$189,976 in the prior fiscal year. Factors contributing to the changes:

- The dependence upon tax revenues for governmental activities is apparent. The School District had expenses for governmental activities of \$742,174,389, while only \$6,775,045 has been provided from program specific charges and \$263,066,068 has been provided by the State and Federal Governments as operating and general grants. The District received \$176,846,767 from the State for Basic Education subsidy.
- 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 \$33.5 million.
- Student transportation expenditures increased approximately \$20.2 million as the District returned to onsite learning for the 2022.
- 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 \$2,055,822. This higher than budgeted amount is due to the increase of interest rates.

- Taxes, investment income, and local sources composed 49.22% of revenues for the District's governmental activities as a whole.



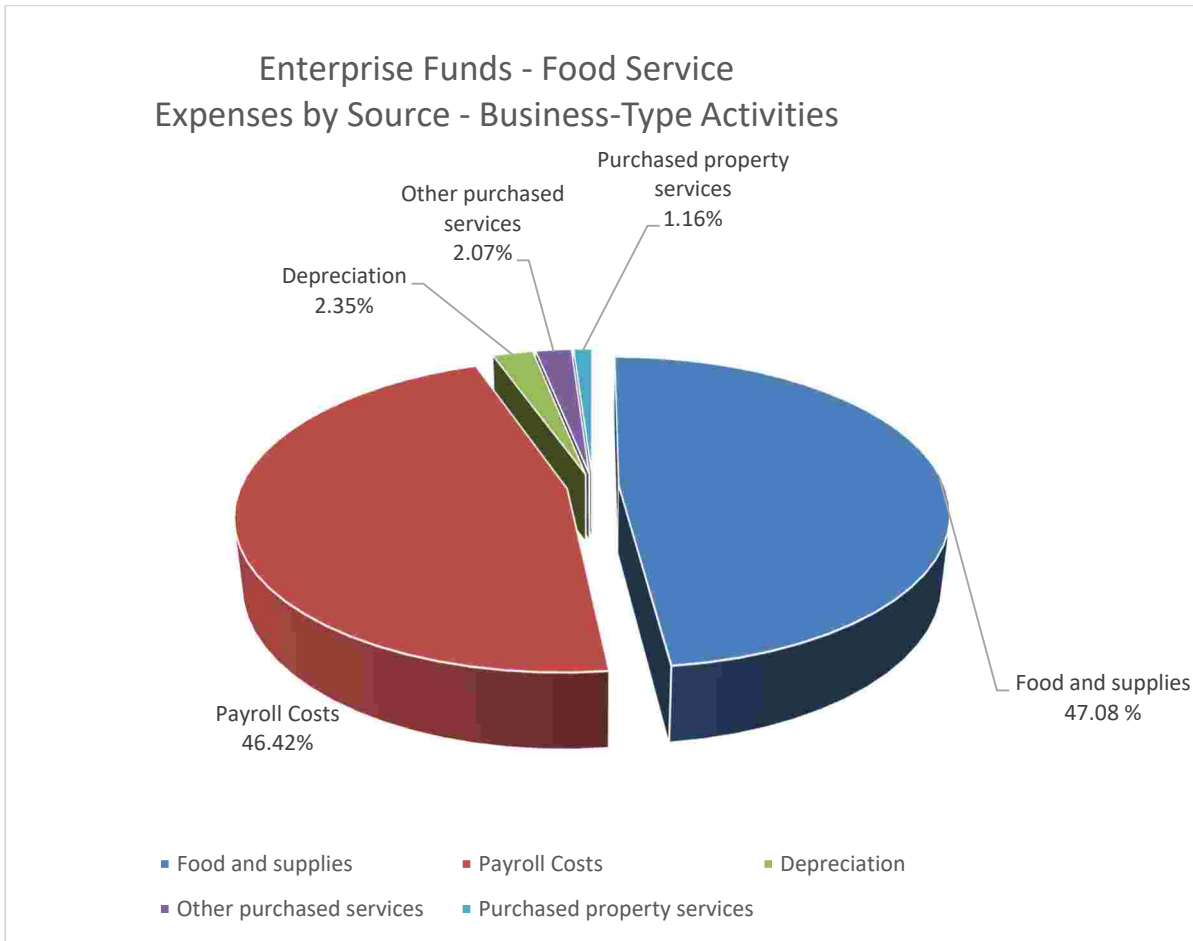
- Functional expenses have increased by \$12,589,900 or 1.72%. The majority of this increase is due to increased transportation costs as the District transitioned back to onsite learning for fiscal year 2022.



BUSINESS-TYPE ACTIVITIES

The net position of our food service activities decreased by \$337,551 in fiscal year 2022, compared to the \$5,027,317 decrease in 2021.

- Revenues increased by \$10,931,538 or 140.67%, to \$18,702,349 for 2022. This is due to the District returning to onsite learning and overall increased services in 2022.
- Operating grants and contributions revenue increased by \$11,063,157 or 172.47% for 2022. This drastic increase is due to returning back to onsite learning for 2022.
- The District’s operating expenses increased by \$6,241,772, or 48.77%, to \$19,039,900 for 2022. While the District is constantly trying to reduce spending, this increase is also attributed to returning back to onsite learning for 2022.
- The costs of food and supplies increased by \$4,107,655, or 83.64%, over the 2021 costs which reflects the increase of services due to the District returning to onsite learning for 2022.
- The District’s food operations did not make any capital improvements in 2022.
- 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 governmental funds reported an increase in fund balance of \$9,022,998. The combined ending fund balance of total governmental funds was \$120,277,776. Of this total amount, \$56,531,612 constitutes fund balance which is available for spending at the government’s discretion. Assigned balances of \$20,976,552 represent intentions of the District to use funds for specific purposes, such as \$16,448,232 to support the 2022 budget shortfall. Committed funds of \$7,038,984 include \$3,706,124 for general fund contracts and \$3,242,762 for Capital Emergency funding. The District has \$35,067,489 in restricted capital projects imposed by debt covenants and \$196,859 restricted for scholarships.

The fund balance and the total change in fund balance by fund type as of December 31, 2022 and 2021 are as follows:

	Fund Balance December 31, 2022	Fund Balance December 31, 2021	Increase (Decrease)
General Fund	\$ 81,336,437	\$ 83,303,071	\$ (1,966,634)
Capital Projects	37,270,365	31,606,933	5,663,432
Special Revenue	400,558	675,633	(275,075)
Other Governmental	1,270,416	1,326,990	(56,574)
	<u>\$ 120,277,776</u>	<u>\$ 116,912,627</u>	<u>\$ 3,365,149</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, 2022, was \$81,336,437 or 18.78% of total general fund expenditures and other financing uses. The unassigned and assigned fund balance of the general fund as of December 31, 2022, was \$73,921,271.

The fund balance of the District's general fund decreased by \$1,966,634. Key factors in this decrease were the net effect of the following:

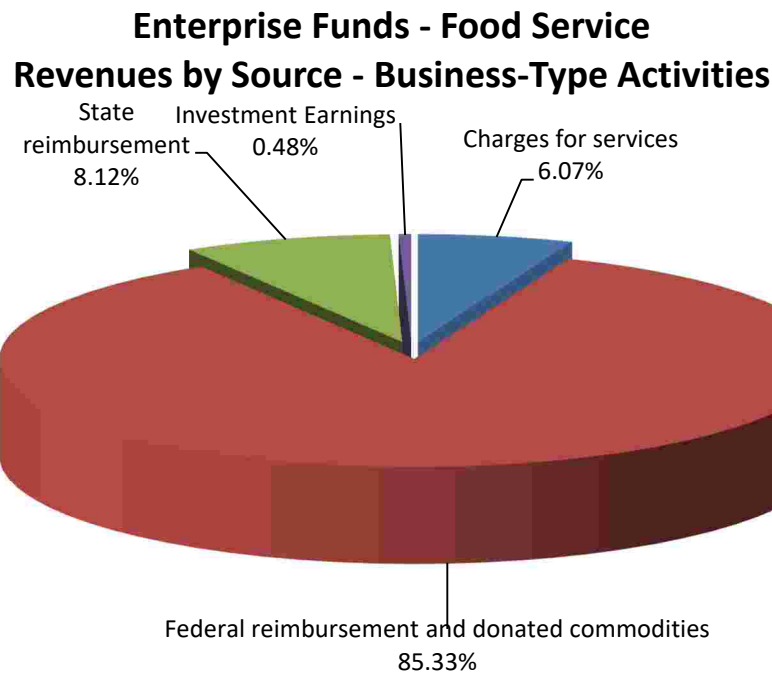
- Increased transportation costs of \$10,896,722 due to the District returning to onsite learning for 2022.
- Increased real estate tax revenue of \$9,936,655 due to an increase in tax milage and timing of tax receipts within the available period.
- Increase of EIT tax of 13,909,085 due to improvement of the economy of the Districts service area as well as timing of tax receipts within the available period.
- Increase in operating and maintenance of plant service costs of \$8,864,733 due to the district returning back to onsite learning in 2022.
- Transfers to the Health Insurance Fund and General Liability Fund of \$5,000,000 and \$1,000,000 respectively to fund increased benefit payments.

The net increase of \$5,663,432 in the capital projects fund balance is due to:

- The District issued \$34,585,000 in general obligation bonds in 2022 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 2022 in the amount of \$1,000,000. These funds were used to fund major maintenance contracts. There were no transfers made in 2021.

The net decrease of \$275,075 in the Special Revenue fund is due to 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, 2022, federal and state reimbursement and donated commodities composed 85.33% of food service revenues.



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 decreased by \$5,909,389 during 2022. Funds with significant changes were as follows:

- Net position decreased in the self-insurance health care fund by \$9,635,023. The net position balance is \$2,313,984 and the estimated liability for incurred but not paid claims is \$4,278,000 out of total liabilities of \$4,501,059.
- Benefit payments increased by \$8,292,050 from 2021. This is due to an increase in employees obtaining preventative care now that the pandemic has ended.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2022 year, there was an \$8 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, 2022. 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 2022 for the General Fund were \$69,202 more than budgeted. See Note 2 for additional information on the District's budgetary basis.

Actual revenues were \$14,749,000 less than budgeted. Key factors contributing to this net shortfall include:

- Real estate income has seen an increase of \$5,031,026 or 2.67% greater than budgeted. This is due to the increase of the real estate tax millage for 2022.
- Real estate transfers have seen an increase of \$5,698,724 or 35.62% increase due to increased real estate sales and higher sale prices of homes within the city.
- The Earned Income Tax revenues are \$9,357,031, or 5.34%, less than budgeted. This is a reflection of the timing of receipts on the modified accrual basis of accounting.
- Investment income was \$1,398,810 greater than budgeted attributable to interest rates increasing.
- Basic Instructional Subsidies were \$9,558,643 or 5.42% less than budgeted.
- Subsidies for noneducation programs were \$13,933,893 or 44.97%, less than budgeted due to a decrease of funding received for transportation subsidies received in 2022.

Actual expenditures were \$121,199,510 less than budgeted, but when the final budget for expenditures is compared with actual expenditures and other financing uses, the variance is \$14,679,798, less than budgeted. Key factors include:

- Regular Instructional expenditures were \$9,509,119 less than budgeted, due to the District's commitment to lower costs.
- Instructional expenditures for special elementary/secondary programs were \$92,094,749 greater 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 \$6,972,870 less than budgeted.
- The District's budgeted contingency, originally adopted at \$829,200, ended the year with an \$829,200 balance. The District does not record any expenditure to the contingency function.

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, 2022, the District's capital assets, net of depreciation, for its governmental and business-type activities amounted to \$446,783,680 and \$6,875,474 respectively, or a total of \$453,659,154, net of depreciation.

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 23,277,381	\$ 23,277,381	\$ 43,878	\$ 43,878	\$ 23,321,259	\$ 23,321,259
Land improvements	10,727,752	11,809,767	-	-	10,727,752	11,809,767
Buildings & improvements	402,755,279	405,371,083	6,507,243	6,859,436	409,262,522	412,230,519
Machinery and equipment	10,023,266	15,350,375	324,353	412,860	10,347,619	15,763,235
Total	<u>\$ 446,783,678</u>	<u>\$ 455,808,606</u>	<u>\$ 6,875,474</u>	<u>\$ 7,316,174</u>	<u>\$ 453,659,152</u>	<u>\$ 463,124,780</u>

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 2022, the District had bonded debt outstanding of \$309,173,118. Two notes issued through the State Public School Board Authority are outstanding in the amount of \$8,114,118, with a net rate of 6.50%. The Qualified School Construction Bonds in the amount of \$6,720,000 carries a net interest rate of 6.85%.

In 2022, the District issued \$34,585,000 in General Obligation Bonds. The final maturity on this issue is 2042. The District issued \$7,402,000 and \$4,932,000 in General Obligation Notes refunding the 2014 Series A and Series C Bonds, respectively. The final maturity on this issue is 2025 and 2034, respectively. The District’s total general obligation bonds and notes payable for its governmental activities increased by \$4,588,976, due to the District’s need to increase its capital project programs and expenditures.

	Activities	
	2022	2021
General obligation and revenue bonds:		
General Obligation Bonds	\$ 295,039,000	\$ 287,050,000
Qualified Zone Academy Bonds	-	387,671
Qualified School Construction Bonds	6,720,000	7,680,000
State Public School Board Authority Notes	8,114,118	9,466,471
Total	<u>\$ 309,873,118</u>	<u>\$ 304,584,142</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 – 122.

NEXT YEAR'S BUDGET

In December 2022, the Board of Directors adopted a 2023 general fund budget of approximately \$760 million, excluding estimated encumbrance carryovers of \$4,647,551. The 2023 budget balanced revenues and expenditures using \$23,936,978 of the assigned general fund balance as of December 31, 2022. The unassigned general fund balance of \$48,967,269 as of December 31, 2022, satisfies the Board's fund balance policy requirement of 5%–15% of operating expenses budgeted for 2023.

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 2023 is 10.25.

The Board of Directors also approved a 2023 capital program in the amount of \$36,222,620 to be funded from the issuance of general obligation debt, which will be issued in December 2023.

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, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS:			
Cash	\$ 36,247,364	\$ -	\$ 36,247,364
Cash with fiscal agents	100,000	-	100,000
Investments	110,407,886	-	110,407,886
Accrued interest	178,760	-	178,760
Taxes receivables - net:			
Earned income taxes	37,627,002	-	37,627,002
Real estate taxes	25,435,564	-	25,435,564
Due from other governments	31,387,017	1,582,340	32,969,357
Internal balances - due to/from	6,099,038	(6,099,038)	-
Inventories	-	1,305,364	1,305,364
Other receivables and prepaid expenses	2,643,516	346,167	2,989,683
Total current assets	250,126,147	(2,865,167)	247,260,980
NONCURRENT ASSETS:			
Restricted cash	3,310,342	-	3,310,342
Restricted investments	773,859	-	773,859
Issuance prepaid insurance	292,205	-	292,205
Capital assets not being depreciated:			
Land	23,277,381	43,878	23,321,259
Capital assets net of accumulated depreciation:			
Land improvements	10,727,752	-	10,727,752
Buildings and improvements	402,755,279	6,507,243	409,262,522
Furniture, fixtures, machinery, and equipment	10,023,266	324,353	10,347,619
Total capital assets (net of accumulated depreciation)	446,783,678	6,875,474	453,659,152
Total noncurrent assets	451,160,084	6,875,474	458,035,558
Total assets	701,286,231	4,010,307	705,296,538
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources for pensions	73,136,450	-	73,136,450
Deferred outflows of resources for OPEBS	49,451,679	-	49,451,679
Deferred charge on refunding	3,227,836	-	3,227,836
Total deferred outflows of resources	125,815,965	-	125,815,965
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 827,102,196	\$ 4,010,307	\$ 831,112,503

See notes to financial statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	\$ 37,024,718	\$ 977,496	\$ 38,002,214
Accrued salaries	2,211,483	212,813	2,424,296
Payroll withholdings	12,029,839	-	12,029,839
Interest payable	4,632,140	-	4,632,140
Unearned revenue	2,392,560	-	2,392,560
Other liabilities	1,176,603	-	1,176,603
Current portion of noncurrent liabilities	48,505,053	78,917	48,583,970
Total current liabilities	107,972,396	1,269,226	109,241,622
NONCURRENT LIABILITIES			
	1,403,308,065	338,136	1,403,646,201
Total liabilities	1,511,280,461	1,607,362	1,512,887,823
DEFERRED INFLOWS OF RESOURCES:			
Real estate taxes received in advance	19,639,859	-	19,639,859
Deferred inflows of resources for pensions	49,886,000	-	49,886,000
Deferred inflows of resources for OPEBS	45,208,792	-	45,208,792
Total deferred inflows of resources	114,734,651	-	114,734,651
NET POSITION:			
Net investment in capital assets	146,937,398	6,875,474	153,812,872
Restricted net position:			
Workers' compensation	4,084,201	-	4,084,201
Scholarships	466,280	-	466,280
Total restricted net position	4,550,481	-	4,550,481
Unrestricted	(950,400,795)	(4,472,529)	(954,873,324)
Total net position	(798,912,916)	2,402,945	(796,509,971)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 827,102,196	\$ 4,010,307	\$ 831,112,503

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT:							
Governmental activities:							
Instruction	\$ 489,865,693	\$ 6,775,045	\$ 82,940,562	\$ -	\$ (400,150,086)	\$ -	\$ (400,150,086)
Instruction student support	60,307,508	-	3,606,111	-	(56,701,397)	-	(56,701,397)
Administrative and financial support services	64,775,127	-	16,350,691	-	(48,424,436)	-	(48,424,436)
Operation & maintenance of plant services	58,762,547	-	2,318,214	-	(56,444,333)	-	(56,444,333)
Student transportation services	45,752,133	-	5,577,154	-	(40,174,979)	-	(40,174,979)
Student activities	5,010,503	-	716,743	-	(4,293,760)	-	(4,293,760)
Community services	573,451	-	481,561	-	(91,890)	-	(91,890)
Facilities acquisition, construction and imp services	6,571,324	-	-	-	(6,571,324)	-	(6,571,324)
Interest on long-term debt	10,556,103	-	-	-	(10,556,103)	-	(10,556,103)
Total governmental activities	742,174,389	6,775,045	111,991,036	-	(623,408,308)	-	(623,408,308)
Business-type activities:							
Food service operations	19,039,900	1,135,197	17,477,519	-	-	(427,184)	(427,184)
Total business-type activities	19,039,900	1,135,197	17,477,519	-	-	(427,184)	(427,184)
Total primary government	\$ 761,214,289	\$ 7,910,242	\$ 129,468,555	\$ -	(623,408,308)	(427,184)	(623,835,492)
General revenues:							
Taxes:							
Real estate					198,961,617	-	198,961,617
Earned income					169,827,347	-	169,827,347
Others					346,673	-	346,673
Investment income					2,055,822	89,633	2,145,455
Federal/state grants and subsidies not restricted to specific programs					263,066,068	-	263,066,068
Miscellaneous income					1,099,724	-	1,099,724
Total general revenues					635,357,251	89,633	635,446,884
Change in net position					11,948,943	(337,551)	11,611,392
Net position - beginning					(810,861,859)	2,740,496	(808,121,363)
Net position - ending					\$ (798,912,916)	\$ 2,402,945	\$ (796,509,971)

See notes to financial statements.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2022

	General Fund	Capital Projects	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 19,558,112	\$ 4,344,431	\$ -	\$ 1,233,381	\$ 25,135,924
Cash with fiscal agents	100,000	-	-	-	100,000
Investments	58,877,277	35,067,489	160,784	43,093	94,148,643
Accrued interest	173,830	-	-	2,692	176,522
Taxes receivable - net	63,062,566	-	-	-	63,062,566
Due from other funds	6,623,895	-	-	-	6,623,895
Due from other governments	20,487,470	-	10,899,547	-	31,387,017
Other receivables	1,322,151	-	-	-	1,322,151
Prepaid items	466,280	-	-	-	466,280
Total Assets	\$ 170,671,581	\$ 39,411,920	\$ 11,060,331	\$ 1,279,166	\$ 222,422,998
LIABILITIES					
Accounts payable and accrued	\$ 22,656,807	\$ 2,141,555	\$ 7,395,340	\$ 8,750	\$ 32,202,452
Due to other funds	-	-	76,621	-	76,621
Accrued salaries payable	6,380,728	-	130,276	-	6,511,004
Payroll withholdings payable	12,029,839	-	-	-	12,029,839
Unearned revenue	-	-	2,392,560	-	2,392,560
Prepayments and deposits	511,627	-	664,976	-	1,176,603
Total Liabilities	41,579,001	2,141,555	10,659,773	8,750	54,389,079
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	24,295,646	-	-	-	24,295,646
Unavailable revenue - earned income taxes	3,820,638	-	-	-	3,820,638
Advanced revenue - state property tax subsidy	19,639,859	-	-	-	19,639,859
Total Deferred Inflows of Resources	47,756,143	-	-	-	47,756,143
FUND BALANCES					
Nonspendable:					
Prepaid insurance and contractual deposits	466,280	-	-	-	466,280
Restricted for:					
Scholarships	-	-	-	196,859	196,859
Capital projects contracts	-	35,067,489	-	-	35,067,489
Committed to:					
Stabilization - capital emergency	3,242,762	-	-	-	3,242,762
General fund contracts	3,706,124	-	-	-	3,706,124
Capital projects contracts	-	90,098	-	-	90,098
Assigned to:					
Board-approved subsequent years budget	16,448,232	-	-	-	16,448,232
Debt service	-	-	-	1,020,534	1,020,534
Special trust	-	-	400,558	53,023	453,581
Capital projects	-	2,112,778	-	-	2,112,778
Supply purchases	941,427	-	-	-	941,427
Unassigned	56,531,612	-	-	-	56,531,612
Total Fund Balances	81,336,437	37,270,365	400,558	1,270,416	120,277,776
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 170,671,581	\$ 39,411,920	\$ 11,060,331	\$ 1,279,166	\$ 222,422,998

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, 2022**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS \$ 120,277,776

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. 446,783,678

Certain assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds. 28,116,284

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. 22,941,410

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. (1,417,032,064)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (798,912,916)

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, 2022

	General	Capital Projects	Special Revenue	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Real estate, net of refunds of \$3,315,983	\$ 212,064,670	\$ -	\$ -	\$ -	\$ 212,064,670
Earned income	166,006,709	-	-	-	166,006,709
Other	346,673	-	-	-	346,673
Local nontax revenue	5,724,429	-	2,150,340	-	7,874,769
Federal and state grants and subsidies	263,068,255	-	111,988,850	-	375,057,105
Investment income	1,956,287	-	2,186	2,319	1,960,792
Total Revenues	649,167,023	-	114,141,376	2,319	763,310,718
EXPENDITURES:					
Current - instruction:					
Regular programs	303,328,606	-	25,010,170	-	328,338,776
Special programs	2,650,081	-	107,744,954	-	110,395,035
Vocational education programs	5,015,904	-	3,188,342	-	8,204,246
Other instructional programs	2,929,946	-	3,927,082	52,000	6,909,028
Pre-Kindergarten	2,480,621	-	25,766,826	-	28,247,447
Support services:					
Pupil personnel	16,013,966	-	6,111,306	-	22,125,272
Instructional staff	12,632,361	-	10,290,629	-	22,922,990
Administration	34,735,056	-	11,077,866	33,000	45,845,922
Pupil health	8,970,963	-	3,523,820	-	12,494,783
Business	5,670,510	-	225,943	-	5,896,453
Operation and maintenance of plant services	57,939,892	292,614	366,699	-	58,599,205
Student transportation services	33,041,872	-	12,722,327	-	45,764,199
Support services - central	10,382,222	-	2,009,380	-	12,391,602
Operation of noninstructional services:					
Student activities	3,872,039	-	1,099,972	-	4,972,011
Community services	393,536	-	165,012	-	558,548
Capital outlay:					
Facilities acquisition, construction, and improvement services	1,581,273	30,054,625	893,072	-	32,528,970
Debt service:					
Principal	29,665,024	-	-	11,965,000	41,630,024
Interest	13,310,073	-	-	261,893	13,571,966
Bond issuance costs	-	521,209	-	101,500	622,709
Total Expenditures	544,613,945	30,868,448	214,123,400	12,413,393	802,019,186
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	104,553,078	(30,868,448)	(99,982,024)	(12,411,074)	(38,708,468)
OTHER FINANCING SOURCES (USES):					
Face value of bonds issued	-	34,585,000	-	-	34,585,000
Face value of refunding notes	-	-	-	12,334,000	12,334,000
Bond premiums	-	941,380	-	-	941,380
Sale of, or compensation for, capital assets	5,500	-	-	-	5,500
Transfers (out) in-special education	(85,121,879)	-	85,121,879	-	-
Transfers in	2,052,187	1,005,500	16,637,257	20,500	19,715,444
Transfers out	(23,455,520)	-	(2,052,187)	-	(25,507,707)
Total other financing (uses) sources	(106,519,712)	36,531,880	99,706,949	12,354,500	42,073,617
CHANGE IN FUND BALANCES	(1,966,634)	5,663,432	(275,075)	(56,574)	3,365,149
FUND BALANCES - January 1, 2022	83,303,071	31,606,933	675,633	1,326,990	116,912,627
FUND BALANCES - December 31, 2022	\$ 81,336,437	\$ 37,270,365	\$ 400,558	\$ 1,270,416	\$ 120,277,776

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, 2022**

CHANGE IN FUND BALANCES \$ 3,365,149

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 capital outlays exceeded depreciation in the current period. (9,024,928)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 28,116,285

Revenues that were recognized as current financial resources that would have been accrued in prior periods in the statement of activities. (37,398,699)

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. (4,588,521)

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. 37,104,128

The net expense of certain activities of internal service funds is reported with governmental activities. (5,624,471)

CHANGE IN NET POSTION OF GOVERNMENTAL ACTIVITIES \$ 11,948,943

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, 2022

	Budgeted Amounts		Budgetary Basis	Variance
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Real estate	\$ 188,650,904	\$ 188,650,904	\$ 193,681,930	\$ 5,031,026
Earned income	175,363,740	175,363,740	166,006,709	(9,357,031)
Real estate transfers	16,000,000	16,000,000	21,698,724	5,698,724
Other	330,413	330,413	-	(330,413)
Local nontax revenue:				
In lieu of taxes	101,180	101,180	64,540	(36,640)
Other revenue from local sources and prior year refunds	5,247,528	5,247,528	6,006,557	759,029
State grants and subsidies:				
Basic instructional subsidies	176,301,530	176,301,530	166,742,887	(9,558,643)
Subsidies for specific education programs	30,717,377	30,717,377	30,084,205	(633,172)
Subsidies for noneducational programs	30,981,976	30,981,976	17,048,083	(13,933,893)
Subsidies for state paid benefits	42,383,793	42,383,793	48,042,153	5,658,360
Federal grants	596,088	596,088	1,150,931	554,843
Investment income	557,477	557,477	1,956,287	1,398,810
Total Revenues	667,232,006	667,232,006	652,483,006	(14,749,000)
EXPENDITURES:				
Instruction:				
Regular programs—elementary/secondary	305,214,753	315,004,655	305,495,536	9,509,119
Special programs—elementary/secondary	94,784,981	94,744,830	2,650,081	92,094,749
Vocational education programs	5,464,099	5,649,718	5,015,904	633,814
Other instructional programs—elementary/secondary	1,735,893	2,534,315	2,929,946	(395,631)
Pre-Kindergarten	3,000,000	3,000,000	2,480,621	519,379
Support services:				
Pupil personnel	15,591,318	15,894,851	16,013,966	(119,115)
Instructional staff	15,730,822	16,410,216	12,632,361	3,777,855
Administration	36,975,403	37,892,763	34,735,056	3,157,707
Pupil health	10,553,862	11,801,936	8,970,963	2,830,973
Business	7,134,540	7,238,032	5,670,510	1,567,522
Operation and maintenance of plant services	63,413,295	62,205,776	57,939,892	4,265,884
Student transportation services	40,881,967	34,103,856	33,041,872	1,061,984
Support services—central	11,499,514	12,113,349	10,382,222	1,731,127
Operation of noninstructional services:				
Student activities	4,643,187	5,001,292	3,872,039	1,129,253
Community services	504,745	494,335	393,536	100,799
Capital outlay:				
Facilities acquisition, construction and improvement services	1,432,476	1,626,715	1,581,273	45,442
Debt service:				
Principal	32,620,565	33,488,608	29,665,024	3,823,584
Interest	13,742,542	13,742,542	13,310,073	432,469
Bond issuance costs	-	-	-	-
Tax refunds	-	-	3,315,983	(3,315,983)
Contingencies/operating transfers	829,200	829,200	-	829,200
Total Expenditures	665,753,162	673,776,989	552,577,479	121,199,510
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,478,844	(6,544,983)	99,905,527	106,450,510
OTHER FINANCING SOURCES (USES):				
Sale of, or compensation for, capital assets	-	-	5,500	5,500
Transfers in	-	-	2,052,187	2,052,187
Transfers out	-	-	(108,577,399)	(108,577,399)
Total other financing uses	-	-	(106,519,712)	(106,519,712)
CHANGE IN FUND BALANCE	1,478,844	(6,544,983)	(6,614,185)	(69,202)
FUND BALANCE-January 1, 2022	83,303,071	83,303,071	83,303,071	-
FUND BALANCE - December 31, 2022	\$ 84,781,915	\$ 76,758,088	\$ 76,688,886	\$ (69,202)

See notes to financial statements.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2022**

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash	\$ -	\$ 11,111,440
Investments	-	16,259,243
Interest receivable	-	2,238
Due from other governments	1,582,340	-
Inventories	1,305,364	-
Other receivables	346,167	855,085
Total current assets	<u>3,233,871</u>	<u>28,228,006</u>
NONCURRENT ASSETS:		
Restricted cash	-	3,310,342
Restricted investments	-	773,859
Capital assets:		
Land	43,878	-
Buildings	15,070,740	-
Machinery and equipment	6,316,113	-
Less accumulated depreciation	(14,555,257)	-
Total capital assets (net of accumulated depreciation)	<u>6,875,474</u>	<u>-</u>
Total noncurrent assets	<u>6,875,474</u>	<u>4,084,201</u>
TOTAL ASSETS	<u><u>\$ 10,109,345</u></u>	<u><u>\$ 32,312,207</u></u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 977,496	\$ 4,822,266
Due to other funds	5,826,506	720,768
Accrued salaries	212,813	16,094
Current portion of compensated absences	78,917	-
Current portion of workers' compensation reserve	-	1,800,000
Total current liabilities	<u>7,095,732</u>	<u>7,359,128</u>
NONCURRENT LIABILITIES:		
Compensated absences	338,136	-
Workers' compensation reserve	-	2,284,201
Total noncurrent liabilities	<u>338,136</u>	<u>2,284,201</u>
TOTAL LIABILITIES	<u><u>\$ 7,433,868</u></u>	<u><u>\$ 9,643,329</u></u>
NET POSITION		
Investment in capital assets	\$ 6,875,474	\$ -
Unrestricted	(4,199,997)	22,668,878
Total	<u>2,675,477</u>	<u>22,668,878</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(272,532)	-
TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u><u>\$ 2,402,945</u></u>	<u><u>\$ 22,668,878</u></u>

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, 2022**

	Business-Type Activities — Enterprise Fund Food Service	Governmental Activities — Internal Service Funds
OPERATING REVENUES:		
Contributions	\$ -	\$ 66,344,045
Charges for services	1,135,197	-
Total operating revenues	<u>1,135,197</u>	<u>66,344,045</u>
OPERATING EXPENSES:		
Food service operations:		
Food and supplies	9,018,683	-
Payroll costs	8,706,731	-
Purchased property services	199,725	-
Other purchased services	389,142	-
Depreciation	440,700	-
Support services — central:		
Employee salaries, benefits, insurance, and supplies	-	727,419
Benefit payments	-	77,413,306
Total operating expense	<u>18,754,981</u>	<u>78,140,725</u>
OPERATING GAIN (LOSS)	<u>(17,619,784)</u>	<u>(11,796,680)</u>
NONOPERATING REVENUES:		
Federal reimbursements and donated commodities	15,958,239	-
State reimbursements	1,519,280	-
Investment earnings	89,633	95,028
Total nonoperating revenues	<u>17,567,152</u>	<u>95,028</u>
INCOME (LOSS) BEFORE TRANSFERS	(52,632)	(11,701,652)
TRANSFERS IN / (OUT)	-	5,792,263
CHANGE IN NET POSITION	(52,632)	(5,909,389)
NET POSITION — January 1, 2022	<u>2,728,109</u>	<u>28,578,267</u>
NET POSITION — December 31, 2022	<u>\$ 2,675,477</u>	<u>\$ 22,668,878</u>
CHANGE IN NET POSITION	\$ (52,632)	\$ -
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS		
	<u>(284,919)</u>	-
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ (337,551)</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, 2022**

	Business-Type Activities — Enterprise Fund Food Service	Governmental Activities — Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions	\$ -	\$ 66,344,045
Receipts from customers and users	1,055,138	-
Payments to suppliers	(8,154,837)	-
Payments to claimants	-	(76,491,867)
Payments to employees	(8,704,374)	(719,936)
Net cash provided by (used in) operating activities	<u>(15,804,073)</u>	<u>(10,867,758)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal and state reimbursements	15,318,061	-
Advances from other funds	396,379	-
Net cash provided by (used in) noncapital financing activities	<u>15,714,440</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	-	-
Transfers from (to) other funds	-	6,513,031
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>6,513,031</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	89,633	93,128
Sale (purchase) of investments	-	6,262,978
Net cash provided by (used in) investing activities	<u>89,633</u>	<u>6,356,106</u>
INCREASE (DECREASE) IN CASH	-	2,001,379
CASH — January 1, 2022 (including \$2,763,398 for the internal service funds included in restricted assets)	-	12,420,403
CASH — December 31, 2022 (including \$3,310,342 for the internal service funds included in restricted assets)	\$ -	\$ 14,421,782

See notes to financial statements.

(Continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities — Enterprise Fund Food Service	Governmental Activities — Internal Service Funds
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating gain (loss)	\$ (17,619,784)	\$ (11,796,680)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:		
Donated commodities	950,772	-
Depreciation	440,700	-
Changes in assets and liabilities:		
Inventories	(465,230)	-
Other receivables	(80,059)	-
Accounts payable	967,171	231,086
Accrued salaries	23,106	7,483
Compensated absences	(6,713)	-
Workers' compensation reserve	(14,036)	690,353
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (15,804,073)</u>	<u>\$ (10,867,758)</u>
NONCASH FINANCING TRANSACTION — Donated commodities	<u>\$ 950,772</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, 2022

	<u>OPEB Trust</u>	<u>Escheated Property Private-Purpose Trust</u>	<u>Custodial Fund</u>
ASSETS			
Cash	\$ -	\$ 35,433	\$ 1,061,939
Investments	15,936,042	-	-
TOTAL ASSETS	<u>\$ 15,936,042</u>	<u>\$ 35,433</u>	<u>\$ 1,061,939</u>
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 35,433</u>	<u>\$ -</u>
TOTAL NET POSITION			
Restricted for:			
OPEBs	\$ 15,936,042	\$ -	\$ -
Student activities	-	-	1,061,939
TOTAL NET POSITION	<u>\$ 15,936,042</u>	<u>\$ -</u>	<u>\$ 1,061,939</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, 2022

	OPEB Trust	Escheated Property Private-Purpose Trust	Custodial Fund
ADDITIONS:			
Contributions:			
District funds	\$ 5,801,822	\$ 19,590	\$ -
Student funds	-	-	1,045,155
Investment income:			
Net appreciation (depreciation)	(3,479,588)	-	-
Interest and income	505,247	-	-
Total investment income (loss)	(2,974,341)	-	-
Less investment expense	(135,476)	-	-
Net investment income (loss)	(3,109,817)	-	-
TOTAL ADDITIONS	2,692,005	19,590	1,045,155
DEDUCTIONS:			
Benefit payments	5,801,822	-	-
Reduction in stale check reserve	-	19,590	-
Student programs	-	-	986,299
TOTAL DEDUCTIONS	5,801,822	19,590	986,299
NET INCREASE (DECREASE) IN NET POSITION	(3,109,817)	-	58,856
NET POSITION — BEGINNING	19,045,859	-	1,003,083
NET POSITION— ENDING	\$ 15,936,042	\$ -	\$ 1,061,939

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, 2022

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 2022, the District received \$29,173,171 from the Commonwealth for special education costs. The Intermediate Unit's financial statements can be obtained at 515 North Highland Avenue, 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 26.90% of outstanding property taxes at December 31, 2022.

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, 2022, the District paid \$3,481,302 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 2022 was 10.25 mills (\$1 per \$1,000 assessed valuation) on an assessed value of \$21.5 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 2022, real estate tax abatements were as follows:

Act 42	\$ 34,464
Act 42 Enhanced	957,788
Residential LERTA	3,634,136
Residential Enhanced LERTA	552,246
TRID	<u>450,422</u>
 Total tax abatements	 <u><u>\$ 5,629,056</u></u>

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 \$29,910 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 2022, other real estate tax arrangements as defined above resulted in the following forgone tax amounts:

Homestead Exemption	\$ 15,694,311
Tax Increment Financing	<u>2,125,406</u>
 Total other tax arrangements	 <u><u>\$ 17,819,717</u></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 2023 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, 2022, is based on whether the employee is qualified to receive retirement pay or resignation pay at December 31, 2022.

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 2023.

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, 2022, 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, 2022, 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, 2022, 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 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, 2022, 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.”

The negative unrestricted net position reported in the business-type activities/food service fund is expected to be replenished with future operating subsidies and transfers from the General Fund.

- 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, 2022: Statement Nos. 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32). These statements had no significant impact on the District’s financial statements for the year ended December 31, 2022.
- j. **Recent Accounting Pending Pronouncements** - GASB has issued statements that will become effective in future years including 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections) and 101 (Compensated Absences). 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:

	General Fund
GAAP basis:	
Fund balance — December 31, 2022	\$ 81,336,437
Deduct outstanding:	
Committed contracts	(3,706,124)
Assigned supply purchases	(941,427)
	<hr/>
Budgetary basis — fund balance — December 31, 2022	<u>\$ 76,688,886</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	\$ 282,715,000
Compensated absences	12,927,939
Notes payable	27,158,118
Premium on issuance (to be amortized as interest expense)	23,830,642
Less deferred charge on refunding	(3,227,836)
Less prepaid charge for insurance costs (to be amortized over life of debt)	(292,205)
Less deferred outflows of resources for pension	(73,136,450)
Less deferred outflows of resources for OPEB	(49,451,679)
Accrued interest payable	4,632,140
Obligations for financed purchases	4,437,845
Net OPEB liability	186,503,144
Net pension liability	905,580,000
Deferred inflows of resources for pension	49,886,000
Deferred inflows of resources for OPEB	45,208,792
Termination benefits	260,614
	<hr/>
Net adjustment to reduce fund balance — total governmental funds to arrive at net position — governmental activities	<u>\$ 1,417,032,064</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	\$ 27,272,363
Depreciation expense and changes in accumulated depreciation	<u>(36,297,291)</u>
Net adjustment to increase net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (9,024,928)</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, debt refunding, and financed purchases	\$ (47,860,380)
Repayment — to bondholders and financial institutions	<u>43,271,859</u>
Net adjustments to decrease net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (4,588,521)</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	\$ 33,629,490
Amortization of premium	4,427,401
Amortization of bond discount, issuance prepaid insurance and deferred change on refunding	<u>(952,763)</u>
Net adjustments to decrease net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 37,104,128</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	\$ 12,387
Internal receivable representing the consolidation of Internal Service Fund activities related to Enterprise Funds — current year	<u>(284,919)</u>
Net adjustment to increase (decrease) net position — total enterprise funds to arrive at net position — business-type position activities	<u>\$ (272,532)</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 2022. There were no supplemental budget appropriations in 2022, except for the 2021 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, 2022.

A summary of deposits and investments with financial institutions at December 31, 2022, is as follows:

Deposits and Investments	Book Balance
General Fund	\$ 78,535,389
Capital Projects Funds	39,411,920
Special Revenue Funds	160,784
Nonmajor Governmental Funds	1,276,474
Internal Service Funds	31,454,884
OPEB Trust	15,936,042
Private Purpose Trust	35,433
Custodial Fund	<u>1,061,939</u>
Total deposits and investments	<u>\$ 167,872,865</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, 2022, \$47,124,790 of the

District's \$52,826,441 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>\$ 47,124,790</u>
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As of December 31, 2022, the District had the following investments:

Unrestricted Investments	Maturity Date	Fair Value
Money market funds:		
PA School District Liquid Asset Fund (PSDLAF)	n/a	\$ 6,471,834
PA Local Government Investment Trust — Prime (PLGIT)	n/a	35,012,571
PLGIT — Class	60 days or less	9,651,380
PLGIT — Term	60 days or less	3,000,000
PA INVEST	60 days or less	22,141,275
Federated Government Obligations Fund	36 days average	257,339
PNC Government Money Market Fund	60 days or less	9,040,770
FNB Wealth Management	60 days or less	390,248
Nonnegotiable certificates of deposit:		
PLGIT — 1.11% - 3.43%	Various - 08/29/23	2,195,000
First National - .05%	09/11/23	1,047,418
First Commonwealth - .02%	01/13/23	5,226,767
Various - Each Certificate Under \$250,000 — .25% — 3.40%	Various - 02/19/27	2,241,154
FNB Wealth Management Municipal Bond Portfolio (Level 2)	Various	2,364,901
Repurchase agreement	01/01/23	<u>11,367,229</u>
Total unrestricted investments		<u>\$ 110,407,886</u>
Restricted Investments		
PA OPEB Trust		15,936,042
Money market funds:		
All other restricted investments		<u>773,859</u>
Total restricted investments		<u>\$ 16,709,901</u>

Restricted cash as of December 31, 2022, in the amount of \$3,310,342 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, 2022, the District’s investments were rated as follows:

Investments	Standard and Poor’s
PSDLAF	AAAm
PLGIT — Prime	AAAm
PLGIT — Class	AAAm
PLGIT — Term	AAAm
PA INVEST	AAAm
Federated Government Obligations Fund	AAAm
PNC Government Money Market Fund	A
FNB Wealth Management	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, 2022, the repurchase agreement was 7% 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, 2022, PLGIT-Class carried an AAAM rating and had an average maturity of less than one year.

The District is invested in PLGIT/Reserve-Class, which require a minimum investment of \$50,000 and limits redemptions or exchanges to two per calendar month. However, there is no minimum investment period. At December 31, 2022, PLGIT/Reserve-Class carried an AAAM rating and had an average maturity of less than one year and dividends are paid monthly.

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, 2022, 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, 2022, PLGIT/Term carried an AAAM 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, 2022, 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, 2022, 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 \$15,936,042 at December 31, 2022. The OPEB Trust funds are not insured.

Investment allocations of the master trust are as follows as of December 31, 2022: Fixed income – 63.7%; Domestic Equity – 19.8%; International Equity – 10%; Cash – 6.6%.

- b. **Receivables** — Receivables as of December 31, 2022, 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	\$ 34,435,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,435,564
Earned income	37,627,002	-	-	-	-	-	37,627,002
Due from other governments:							
Commonwealth of Pennsylvania	18,222,398	-	10,899,547	-	1,582,340	-	30,704,285
City of Pittsburgh	2,265,072	-	-	-	-	-	2,265,072
Other receivables	1,322,151	-	-	-	346,167	855,085	2,523,403
Interest	173,830	-	-	2,692	-	2,238	178,760
Gross receivables	94,046,017	-	10,899,547	2,692	1,928,507	857,323	107,734,086
Less allowance for uncollectibles	9,000,000	-	-	-	-	-	9,000,000
Net receivables	\$ 85,046,017	\$ -	\$ 10,899,547	\$ 2,692	\$ 1,928,507	\$ 857,323	\$ 98,734,086

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, 2022, 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	\$ -	\$ 3,820,638	\$ -
State property tax relief (General Fund)	19,639,859	-	-
Delinquent property taxes receivable (General Fund)	-	24,295,646	-
Grant drawdowns prior to meeting all eligibility requirements (Special Revenue Funds and General Fund)	-	-	2,392,560
Total deferred inflows/unearned revenue for governmental funds	\$ 19,639,859	\$ 28,116,284	\$ 2,392,560

- c. **Interfund Balances and Transfers** — Interfund receivables and payables between the general fund and the proprietary and internal service funds 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, 2022, are as follows:

	Due To			Total
	Special Revenue Fund	Food Service Fund	Internal Service Fund	
Due From:				
General Fund	\$ 76,621	\$ 5,826,506	\$ 720,768	\$ 6,623,895
Due To	<u>\$ 76,621</u>	<u>\$ -</u>	<u>\$ 720,768</u>	<u>\$ 6,623,895</u>

The composition of transfers between funds as of December 31, 2022, are as follows:

	Transfers — In						Total
	General Fund	Capital Projects	Special Revenue Fund	Food Service Fund	Other Governmental Funds	Internal Service Fund	
Transfers — out:							
General Fund	\$ -	\$ 1,005,500	\$ 101,759,136	\$ -	\$ 20,500	\$ 5,792,263	\$ 108,577,399
Other Governmental Funds		-	-	-	-	-	-
Special Revenue Funds	2,052,187	-	-	-	-	-	2,052,187
Total transfers — in	<u>\$ 2,052,187</u>	<u>\$ 1,005,500</u>	<u>\$ 101,759,136</u>	<u>\$ -</u>	<u>\$ 20,500</u>	<u>\$ 5,792,263</u>	<u>\$ 110,629,586</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; and 4) General Fund transfers to Internal Service Funds for general liability claims.

d. **Capital Assets** — Capital asset activities for the year ended December 31, 2022, 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	23,579,155	94,900	-	23,674,055
Buildings	401,036,245	-	-	401,036,245
Building improvements	498,909,821	24,047,352	-	522,957,173
Furniture, fixtures, machinery, and equipment	100,866,822	3,130,111	-	103,996,933
Computer software	13,697,833	-	-	13,697,833
Total capital assets — being depreciated	<u>1,038,089,876</u>	<u>27,272,363</u>	<u>-</u>	<u>1,065,362,239</u>
Total at historical cost	<u>1,061,367,257</u>	<u>27,272,363</u>	<u>-</u>	<u>1,088,639,620</u>
Less accumulated depreciation for:				
Land improvements	(11,769,388)	(1,176,915)	-	(12,946,303)
Buildings	(288,988,500)	(8,083,093)	-	(297,071,593)
Building improvements	(205,586,483)	(18,580,063)	-	(224,166,546)
Furniture, fixtures, machinery, and equipment	(85,516,447)	(8,457,220)	-	(93,973,667)
Computer software	(13,697,833)	-	-	(13,697,833)
Total accumulated depreciation	<u>(605,558,651)</u>	<u>(36,297,291)</u>	<u>-</u>	<u>(641,855,942)</u>
Total capital assets — being depreciated — net	<u>432,531,225</u>	<u>(9,024,928)</u>	<u>-</u>	<u>423,506,297</u>
Governmental activities capital assets — net	<u>\$ 455,808,606</u>	<u>\$ (9,024,928)</u>	<u>\$ -</u>	<u>\$ 446,783,678</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	-	-	6,316,114
Total capital assets — being depreciated	<u>21,386,854</u>	<u>-</u>	<u>-</u>	<u>21,386,854</u>
Total at historical cost	<u>21,430,732</u>	<u>-</u>	<u>-</u>	<u>21,430,732</u>
Less accumulated depreciation for:				
Buildings	(8,211,304)	(352,193)	-	(8,563,497)
Furniture, fixtures, machinery, and equipment	(5,903,254)	(88,507)	-	(5,991,761)
Total accumulated depreciation	<u>(14,114,558)</u>	<u>(440,700)</u>	<u>-</u>	<u>(14,555,258)</u>
Total capital assets — being depreciated — net	<u>7,272,296</u>	<u>(440,700)</u>	<u>-</u>	<u>6,831,596</u>
Business-type activities capital assets — net	<u>\$ 7,316,174</u>	<u>\$ (440,700)</u>	<u>\$ -</u>	<u>\$ 6,875,474</u>

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

Governmental funds:	
Instruction	\$ 26,882,992
Instruction student support	6,720,757
Administrative and financial support service	818,213
Operation and maintenance of plant services	337,697
Facilities, construction and improvement services	1,314,717
Student activities	199,697
Community services	23,218
	<u>\$ 36,297,291</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	\$ 1,014,786	July 1, 2006	May reopen as classroom space
Fort Pitt Elementary	1,544,410	July 1, 2012	May reopen as classroom space
Northview Elementary	1,413,593	July 1, 2012	May reopen as classroom space
Arlington Elementary	1,835,223	July 1, 2016	May reopen as classroom space
	<u>\$ 5,808,012</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 \$7,471,105.

e. **Construction Commitments** — As of December 31, 2022, the District had no committed construction projects.

f. **Long-Term Debt**

General Obligation Bonds — In October of 2022, the District issued General Obligation Bonds Series C of 2022 in the amount of \$34,585,000 to fund various capital projects. The Bonds will mature in September 2041. In addition, the original amount of current outstanding general obligation bonds issued in prior years was \$336,350,000. 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 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 — 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. The resulting difference in debt service is a positive savings of \$689,662. The economic gain of the 2022 refunding was \$361,635.

Legal Debt Margin — The District is subject to legal debt margin. This amount was \$1,052,820,074 for 2022.

Board Actions in Anticipation of Future Debt Offerings — At the December 2022 Board of Directors meeting, the Board authorized the arrangement for capital borrowing of \$36,222,620 for 2023.

General obligation bonds and notes payable at December 31, 2022, 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	\$ 10,865,000	\$ 3,520,000
2014 GOB Series C	2.00-5.00	2014-2034	9,995,000	1,990,000	475,000
2015 Refunding	0.6-5.00	2015-2027	25,750,000	15,160,000	2,440,000
2015 GOB	2.00-5.00	2015-2035	21,215,000	16,000,000	985,000
2016 GOB	2.00-5.00	2016-2036	20,590,000	16,850,000	890,000
2017 Refunding	1.70-3.00	2017-2023	8,710,000	2,730,000	2,730,000
2017 GOB	3.00-5.00	2017-2037	24,000,000	20,880,000	1,035,000
2018 GOB	4.00-5.00	2018-2038	23,880,000	21,835,000	945,000
2019 Refunding	5.00-6.04	2019-2029	36,765,000	30,865,000	3,575,000
2019 GOB	4.00-5.00	2019-2039	33,595,000	31,900,000	1,255,000
2020 Refunding	2.00-5.00	2020-2030	15,925,000	3,010,000	315,000
2020 GOB	4.00-5.00	2020-2040	33,955,000	33,545,000	1,220,000
2021 GOB	3.00-4.00	2021-2041	35,780,000	35,780,000	5,000
2022 GOB	3.25-4.394	2022-2042	34,585,000	34,585,000	-
Total			<u>351,415,000</u>	<u>275,995,000</u>	<u>19,390,000</u>
2010 QSCB Series D	6.85	2010-2029	<u>19,520,000</u>	<u>6,720,000</u>	<u>960,000</u>
Direct Borrowings - Notes					
2010 QSCB SPSBA Series A	6.50	2010-2028	9,578,000	3,299,294	549,882
2010 QZAB SPSBA Series B	6.50	2010-2028	13,972,000	4,814,824	802,471
2021 Refunding GON	0.69	2021-2024	10,705,000	6,710,000	3,390,000
2022 Refunding Series A	2.48	2022-2025	7,402,000	7,402,000	2,410,000
2022 Refunding Series B	3.02	2022-2034	4,932,000	4,932,000	-
Total			<u>46,589,000</u>	<u>27,158,118</u>	<u>7,152,353</u>
Total outstanding principal			<u>\$ 417,524,000</u>	<u>\$ 309,873,118</u>	<u>\$ 27,502,353</u>
Add interest payable in future years				120,057,404	
Total				<u>\$ 429,930,522</u>	

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

Years Ending December 31	General Obligation Bonds	
	Principal	Interest
2023	\$ 20,350,000	\$ 12,445,423
2024	18,440,000	11,883,580
2025	19,315,000	11,091,830
2026	19,715,000	10,296,480
2027	14,950,000	9,292,245
2028-2032	71,110,000	33,506,335
2033-2037	75,475,000	16,567,214
2038-2042	43,360,000	4,070,238
Total	<u>\$ 282,715,000</u>	<u>\$ 109,153,345</u>

Years Ending December 31	Direct Borrowings - Notes	
	Principal	Interest
2023	\$ 7,152,353	\$ 1,908,388
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
2028-2032	4,360,353	2,008,363
2033-2034	1,329,000	60,519
Total	<u>\$ 27,158,118</u>	<u>\$ 10,904,059</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	\$ 276,345,000	\$ 34,585,000	\$ (34,935,000)	\$ 275,995,000	\$ 19,390,000
General obligation bonds - taxable	7,680,000	-	(960,000)	6,720,000	960,000
QZABs	387,671	-	(387,671)	-	-
Direct borrowings - notes payable	<u>20,171,471</u>	<u>12,334,000</u>	<u>(5,347,353)</u>	<u>27,158,118</u>	<u>7,152,353</u>
Total before premium/discount	304,584,142	46,919,000	(41,630,024)	309,873,118	27,502,353
Add deferred amounts:					
Premium on issuance	<u>27,316,663</u>	<u>941,380</u>	<u>(4,427,401)</u>	<u>23,830,642</u>	<u>2,323,749</u>
Total general obligation bonds and notes payable	331,900,805	47,860,380	(46,057,425)	333,703,760	29,826,102
Compensated absences	18,193,106	14,463,057	(15,412,609)	17,243,554	15,089,880
Net OPEB liability	221,054,747	-	(34,551,603)	186,503,144	-
Net pension liability	833,369,000	72,211,000	-	905,580,000	-
Termination benefits	255,918	151,294	(146,598)	260,614	70,000
Workers' compensation reserve	3,393,848	2,655,138	(1,964,785)	4,084,201	1,800,000
Financed purchases	<u>6,079,680</u>	<u>-</u>	<u>(1,641,835)</u>	<u>4,437,845</u>	<u>1,719,071</u>
Governmental activities long-term liabilities	<u>\$1,414,247,104</u>	<u>\$ 137,340,869</u>	<u>\$ (99,774,855)</u>	<u>\$1,451,813,118</u>	<u>\$ 48,505,053</u>
Business-type activities:					
Compensated absences	<u>\$ 437,802</u>	<u>\$ -</u>	<u>\$ (20,749)</u>	<u>\$ 417,053</u>	<u>\$ 78,917</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>\$ 4,084,201</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>(4,408,149)</u>
Total	<u>\$ 4,322,080</u>

The future minimum obligations for the financed purchases as of December 31, 2022, are as follows:

Years Ending December 31	Governmental Activities
2023	\$ 1,948,345
2024	1,023,888
2025	1,023,888
2026	<u>938,564</u>
Total minimum payments	\$ 4,934,685
Less amount representing interest	<u>(496,840)</u>
Present value of minimum payments	<u>\$ 4,437,845</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, 2022, are as follows:

Worker's compensation	\$ 11,820,928
Unemployment compensation	6,034,987
Comprehensive general liability	552,334
Self-insurance health care	6,410,513

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 \$2,284,201 as of December 31, 2022.

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, 2022 to December 31, 2022. 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, 2022, which utilized a discount rate of 3.5%. The Reserve was reviewed through December 31, 2022 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 \$4,084,201, at December 31, 2022. The expense is based on a percentage of gross payrolls for the year. The contribution rate is 0.85% of gross at December 31, 2022.

Changes in the Reserve claims liability in fiscal 2022 and 2021 are as follows:

		Liability Beginning of Year		Claims and Changes in Estimates		Claim Payments		Liability End of Year
2021	\$	4,348,090	\$	240,538	\$	(1,194,780)	\$	3,393,848
2022		3,393,848		2,069,034		(1,378,681)		4,084,201

- c. **Subsequent Events** – Subsequent events to report for the 2022 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.

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, 2022, 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%
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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 share risk provision of +0.75% as of July 1, 2021.

- vii. **Employer Contributions** – The District’s contractually required PSERS contribution rate was 34.94% from January 1, 2022 to June 30, 2022 and 35.26% from July 1, 2022 to December 31, 2022 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 33.99% and 34.31% rate for the Pension Plan, a 0.80% and 0.75% rate for the Premium Assistance, and a 0.15% and 0.20% rate for Act 5 Defined Contribution for the periods January 1, 2022 to June 30, 2022 and July 1, 2022 to December 31, 2022, respectively. The combined contribution rate will decrease to 34.00% on July 1, 2023 and is projected to grow to 38.35% by 2031.

The District remits contributions to PSERS on a quarterly basis. Approximately \$30,584,000 is owed to PSERS as of December 31, 2022, which represents the District’s required contribution for the 4th quarter payroll. The District’s contributions which were recognized by PSERS for the year ended December 31, 2022 were as follows:

Pension Plan	\$	100,700,574
Act 5 Defined Contribution		505,616
Premium Assistance		<u>2,297,636</u>
Total	\$	<u>103,503,826</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 \$40.3 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, 2022 (measurement date), the School District’s proportion was 2.0369%, which was an increase of 0.0071% from its proportion measured as of June 30, 2021.

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, 2022 (measurement date), the School District’s proportion was 2.0299%, which was an increase of 0.0053% from its proportion measured as of June 30, 2021.

- e. **Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions** – At December 31, 2022, the District reported a liability of \$905,580,000 for its proportionate share of PSERS’ net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by rolling forward PSERS’ total pension liability as of June 30, 2021 to June 30, 2022.

For the year ended December 31, 2022, the District recognized pension expense of \$56,763,153.

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 411,000	\$ 7,833,000
Changes in assumptions	27,042,000	-
Net difference between projected and actual earnings on pension plan investments	-	15,363,000
Changes in proportion	2,455,000	26,690,000
District contributions subsequent to the measurement date	<u>43,228,450</u>	<u>-</u>
Total	<u>\$ 73,136,450</u>	<u>\$ 49,886,000</u>

\$43,228,450 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31:	
2023	\$ (10,639,000)
2024	(8,011,000)
2025	(22,776,000)
2026	<u>21,448,000</u>
Total	<u>\$ (19,978,000)</u>

- i. **Actuarial Assumptions** – The actuarial valuation used for the June 30, 2022 measurement date contained the following methods and assumptions:
 - Actuarial valuation date – June 30, 2021
 - 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. **Change in Assumptions** – There were no changes in assumptions affecting the June 30, 2022 measurement date.
- iii. **Changes in Benefit Terms** – There were no changes in benefit terms affecting the June 30, 2022 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	28.0%	5.3%
Private equity	12.0%	8.0%
Fixed income	33.0%	2.3%
Commodities	9.0%	2.3%
Absolute return	6.0%	3.5%
Infrastructure/MLPs	9.0%	5.4%
Real estate	11.0%	4.6%
Cash	3.0%	0.5%
Leverage	-11.0%	0.5%
	<u>100.0%</u>	

For PSERS’ year ended June 30, 2022, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expenses, was 2.40%.

- 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>\$ 1,171,305,000</u>	<u>\$ 905,580,000</u>	<u>\$ 681,541,000</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, 2022, the District reported a net OPEB liability composed of the following:

School District's proportionate share of PSERS' net OPEB liability	\$ 37,366,000
School District's total OPEB liability for its retiree plan	<u>149,137,144</u>
Net OPEB liability	<u>\$ 186,503,144</u>

PSERS' net OPEB liability was measured as of June 30, 2022, 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, 2021 to June 30, 2022. The Retiree Health Plan's total OPEB liability was measured as of December 31, 2022, 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, 2021 to December 31, 2022.

For the year ended December 31, 2022, the District recognized OPEB expense as follows:

OPEB expense related to PSERS Premium Assistance	\$ 1,111,099
OPEB expense related to the Retiree Health Plan	<u>17,362,975</u>
Total OPEB expense	<u>\$ 18,474,074</u>

At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Deferred Outflows of Resources:	PSERS		Total Deferred Outflows of Resources
	Premium Assistance	Retiree Health Plan	
Differences between expected and actual experience	\$ 344,000	\$ 19,225,185	\$ 19,569,185
Changes in assumptions	4,149,000	20,961,664	25,110,664
Net difference between projected and actual earnings on OPEB plan investments	102,000	2,671,877	2,773,877
Changes in proportion	1,053,000	-	1,053,000
District contributions subsequent to the measurement date	944,953	-	944,953
Total	\$ 6,592,953	\$ 42,858,726	\$ 49,451,679

Deferred Inflows of Resources:	PSERS		Total Deferred Outflows of Resources
	Premium Assistance	Retiree Health Plan	
Differences between expected and actual experience	\$ 200,000	\$ 8,983,886	\$ 9,183,886
Changes in assumptions	8,825,000	25,384,906	34,209,906
Changes in proportion	1,815,000	-	1,815,000
Total	\$ 10,840,000	\$ 34,368,792	\$ 45,208,792

\$944,953 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending December 31:	PSERS	
	Premium Assistance	Retiree Health Plan
2023	\$ (908,000)	\$ 8,447,027
2024	(640,000)	8,672,639
2025	(949,000)	(1,234,180)
2026	(1,318,000)	(6,758,485)
2027	(1,378,000)	(637,067)
Thereafter	1,000	-
Total	\$ (5,192,000)	\$ 8,489,934

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

- i. **Actuarial Assumptions** – The actuarial valuation used for the June 30, 2022 measurement date contained the following methods and assumptions:
 - Actuarial valuation date – June 30, 2021
 - Actuarial cost method – Entry Age Normal – level % of pay
 - Investment return – 4.09% - 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 2.18% to 4.09% for the June 30, 2022 measurement date.
- iii. **Changes in Benefit Terms** – There were no changes in benefit terms affecting the June 30, 2022 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>	1.5%
	<u><u>100.0%</u></u>	

For PSERS’ year ended June 30, 2022, the annual money-weighted rate of return on the Premium Assistance plan investments, net of plan investment expenses, was 0.35%.

- v. **Discount Rate** – The discount rate used to measure the total OPEB liability was 4.09%. 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 4.09%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2022, was applied to all projected benefit payments to measure the total OPEB liability. The discount rate used to measure the Total OPEB liability increased from 2.18% as of June 30, 2021 to 4.09% as of June 30, 2022.
- 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 (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
District's proportionate share of PSERS' net OPEB liability	<u>\$ 42,256,000</u>	<u>\$ 37,366,000</u>	<u>\$ 33,274,000</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, 2022, retirees’

Premium Assistance benefits are not subject to future healthcare cost increases. The annual Premium Assistance reimbursement for qualifying retirees is capped at a maximum of \$1,200. 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>\$ 37,362,000</u>	<u>\$ 37,366,000</u>	<u>\$ 37,369,000</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, 2021 (most recent valuation date), the following employees were covered by the benefit terms:

Inactive employees currently receiving benefit payments	2,082
Inactive employees entitled to but not yet receiving benefit payments	71
Active employees	<u>3,956</u>
Total employees	6,109
Spouses of inactive employees currently receiving benefit payments	<u>122</u>
Total participants	<u><u>6,231</u></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 \$5,801,822 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, 2022 were as follows:

Total OPEB liability	\$ (165,073,186)
Plan fiduciary net position	<u>15,936,042</u>
Net OPEB liability	<u>\$ (149,137,144)</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>9.65%</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, 2022 were as follows:

	<u>Increases/Decreases</u>		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total OPEB liability, January 1, 2022	\$ 192,116,606	\$ 19,045,859	\$ 173,070,747
Changes for the year:			
Service cost	7,978,802	-	7,978,802
Interest on the total OPEB liability	3,934,743	-	3,934,743
Changes of benefit terms	(664,846)	-	(664,846)
Differences between expected and actual experience	(913,951)	-	(913,951)
Changes of assumptions	(31,576,346)	-	(31,576,346)
Employer contributions	-	5,801,822	(5,801,822)
Investment income	-	(2,974,341)	2,974,341
Investment expenses	-	(135,476)	135,476
Benefit payments	<u>(5,801,822)</u>	<u>(5,801,822)</u>	<u>-</u>
Total OPEB liability, December 31, 2022	<u>\$ 165,073,186</u>	<u>\$ 15,936,042</u>	<u>\$ 149,137,144</u>

- vi. **Actuarial Assumptions** – The total OPEB liability was determined as of the November 1, 2021 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: Society of Actuaries (SOA) Public T.H-2010 Male Table, using the SOA MP-2021 improvement scale. Others: SOA Public G.H-2010 Male Table, using the SOA MP-2021 improvement scale.
 - Healthy Females: Professional: SOA Public T.H-2010(A) Female Table, using the SOA MP-2021 improvement scale. Others: SOA Public G.H-2010 Female Table, using the SOA MP-2021 improvement scale.
 - Disabled Males: Current Valuation: SOA Public NS.H-2010 Disabled Male Retiree Table, using the SOA MP-2021 improvement scale.
 - Disabled Females: Current Valuation: SOA Public NS.H-2010 Disabled Female Retiree Table, using the SOA MP-2021 improvement scale.
 - Pre-Retirement:
 - Active Male: Professional: SOA Public T.H-2010 Male Table, using the SOA MP-2021 improvement scale. Others: SOA Public G.H-2010 Male Table, using the SOA MP-2021 improvement scale.
 - Active Females: Professional: SOA Public T.H-2010(A) Female Table, using the SOA MP-2021 improvement scale. Others: SOA Public G.H-2010 Female Table, using the SOA MP-2021 improvement scale.
- vii. **Changes in Actuarial Assumptions** – The following actuarial assumptions were revised for the December 31, 2022 measurement date:
- The discount rate changed from 2.00% at December 31, 2021 to 4.25% at December 31, 2022.
 - New entrants replace 95% of the actives who retire, terminate, or die for the December 31, 2022 measurement. As of December 31, 2021, 100% replacement was assumed.
- viii. **Changes in Benefit Terms** – Effective January 1, 2022, a benefit change removed coverage for spouses of retirees when they reach age 65 (Medicare eligible) if the retired member was under the PFT or was an Act 93 Administrator. Previously, spousal coverage extended beyond age 65 if the retiree was not yet eligible for Medicare. This change had no effect on active liabilities because active members are assumed to have spouses the same age, thus terminating coverage at age 65 for both. For current retirees with older spouses (using actual ages), the benefit change decreased liabilities about \$665,000
- 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 2022.

- 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, 2022:

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>	

- xi. **Rate of Return** – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2022, the annual money-weighted rate of return on the Plan’s investments, net of investment expense, was -14.43%.
- xii. **Discount Rate** – The discount rate used to measure the December 31, 2022 net OPEB liability was 4.25%. 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 (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
District's Net OPEB liability	<u>\$ 162,656,194</u>	<u>\$ 149,137,144</u>	<u>\$ 136,470,008</u>

- 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	<u>\$ 132,344,339</u>	<u>\$ 149,137,144</u>	<u>\$ 168,786,257</u>

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 2022 but were not completed as of December 31, 2022. 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	\$ -	\$ 37,180,267	\$ 37,180,267
Committed — contracts	3,706,124	-	3,706,124
Assigned — supply purchases	<u>941,427</u>	<u>90,098</u>	<u>1,031,525</u>
Total	<u>\$ 4,647,551</u>	<u>\$ 37,270,365</u>	<u>\$ 41,917,916</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 and Custodial/Building Trades employees were renewed for the period January 1, 2021 through December 31, 2023. The District is currently in negotiations to renew the contract.

**REQUIRED SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 2022**

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***

	2022	2021	2020	2019	2018	2017
Total OPEB Liability:						
Service cost	\$ 7,978,802	\$ 9,450,931	\$ 7,531,132	\$ 2,054,550	\$ 5,868,788	\$ 4,553,926
Interest	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	(913,951)	(11,484,307)	(1,501,661)	52,660,285	(1,159,242)	418,288
Changes of assumptions	(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	(5,801,822)	(5,728,563)	(6,151,227)	(6,389,483)	(7,019,179)	(7,195,732)
Net Changes in Total OPEB Liability	(27,043,420)	(589,957)	19,429,139	87,861,877	(68,153,671)	17,635,017
Total OPEB Liability - Beginning	192,116,606	192,706,563	173,277,424	85,415,547	153,569,218	135,934,201
Total OPEB Liability - Ending (a)	<u>\$ 165,073,186</u>	<u>\$ 192,116,606</u>	<u>\$ 192,706,563</u>	<u>\$ 173,277,424</u>	<u>\$ 85,415,547</u>	<u>\$ 153,569,218</u>
Plan Fiduciary Net Position:						
Contributions - District	\$ 5,801,822	\$ 5,728,563	\$ 6,151,227	\$ 6,389,483	\$ 7,019,179	\$ 7,195,732
Net investment income	(3,109,817)	1,056,199	1,843,964	2,007,452	(545,256)	1,219,335
Benefit payments, including refunds of member contributions	(5,801,822)	(5,728,563)	(6,151,227)	(6,389,483)	(7,019,179)	(7,195,732)
Net Change in Plan Fiduciary Net Position	(3,109,817)	1,056,199	1,843,964	2,007,452	(545,256)	1,219,335
Plan Fiduciary Net Position - Beginning	19,045,859	17,989,660	16,145,696	14,138,244	14,683,500	13,464,165
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,936,042</u>	<u>\$ 19,045,859</u>	<u>\$ 17,989,660</u>	<u>\$ 16,145,696</u>	<u>\$ 14,138,244</u>	<u>\$ 14,683,500</u>
Net OPEB Liability - Ending (a-b)	<u>\$ 149,137,144</u>	<u>\$ 173,070,747</u>	<u>\$ 174,716,903</u>	<u>\$ 157,131,728</u>	<u>\$ 71,277,303</u>	<u>\$ 138,885,718</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>9.65%</u>	<u>9.91%</u>	<u>9.34%</u>	<u>9.32%</u>	<u>16.55%</u>	<u>9.56%</u>
Covered-Employee Payroll	<u>\$ 271,207,448</u>	<u>\$ 273,973,162</u>	<u>\$ 281,566,221</u>	<u>\$ 271,463,068</u>	<u>\$ 270,150,811</u>	<u>\$ 254,465,764</u>
Net OPEB liability as a percentage of covered employee payroll	<u>54.99%</u>	<u>63.17%</u>	<u>62.05%</u>	<u>57.88%</u>	<u>26.38%</u>	<u>54.58%</u>

* 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***

	2022	2021	2020	2019	2018	2017
Schedule of District's Contributions						
Contractually or statutorily required contributions	\$ 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	5,801,822	5,728,563	6,151,227	6,389,483	7,019,179	7,195,732
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 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	2.14%	2.09%	2.18%	2.35%	2.60%	2.83%
Investment Returns						
Annual money-weighted rate of return, net of investment expense	-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***

	2022	2021	2020	2019	2018
District's proportion of PSERS' net OPEB liability	2.030%	2.020%	2.122%	2.152%	2.083%
District's proportionate share of PSERS' net OPEB liability	\$ 37,366,000	\$ 47,984,000	\$ 45,856,000	\$ 45,761,000	\$ 43,436,000
District's covered payroll	\$ 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	12.52%	16.72%	15.39%	15.42%	15.48%
PSERS' plan fiduciary net position as a percentage of PSERS' total OPEB liability	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>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually or statutorily required contributions	\$ 2,297,636	\$ 2,319,519	\$ 2,434,996	\$ 2,489,486	\$ 2,416,570
Contributions recognized by PSERS	<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>
District's covered payroll	\$ 306,641,958	\$ 299,889,329	\$ 299,157,736	\$ 302,314,345	\$ 284,317,128
Contributions as a percentage of covered payroll	8.20%	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***

	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of PSERS' net pension liability	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	\$ 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	\$ 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	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	61.34%	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>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	\$ 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>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>
District's covered payroll	\$ 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	32.84%	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, 2022

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

Actuarial Valuation Date	11/1/2021	11/1/2019	11/1/2019	11/1/2017	11/1/2017
Measurement Date	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Discount Rate	2.00%	2.25%	3.25%	6.25%	4.50%
Mortality	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

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

Actuarial Valuation Date/ Measurement Date	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
School District Fiscal Year in Which NOL is Recorded	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Discount Rate	4.09%	2.18%	2.66%	2.79%	2.98%	3.13%
Salary Increases	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	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
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	0.64%	0.75%	0.80%	0.82%	0.84%	0.83%
School District Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	12/31/2023	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	6/30/2022	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	12/31/2022	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%	7.25%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%
Salary Increases	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	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	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	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	12/31/2023	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, 2022**

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, 2022**

	Final Budgeted Appropriations	Expenditures	Encumbrances	Uncommitted Appropriations
100 Personnel services — salaries	\$ 191,418,501	\$ 191,812,648	\$ -	\$ (394,147)
200 Personnel services — employee benefits	129,695,309	125,737,989	-	3,957,320
300 Purchased professional and technical services	102,547,257	94,065,953	2,516,816	5,964,488
400 Purchased property services	5,524,924	4,941,570	111,254	472,100
500 Other purchased services	166,779,240	167,662,291	321,491	(1,204,542)
600 Supplies	25,896,665	15,650,021	1,324,402	8,922,242
700 Property	3,667,159	2,880,077	141,088	645,994
800 Other objects	17,379,064	17,257,234	232,500	(110,670)
900 Other financing uses	30,868,870	36,745,080	-	(5,876,210)
	<u>\$ 673,776,989</u>	<u>\$ 656,752,863</u>	<u>\$ 4,647,551</u>	<u>\$ 12,376,575</u>
		(85,121,879)		
		(16,637,256)		
		(7,063,800)		
		<u>(3,315,983)</u>		
		<u>\$ 544,613,945</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, 2022**

	Debt Service Fund	Special Revenue Funds		Total
		Special Trust Fund	Westinghouse Scholarship	
ASSETS				
Cash	\$ 996,926	\$ 53,023	\$ 183,432	\$ 1,233,381
Investments	26,108	-	16,985	43,093
Accrued interest	-	-	2,692	2,692
TOTAL ASSETS	\$ 1,023,034	\$ 53,023	\$ 203,109	\$ 1,279,166
LIABILITIES				
Accounts payable and accrued	\$ 2,500	\$ -	\$ 6,250	\$ 8,750
FUND BALANCE				
Restricted for — scholarships	\$ -	\$ -	\$ 196,859	\$ 196,859
Assigned to:				
Debt service	1,020,534	-	-	1,020,534
Special trust	-	53,023	-	53,023
TOTAL FUND BALANCE	\$ 1,020,534	\$ 53,023	\$ 196,859	\$ 1,270,416

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Debt Service Fund	Special Revenue Funds		Total
		Special Trust Fund	Westinghouse Scholarship	
REVENUES:				
Investment income	\$ -	\$ -	\$ 2,319	\$ 2,319
Total Revenues	-	-	2,319	2,319
EXPENDITURES:				
Instruction:				
Other instructional programs	-	-	52,000	52,000
Support services:				
Administration	23,000	10,000	-	33,000
Debt service:				
Principal	11,965,000	-	-	11,965,000
Interest	261,893	-	-	261,893
Bond issuance costs	101,500	-	-	101,500
Total Expenditures	12,351,393	10,000	52,000	12,413,393
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(12,351,393)	(10,000)	(49,681)	(12,411,074)
OTHER FINANCING SOURCES (USES):				
Proceeds from note payable	12,334,000	-	-	12,334,000
Transfers in	20,500	-	-	20,500
Total other financing sources (uses)	12,354,500	-	-	12,354,500
CHANGE IN FUND BALANCES	3,107	(10,000)	(49,681)	(56,574)
FUND BALANCES — January 1, 2022	1,017,427	63,023	246,540	1,326,990
FUND BALANCES — December 31, 2022	\$ 1,020,534	\$ 53,023	\$ 196,859	\$ 1,270,416

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, 2022

	Workers' Compensation Fund	Unemployment Compensation Fund	General Liability Fund	Central Duplication Services	Self-Insurance Health Care Fund	Total
ASSETS						
CURRENT ASSETS:						
Cash	\$ 4,470,538	\$ 6,072,068	\$ 568,834	\$ -	\$ -	\$ 11,111,440
Investments	5,349,909	-	-	-	10,909,334	16,259,243
Interest receivable	-	-	-	-	2,238	2,238
Other receivables	-	-	-	855,085	-	855,085
Total current assets	<u>9,820,447</u>	<u>6,072,068</u>	<u>568,834</u>	<u>855,085</u>	<u>10,911,572</u>	<u>28,228,006</u>
NONCURRENT ASSETS:						
Restricted cash	3,310,342	-	-	-	-	3,310,342
Restricted investments	773,859	-	-	-	-	773,859
Total noncurrent assets	<u>4,084,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,084,201</u>
TOTAL ASSETS	<u>\$ 13,904,648</u>	<u>\$ 6,072,068</u>	<u>\$ 568,834</u>	<u>\$ 855,085</u>	<u>\$ 10,911,572</u>	<u>\$ 32,312,207</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 267,626	\$ 37,081	\$ 16,500	\$ -	\$ 4,501,059	\$ 4,822,266
Due to other funds	-	-	-	720,768	-	720,768
Accrued salaries	16,094	-	-	-	-	16,094
Current portion of workers' compensation reserve	1,800,000	-	-	-	-	1,800,000
Total current liabilities	<u>2,083,720</u>	<u>37,081</u>	<u>16,500</u>	<u>720,768</u>	<u>4,501,059</u>	<u>7,359,128</u>
NONCURRENT LIABILITIES:						
Workers' compensation reserve	2,284,201	-	-	-	-	2,284,201
Total noncurrent liabilities	<u>2,284,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,284,201</u>
TOTAL LIABILITIES	<u>4,367,921</u>	<u>37,081</u>	<u>16,500</u>	<u>720,768</u>	<u>4,501,059</u>	<u>9,643,329</u>
NET POSITION — Unrestricted	<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>

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Workers' Compensation Fund	Unemployment Compensation Fund	General Liability Fund	Central Duplication Services	Self-Insurance Health Care Fund	Total
OPERATING REVENUES — contributions	\$ 2,530,496	\$ 595,574	\$ -	\$ -	\$ 63,217,975	\$ 66,344,045
Total operating revenues	2,530,496	595,574	-	-	63,217,975	66,344,045
OPERATING EXPENSES:						
Support services — central:						
Employee salaries, benefits, insurance, and supplies	493,591	26,091	207,737	-	-	727,419
Benefit payments	2,655,138	93,842	1,035,808	-	73,628,518	77,413,306
Total operating expenses	3,148,729	119,933	1,243,545	-	73,628,518	78,140,725
OPERATING GAIN (LOSS)	(618,233)	475,641	(1,243,545)	-	(10,410,543)	(11,796,680)
NONOPERATING REVENUES — investment earnings	15,242	-	-	-	79,786	95,028
INCOME (LOSS) BEFORE TRANSFERS	(602,991)	475,641	(1,243,545)	-	(10,330,757)	(11,701,652)
TRANSFERS IN / (OUT)	-	-	1,000,000	-	4,792,263	5,792,263
CHANGE IN NET POSITION	(602,991)	475,641	(243,545)	-	(5,538,494)	(5,909,389)
NET POSITION — January 1, 2022	10,139,718	5,559,346	795,879	134,317	11,949,007	28,578,267
NET POSITION — December 31, 2022	<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>

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Workers' Compensation Fund	Unemployment Compensation Fund	General Liability Fund	Central Duplication Services	Self-Insurance Health Care Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Contributions	\$ 2,530,496	\$ 595,574	\$ -	\$ -	\$ 63,217,975	\$ 66,344,045
Payments to claimants	(1,756,234)	(109,226)	(1,019,308)	-	(73,607,099)	(76,491,867)
Payments to employees	(486,108)	(26,091)	(207,737)	-	-	(719,936)
Net cash provided by (used in) operating activities	288,154	460,257	(1,227,045)	-	(10,389,124)	(10,867,758)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES — Transfers to/from other funds						
	-	-	1,000,000	720,768	4,792,263	6,513,031
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	15,242	-	-	-	77,886	93,128
Sale (purchase) of investments	3,297,552	-	-	-	2,965,426	6,262,978
Net cash provided by (used in) investing activities	3,312,794	-	-	-	3,043,312	6,356,106
INCREASE (DECREASE) IN CASH	3,600,948	460,257	(227,045)	720,768	(2,553,549)	2,001,379
CASH — January 1, 2022 (including \$2,763,398 included in restricted assets)	4,179,932	5,611,811	795,879	(720,768)	2,553,549	12,420,403
CASH — December 31, 2022 (including \$3,310,342 included in restricted assets)	<u>\$ 7,780,880</u>	<u>\$ 6,072,068</u>	<u>\$ 568,834</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,421,782</u>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating gain (loss)	\$ (618,233)	\$ 475,641	\$ (1,243,545)	\$ -	\$ (10,410,543)	\$ (11,796,680)
Changes in assets and liabilities:						
Accounts payable	208,551	(15,384)	16,500	-	21,419	231,086
Accrued salaries	7,483	-	-	-	-	7,483
Workers' compensation reserve	690,353	-	-	-	-	690,353
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 288,154</u>	<u>\$ 460,257</u>	<u>\$ (1,227,045)</u>	<u>\$ -</u>	<u>\$ (10,389,124)</u>	<u>\$ (10,867,758)</u>

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.

Contents	Page
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 PITTSBURGH, PENNSYLVANIA

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

	2013	2014 ^(a)	2015	2016	2017	2018 ^(b)	2019	2020	2021	2022
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 81,325,299	\$ 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
Restricted:										
Capital projects	14,308,575	4,397,245	-	-	-	-	-	-	-	-
Workers' compensation	8,357,841	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
Scholarships	402,125	402,166	402,165	402,165	405,208	398,165	354,152	313,334	246,540	466,280
Unrestricted	129,720,546	(613,199,772)	(683,452,971)	(717,030,505)	(751,423,327)	(866,245,017)	(928,147,836)	(970,963,684)	(964,180,424)	(950,400,795)
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	\$ 234,114,386	\$ (506,097,827)	\$ (563,835,839)	\$ (584,709,516)	\$ (609,942,602)	\$ (713,584,504)	\$ (775,718,201)	\$ (811,051,835)	\$ (810,861,859)	\$ (798,912,916)
BUSINESS-TYPE ACTIVITIES:										
Investment in capital assets	\$ 8,511,569	\$ 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
Unrestricted	2,065,230	2,483,606	3,462,655	4,290,587	4,744,436	4,882,476	5,572,336	54,231	(4,575,678)	(4,472,529)
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	\$ 10,576,799	\$ 10,561,879	\$ 11,158,981	\$ 11,836,064	\$ 13,320,433	\$ 13,334,744	\$ 13,625,337	\$ 7,767,813	\$ 2,740,496	\$ 2,402,945
PRIMARY GOVERNMENT:										
Net investment in capital assets	\$ 89,836,868	\$ 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
Restricted:										
Capital projects	14,308,575	4,397,245	-	-	-	-	-	-	-	-
Workers' compensation	8,357,841	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
Scholarships	402,125	402,166	402,165	402,165	405,208	398,165	354,152	313,334	246,540	466,280
Unrestricted	131,785,776	(610,716,166)	(680,000,316)	(712,739,918)	(746,678,891)	(861,362,541)	(922,575,500)	(970,909,453)	(968,756,102)	(954,873,324)
TOTAL PRIMARY GOVERNMENT NET POSITION	\$ 244,691,185	\$ (495,535,948)	\$ (552,686,858)	\$ (572,873,452)	\$ (596,622,169)	\$ (700,249,760)	\$ (762,092,864)	\$ (803,284,022)	\$ (808,121,363)	\$ (796,509,971)

(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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES:										
Governmental activities:										
Instruction	\$ 358,810,259	\$ 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
Instruction student support	68,253,479	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
Administrative and financial support services	40,144,112	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
Operation and maintenance of plant services	45,513,462	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
Student transportation services	40,969,897	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
Facilities	4,726,749	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
Student activities	4,796,054	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
Community services	453,191	53,681	256,939	595,541	471,385	323,665	609,284	651,342	261,392	573,451
Scholarships and awards	64,458	-	-	-	-	-	-	-	-	-
Interest on long-term debt	17,422,337	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
Total governmental activities	581,153,998	600,861,194	682,586,014	680,976,934	697,976,804	654,026,311	765,791,720	754,315,161	729,584,489	742,174,389
Business-type activities:										
Food service operations	16,468,871	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
Total business-type activities	16,468,871	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
Total primary government	597,622,869	617,668,732	699,174,113	698,848,110	715,900,459	672,552,808	783,941,839	768,884,786	742,382,618	761,214,289
PROGRAM REVENUES:										
Governmental activities:										
Charges for services — instruction	3,930,445	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
Operating grants and contributions	101,244,617	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
Total governmental activities program revenues	105,175,062	86,939,981	86,506,464	106,475,343	93,698,700	91,424,441	97,838,575	100,120,802	104,255,829	118,766,081
Business-type activities:										
Charges for services — food sales	1,561,222	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
Operating grants and contributions	14,018,783	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
Total business-type activities program revenues	15,580,005	16,792,618	17,185,201	18,347,016	18,118,040	18,494,609	18,359,570	8,693,390	7,769,135	18,612,716
Total primary government program revenues	120,755,067	103,732,599	103,691,665	124,822,359	111,816,740	109,919,050	116,198,145	108,814,192	112,024,964	137,378,797
NET (EXPENSE) REVENUE:										
Governmental activities	(475,978,936)	(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)
Business-type activities	(888,866)	(14,920)	597,102	475,840	194,385	(31,888)	209,451	(5,876,235)	(5,028,994)	(427,184)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	\$ (476,867,802)	\$ (513,936,133)	\$ (595,482,448)	\$ (574,025,751)	\$ (604,083,719)	\$ (562,633,758)	\$ (667,743,694)	\$ (660,070,594)	\$ (630,357,654)	\$ (623,835,492)

(Continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUES:										
Taxes:										
Real estate	\$ 162,571,466	\$ 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
Earned income	110,783,535	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
Others	354,304	350,243	329,639	329,770	311,479	319,477	297,626	330,413	339,174	346,673
Federal and state grants and subsidies	222,617,705	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
Investment income	599,483	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
Miscellaneous income	11,331,261	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
Transfers	(250)	-	-	(199,662)	(1,275,821)	-	-	-	-	-
Total government activities	<u>508,257,504</u>	<u>541,998,999</u>	<u>538,331,538</u>	<u>553,637,914</u>	<u>579,045,018</u>	<u>599,236,083</u>	<u>605,819,448</u>	<u>618,860,725</u>	<u>625,518,636</u>	<u>635,357,251</u>
BUSINESS-TYPE ACTIVITIES:										
Investment income	71	-	-	1,581	14,163	46,199	81,142	18,711	1,677	89,633
Transfers	250	-	-	199,662	1,275,821	-	-	-	-	-
Total business-type activities	<u>321</u>	<u>-</u>	<u>-</u>	<u>201,243</u>	<u>1,289,984</u>	<u>46,199</u>	<u>81,142</u>	<u>18,711</u>	<u>1,677</u>	<u>89,633</u>
Total primary government	<u>508,257,825</u>	<u>541,998,999</u>	<u>538,331,538</u>	<u>553,839,157</u>	<u>580,335,002</u>	<u>599,282,282</u>	<u>605,900,590</u>	<u>618,879,436</u>	<u>625,520,313</u>	<u>635,446,884</u>
CHANGE IN NET POSITION:										
Governmental activities	32,278,568	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
Business-type activities	(888,545)	(14,920)	597,102	677,083	1,484,369	14,311	290,593	(5,857,524)	(5,027,317)	(337,551)
TOTAL PRIMARY GOVERNMENT	<u>\$ 31,390,023</u>	<u>\$ 28,062,866</u>	<u>\$ (57,150,910)</u>	<u>\$ (20,186,594)</u>	<u>\$ (23,748,717)</u>	<u>\$ 36,648,524</u>	<u>\$ (61,843,104)</u>	<u>\$ (41,191,158)</u>	<u>\$ (4,837,341)</u>	<u>\$ 11,611,392</u>

(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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL FUND:										
Nonspendable	\$ 307,261	\$ 314,304	\$ 349,889	\$ 409,617	\$ 463,988	\$ 460,092	\$ 506,125	\$ 549,977	\$ 395,131	\$ 466,280
Committed	22,196,273	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
Assigned	18,097,109	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
Unassigned	73,136,786	78,377,293	86,923,714	93,606,169	80,087,911	57,242,893	25,996,304	42,259,239	47,508,614	56,531,612
Total general fund	<u>113,737,429</u>	<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>
CAPITAL PROJECTS:										
Restricted	7,992,023	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
Committed	850,538	1,870,946	2,995,565	3,882,349	3,427,265	1,275,836	880,173	876,311	-	90,098
Assigned	5,466,014	6,132,860	8,798,125	7,556,510	3,281,537	2,105,829	3,265,738	2,728,476	4,008,979	2,112,778
Total capital projects	<u>14,308,575</u>	<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>
SPECIAL REVENUE FUNDS:										
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
Total special funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,733,949</u>	<u>6,063,624</u>	<u>4,463,009</u>	<u>5,374,374</u>	<u>3,484,314</u>	<u>675,633</u>	<u>400,558</u>
OTHER GOVERNMENTAL FUNDS:										
Restricted	402,125	402,166	402,165	402,165	405,208	398,165	351,900	313,334	246,540	196,859
Assigned	4,815,652	4,589,524	7,162,793	2,226,867	2,224,367	2,210,867	2,221,617	2,209,948	1,080,450	1,073,557
Total other governmental funds	<u>5,217,777</u>	<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>
TOTAL ALL FUNDS	<u>\$ 133,263,781</u>	<u>\$ 146,605,851</u>	<u>\$ 162,293,487</u>	<u>\$ 159,649,818</u>	<u>\$ 155,054,310</u>	<u>\$ 135,469,788</u>	<u>\$ 113,600,829</u>	<u>\$ 116,937,111</u>	<u>\$ 116,912,627</u>	<u>\$ 120,277,776</u>

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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
Taxes	\$ 276,842,166	\$ 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
Local nontax revenue	15,729,961	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
Federal and state grants and subsidies	331,146,993	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
Investment earnings	599,483	730,103	999,250	974,411	2,064,048	3,745,938	4,409,892	1,477,669	565,529	1,960,792
Total revenues	624,318,603	631,030,793	639,186,733	664,723,037	674,174,892	690,401,535	707,129,290	715,073,408	726,767,042	763,310,718
EXPENDITURES:										
Instruction	337,432,338	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
Support service instruction	41,429,984	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
Administration and business	54,887,662	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
Pupil health	8,984,190	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
Operation and maintenance	45,728,784	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
Transportation	40,973,160	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
Operation of noninstructional services	5,180,752	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
Facilities — capital outlay	15,612,673	19,774,374	21,397,755	41,950,021	29,223,895	27,695,038	39,465,347	34,245,731	26,442,094	30,947,697
Facilities — noncapital outlay	(32,332)	(639,763)	1,300,750	(8,593,381)	(962,297)	(697,197)	1,273,752	1,466,970	1,343,627	1,581,273
Debt service principal and interest:										
Principal	42,497,321	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
Interest	20,542,129	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
Other charges	3,356,152	4,307,056	3,492,886	3,125,668	316,395	96,926	313,324	368,708	327,241	622,709
Total expenditures	616,592,813	633,236,704	638,642,305	703,232,434	703,545,884	736,182,655	772,562,583	752,575,830	781,084,490	802,019,186
EXCESS OF REVENUES OVER/ UNDER EXPENDITURES	7,725,790	(2,205,911)	544,428	(38,509,397)	(29,370,992)	(45,781,120)	(65,433,293)	(37,502,422)	(54,317,448)	(38,708,468)
OTHER FINANCING SOURCES (USES):										
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
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
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	2,324,301	6,926,213	365,700	13,802,396	-	-	4,355,832	-	4,374,398	-
Sale of or compensation for capital assets	11,482,942	1,577,107	248,290	1,406,754	379,011	203,915	-	1,500	390,157	5,500
Transfers in	34,811,370	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
Transfers out	(36,811,620)	(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)
Total other financing sources	11,806,993	15,547,981	15,143,208	35,865,727	24,775,484	26,196,598	43,564,334	40,838,704	54,292,964	42,073,617
NET CHANGE IN FUND BALANCES	\$ 19,532,783	\$ 13,342,070	\$ 15,687,636	\$ (2,643,670)	\$ (4,595,508)	\$ (19,584,522)	\$ (21,868,959)	\$ 3,336,282	\$ (24,484)	\$ 3,365,149
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	10.49 %	9.12 %	8.95 %	7.64 %	6.81 %	6.90 %	6.14 %	5.72 %	7.17 %	7.16 %

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)

Fiscal Year	Real Estate Tax	Real Estate Transfer Tax	Earned Income Tax	Mercantile Tax	Public Utility Realty Tax	Total
2013	\$ 151,666,977	\$ 10,904,489	\$ 110,783,535	\$ 2,965	\$ 351,339	\$ 273,709,305
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

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 ^(a)	Real Estate Transfer Tax	Public Utility Realty Tax	Total
2013	\$ 154,799,838	\$ 110,783,535	\$ 2,965	\$ 10,904,489	\$ 351,339	\$ 276,842,166
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

(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 ^(a)
 LAST TEN FISCAL YEARS
 (Amounts in thousands)**

Fiscal Year	City of Pittsburgh and Mt. Oliver Borough (Values Assessed in Thousands) ^(b)					Estimated Actual Taxable Value	Total Assessed Value to Total Estimated Actual Value ^(c)	Total Average Direct Rate
	Assessed Value Residential	Assessed Value Commercial	Total Assessed Value	Less Tax-Exempt Real Property	Total Taxable Assessed Value			
2013 ^(d)	\$ 10,408,915	\$ 22,610,396	\$ 33,019,311	\$ 12,714,616	\$ 20,304,695	\$ 20,304,695	1.000	9.65
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

(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) and Pennsylvania Department of Revenue Common Level Ratio.

(d) Allegheny County performed a reassessment of all properties for the 2013 tax year.

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 ^(a)	
		City of Pittsburgh Millage	Mt. Oliver Borough Millage	Allegheny County Millage	Total Millage City Resident ^(b)	Total Millage Mt. Oliver Resident ^(c)
2013 ^(d)	9.650	7.560	13.500	4.730	21.940	27.880
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	8.060	13.500	4.730	23.240	28.180
2022	10.250	8.060	13.500	4.730	23.040	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.

(d) Allegheny County performed a reassessment of all properties for the 2013 tax year.

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)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**PRINCIPAL PROPERTY TAXPAYERS
2022 AND NINE YEARS AGO**

Taxpayer	2022			2013		
	Taxable Assessed Value ^(a)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
PNC	\$ 428,471,200	1	1.99 %	\$ 281,631,500	2	1.39 %
Buncher Company	310,145,300	2	1.44	207,568,000	5	1.02
500 Grant St. Assoc/Mellon Bank	273,176,400	3	1.27	371,804,700	1	1.83
600 GS Prop LP	233,211,300	4	1.08	233,211,300	4	1.15
Holdings Acquisition Co LP	225,014,800	5	1.05	248,136,300	3	1.22
HRLP Fourth Avenue LLC	179,400,000	6	0.83	179,400,000	6	0.88
IX Liberty Center Owner LP	120,000,000	7	0.56	123,500,000	8	0.61
Pittsburgh CBD LLC	118,000,000	8	0.55	-	-	-
Hertz Gateway Center LP	91,750,000	9	0.43	-	-	-
Liberty Avenue Holdings LLC	79,000,000	10	0.37	79,000,000	9	0.39
Oxford Development	-	-	-	154,000,000	7	0.76
North Shore Developers	-	-	-	71,209,000	10	0.35
	<u>\$ 2,058,169,000</u>			<u>\$ 1,949,460,800</u>		
Total Taxable Assessed Value	<u>\$ 21,530,282,000</u>			<u>\$ 20,304,695,000</u>		

(a) Allegheny County performed reassessments of all real property in 2013

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) ^(a)	Adjusted Levy ^(b)	Collected within the Fiscal Year of the Levy Amount	Percentage of Levy	Collections in Subsequent Years	Total Collections to Date	
						Amount	Percentage of Levy
2013	\$ 16,207	\$ 156,398,875	\$ 152,027,206	97.20 %	\$ 11,569,655	\$ 163,596,861	104.60 %
2014	16,211.6	159,522,560	152,331,919	95.49	5,998,386	158,330,305	99.25
2015	16,523.6	162,592,276	155,539,550	95.66	4,988,577	160,528,127	98.73
2016	17,077.2	168,039,758	161,384,672	96.04	5,246,243	166,630,915	99.16
2017	17,287.8	170,112,154	163,630,093	96.19	5,353,131	168,983,224	99.34
2018	17,796.4	175,116,697	168,447,786	96.19	4,760,453	173,208,239	98.91
2019	18,842.2	177,485,481	171,002,759	96.35	4,588,994	175,591,753	98.93
2020	22,904.1	184,607,200	174,867,046	94.72	5,168,046	180,035,092	97.52
2021	23,153.1	186,614,230	176,692,039	94.68	6,387,865	183,079,904	98.11
2022	24,287.4	195,756,292	185,131,270	94.57	-	185,131,270	94.57

(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 ^(b) of Property	Total Outstanding Debt Per Capita	(Net) General Bonded Debt Per Capita	Total Outstanding Debt as a Percentage of Personal Income ^(c)
	(Net) General Obligation Bonds ^(a)	Financed Purchases					
2013	\$ 393,289,363	\$ 6,373,885	\$ 399,663,248	1.94	\$ 1,293	\$ 1,272	0.28
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	1.51	1,031.22	1,006.23	0.39
2019	317,571,973	8,382,506	325,954,479	1.46	1,054.50	1,027.39	0.41
2020	327,801,210	4,697,048	332,498,258	1.44	1,107.27	1,091.63	0.42
2021	331,900,805	6,079,680	337,980,485	1.46	1,014.03	994.19	0.44
2022	333,703,760	4,437,845	338,141,605	1.46	1,034.55	1,019.94	0.46

(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

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
2013	\$ 42,497,321	\$ 20,542,129	\$ 63,039,450	\$ 616,592,813	10.22
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

Source: School District of Pittsburgh, Finance Division

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

DIRECT AND OVERLAPPING DEBT OF GOVERNMENTAL DEBT AS OF DECEMBER 31, 2022

Jurisdiction	Net Debt Outstanding	Percentage Applicable to District	Amount Applicable to District
DIRECT DEBT — School District of Pittsburgh:			
General obligation bonds	\$ 282,715,000	100 %	\$ 282,715,000
Notes	27,158,118	100	27,158,118
Premium and discount	23,830,642	100	23,830,642
Capital leases	4,437,845	100	4,437,845
Total direct debt	338,141,605		338,141,605
OVERLAPPING DEBT:			
Allegheny County ^(a)	\$ 876,210,000	25 %	\$ 219,052,500
City of Pittsburgh:			
City	503,015,000	100	503,015,000
Parking Authority	40,164,000	100	40,164,000
Total overlapping debt	1,419,389,000		762,231,500
TOTAL DEBT AND OVERLAPPING DEBT	\$ 1,757,530,605		\$ 1,100,373,105

(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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 1,160,685,897	\$ 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
Total net debt applicable to limit	<u>389,270,723</u>	<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>
Legal debt margin	<u>\$ 771,415,174</u>	<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>
Total net debt applicable to the limit as a percentage to debt limit	<u>33.54 %</u>	<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>

Legal Debt Margin Calculation for Fiscal Year 2022

	2019	2020	2021	Total
Total general funds	\$ 615,446,514	\$ 619,054,471	\$ 627,165,848	\$ 1,861,666,833
Less required deduction rental and sinking fund reimbursement	<u>(2,107,162)</u>	<u>(1,181,036)</u>	<u>(3,763,063)</u>	<u>(7,051,261)</u>
Total net general fund revenues	<u>\$ 613,339,352</u>	<u>\$ 617,873,435</u>	<u>\$ 623,402,785</u>	<u>\$ 1,854,615,572</u>
Average of three years				<u>\$ 618,205,191</u>
Multiply by 225% ^(a)				<u>225 %</u>
Debt limit				\$ 1,390,961,679
Less total net debt applicable to limit				<u>(338,141,605)</u>
Legal debt margin				<u>\$ 1,052,820,074</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

Fiscal Year	Population ^(a)	Total Personal Income ^(b)	Per Capita Personal Income ^(c)	Median Age	School Enrollment ^(d)	Unemployment Rate ^(e)
2013	309,107	\$ 112,990,235	\$ 47,862	33.2	25,906	6.20
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	300,286	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	303,814	154,698,269	65,730	33.3	20,080	3.70

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	2022			2013		
	Employees	Rank	Percentage of Total City Employment ^(a)	Employees	Rank	Percentage of Total City Employment ^(a)
University of Pittsburgh Medical Center	55,700	1	21.41 %	43,000	1	13.97 %
US Government	18,844	2	7.24	18,328	2	5.96
Highmark Health	17,835	3	6.86	-	-	-
Commonwealth of Pennsylvania	15,473	4	5.95	13,298	3	4.32
University of Pittsburgh	13,538	6	5.20	-	-	-
PNC Financial Services Group, Inc.	11,300	5	4.34	12,116	4	3.94
Giant Eagle Inc.	11,226	7	4.32	11,119	5	3.61
Wal-Mart Stores	10,300	8	3.96	6,200	9	2.01
BNY Mellon	7,000	9	2.69	6,728	8	2.19
Allegheny County	6,318	10	2.43	7,600	7	2.47
West Penn Allegheny Health System	-	-	-	9,998	6	3.25
Westinghouse Electric	-	-	-	5,600	10	1.82

(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**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Elementary school ^(a)	11,815	11,562	11,485	11,243	12,097	11,794	10,013	9,264	8,537	8,463
Middle school	5,439	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284	4,146
Secondary school	6,652	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614	5,368
Special education	619	581	513	561	479	705	642	728	724	683
Pre-K/Head Start	1,381	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191	1,420
Total	25,906	25,504	25,003	24,652	23,711	23,152	22,859	21,603	20,350	20,080

(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 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022
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	9	10	10	10	10	10	10	10	10	9
Special	3	3	3	3	3	3	3	3	3	7
Total public schools	53	54	54	54	54	54	54	54	54	57
Number of charter schools ^(a)	26	32	33	34	36	37	37	37	38	39
Total number of schools	79	86	87	88	90	91	91	91	92	96
School enrollment:										
Elementary	11,815	11,562	11,485	11,243	12,097	11,794	10,013	9,264	8,537	8,463
Junior/middle	5,439	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284	4,146
Senior/special/vocational	6,652	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614	5,368
Special	619	581	513	561	479	705	642	728	724	683
Pre-K	1,381	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191	1,420
Total public schools	25,906	25,504	25,003	24,652	23,711	23,152	22,859	21,603	20,350	20,080
Charter schools	3,498	3,737	3,840	3,957	4,080	4,241	4,398	4,705	5,069	5,157
Total school enrollment	29,404	29,241	28,843	28,609	27,791	27,393	27,257	26,308	25,419	25,237
Number of graduates:										
Public high school	1,571	1,511	1,336	1,525	1,446	1,344	1,478	1,415	1,338	1,323
High school/charter graduates ^(b)	348	407	307	331	274	248	224	225	185	220
Total number of high school graduates	1,919	1,918	1,643	1,856	1,720	1,592	1,702	1,640	1,523	1,543

(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^(a)	Enrollment^(b)	Cost Per Pupil	Percentage Change	Expenses^(c)	Cost Per Pupil	Change	Teaching Staff^(d)	Pupil Teacher Ratio	Student Attendance %^(e)
2013	\$ 537,973,022	25,906	\$ 20,766	0.86	\$ 597,622,869	\$ 23,069	(1.35)	1,942	13	92.80
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

(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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Administration:										
Officials, administrators, and managers	102	113	119	119	130	141	139	126	98	103
Legal services	1	1	1	1	1	-	-	-	-	-
Clerical and other nonprofessionals	549	516	530	534	552	562	570	554	768	749
Total administration	652	630	650	654	683	703	709	680	866	852
Instruction:										
Principals	66	62	65	63	58	59	58	59	60	59
Supervisors and assistant principals	19	29	29	29	41	44	51	46	41	37
Teachers	1,942	1,929	1,962	1,992	2,048	2,062	2,078	2,070	1,971	1,907
Librarians	20	23	22	20	29	31	31	30	32	34
Professionals and support staff	413	385	375	392	380	368	367	366	213	231
Total instruction	2,460	2,428	2,453	2,496	2,556	2,564	2,585	2,571	2,317	2,268
Pupil affairs:										
Directors and coordinators	-	-	-	-	-	-	-	-	-	-
Attendance personnel	40	40	43	39	42	39	44	43	51	53
Guidance and psychological personnel	121	113	112	132	136	136	136	138	154	155
Total pupil affairs	161	153	155	171	178	175	180	181	205	208
Health services:										
Nurses and health workers	41	41	42	42	62	66	64	62	63	57
Dentist and hygienists	3	3	3	3	2	3	3	3	3	3
Total health services	44	44	45	45	64	69	67	65	66	60
Operation and maintenance:										
Supervisors	11	11	10	11	11	11	10	11	14	14
Operation and maintenance	329	330	333	347	335	346	336	331	333	321
Total operation and maintenance	340	341	343	358	346	357	346	342	347	335
Food service:										
Director	1	1	1	1	1	1	1	1	1	1
Salaried employees	116	101	110	114	114	114	114	114	153	179
Total food service	117	102	111	115	115	115	115	115	154	180
Total	3,774	3,698	3,757	3,839	3,942	3,983	4,002	3,954	3,955	3,903

Source: District PeopleSoft HR

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

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

Year	Minimum Salary ^(a)	Median Salary	Maximum Salary ^(b)
2013	\$ 39,120	\$ 63,260	\$ 87,400
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

(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**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	11,815	11,562	11,485	11,243	12,097	11,194	10,013	9,264	8,537	8,463
Functional capacity ^(a)	20,185	20,713	20,713	20,713	20,713	20,713	20,713	20,713	20,354	20,354
Percentage of capacity used	59 %	59 %	55 %	54 %	58 %	54 %	48 %	45 %	42 %	42 %
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	5,439	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284	4,146
Functional capacity ^(a)	3,992	3,992	3,992	3,992	3,992	3,992	3,992	3,992	3,992	3,992
Percentage of capacity used	136 %	131 %	127 %	124 %	51 %	49 %	119 %	118 %	107 %	104 %
Secondary:										
Total schools	10	11	11	10	10	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	6,652	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614	5,368
Functional capacity ^(a)	11,536	12,227	12,659	12,659	12,659	12,659	12,659	12,659	11,536	11,536
Percentage of capacity used	58 %	55 %	52 %	52 %	61 %	58 %	46 %	45 %	49 %	47 %
Special:										
Total schools	3	5	5	5	4	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	619	581	513	561	479	705	642	728	724	683
Functional capacity ^(a)	746	746	1,224	1,224	1,224	1,224	1,224	1,224	1,622	1,622
Percentage of capacity used	83 %	78 %	42 %	46 %	39 %	58 %	52 %	59 %	45 %	42 %
Pre-K and head start:										
Enrollment	1,381	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191	1,420
Functional capacity ^(a)	914	914	914	914	914	914	914	914	1,038	1,038
Percentage of capacity used	151 %	153 %	149 %	149 %	148 %	145 %	173 %	127 %	115 %	137 %
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	57	60	60	59	58	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	25,906	25,504	25,003	24,652	23,711	22,552	22,859	21,603	20,350	20,080
Functional capacity ^(a)	37,373	38,052	39,502	39,502	39,502	39,502	39,502	39,502	38,542	38,542
Percentage of capacity used	69 %	67 %	63 %	62 %	60 %	57 %	58 %	55 %	53 %	52 %

(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, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Refunding Series B of 2014	7/10/2014	26,670,000	10,865,000	\$3,520,000 in 2023 \$3,620,000 in 2024 \$3,725,000 in 2025	2.75% 3.00% 3.00%	317,150	3,520,000
General Obligation Bonds Series C of 2014	11/6/2014	9,995,000	1,990,000	\$475,000 in 2023 \$490,000 in 2024 \$505,000 in 2025 \$520,000 in 2026	3.00% 3.00% 3.00% 3.00%	225,485	475,000
General Obligation Bonds Refunding Series A of 2015	3/10/2015	25,750,000	15,160,000	\$2,440,000 in 2023 \$2,560,000 in 2024 \$2,690,000 in 2025 \$6,185,000 in 2026 \$1,285,000 in 2027	5.00% 5.00% 4.00% 4.00% 3.00%	643,550	2,440,000
General Obligation Bonds Series B of 2015	12/9/2015	21,215,000	16,000,000	\$985,000 in 2023 \$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% 5.00% 4.00% 2.60% 3.00% 3.00% 3.00% 3.10% 3.15% 3.20% 3.25% 3.30% 3.35%	545,487	985,000

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series B of 2016	12/28/2016	20,590,000	16,850,000	\$890,000 in 2023	5.00%	736,150	890,000
				\$940,000 in 2024	5.00%		
				\$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 Refunding	7/25/2017	8,710,000	2,730,000	\$2,730,000 in 2023	4.00%	109,200	2,730,000
General Obligation Bonds Series of 2017	11/14/2017	24,000,000	20,880,000	\$1,035,000 in 2023	5.00%	747,688	1,035,000
				\$1,090,000 in 2024	5.00%		
				\$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%						

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2018	10/25/2018	23,880,000	21,835,000	\$945,000 in 2023	5.00%	963,450	945,000
				\$990,000 in 2024	5.00%		
				\$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%						
General Obligation Bonds Series of 2019 Refunding	3/14/2019	36,765,000	30,865,000	\$3,575,000 in 2023	5.20%	1,543,250	3,575,000
				\$3,820,000 in 2024	5.20%		
				\$4,075,000 in 2025	6.04%		
				\$4,370,000 in 2026	6.04%		
				\$4,670,000 in 2027	6.04%		
				\$5,005,000 in 2028	6.04%		
				\$5,350,000 in 2029	6.04%		

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2019	9/26/2019	33,595,000	31,900,000	\$1,255,000 in 2023 \$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%	1,433,700	1,255,000
General Obligation Bonds Series of 2020 Refunding	7/22/2020	15,925,000	3,010,000	\$315,000 in 2023 \$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% 5.00% 3.00% 3.00% 3.00%	125,300	315,000

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2020	10/28/2020	33,955,000	33,545,000	\$1,220,000 in 2023	5.00%	1,476,600	1,220,000
				\$1,285,000 in 2024	5.00%		
				\$1,350,000 in 2025	5.00%		
				\$1,415,000 in 2026	5.00%		
				\$1,485,000 in 2027	5.00%		
				\$1,560,000 in 2028	5.00%		
				\$1,640,000 in 2029	5.00%		
				\$1,720,000 in 2030	5.00%		
				\$1,805,000 in 2031	5.00%		
				\$1,895,000 in 2032	4.00%		
				\$1,970,000 in 2033	4.00%		
				\$2,050,000 in 2034	4.00%		
				\$2,135,000 in 2035	4.00%		
				\$2,220,000 in 2036	4.00%		
				\$2,305,000 in 2037	4.00%		
				\$2,400,000 in 2038	4.00%		
\$2,495,000 in 2039	4.00%						
\$2,595,000 in 2040	4.00%						
General Obligation Bonds Series of 2021	11/1/2021	35,780,000	35,780,000	\$5,000 in 2023	4.00%	1,098,700	5,000
				\$5,000 in 2024	4.00%		
				\$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%						
\$3,385,000 in 2040	3.00%						
\$3,490,000 in 2041	3.00%						

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2022	10/4/2022	34,585,000	34,585,000	\$0 in 2023 \$5,000 in 2024 \$5,000 in 2025 \$5,000 in 2026 \$5,000 in 2027 \$5,000 in 2028 \$5,000 in 2029 \$1,990,000 in 2030 \$2,095,000 in 2031 \$2,195,000 in 2032 \$2,305,000 in 2033 \$2,425,000 in 2034 \$2,545,000 in 2035 \$2,640,000 in 2036 \$2,750,000 in 2037 \$2,865,000 in 2038 \$2,990,000 in 2039 \$3,115,000 in 2040 \$3,250,000 in 2041 \$3,390,000 in 2042	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.13% 4.13% 4.25% 4.25% 4.25% 4.25% 4.25% 4.38%	1,252,193	-
Total General Obligation Bonds Payable			<u>\$ 275,995,000</u>			<u>\$ 11,217,903</u>	<u>\$ 19,390,000</u>
Taxable General Obligation Bonds							
Qualified School Construction Bonds, Series D of 2010	12/7/2010	19,520,000	6,720,000	\$960,000 in 2023 \$960,000 in 2024 \$960,000 in 2025 \$960,000 in 2026 \$960,000 in 2027 \$960,000 in 2028 \$960,000 in 2029	6.85% 6.85% 6.85% 6.85% 6.85% 6.85% 6.85%	1,227,520	960,000
Total Taxable General Obligation Bonds			<u>\$ 6,720,000</u>			<u>\$ 1,227,520</u>	<u>\$ 960,000</u>

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Notes							
Qualified School Construction Bonds, Series A of 2010 (SPSBA)	12/14/2010	9,578,000	3,299,294	\$549,882 in 2023 \$549,882 in 2024 \$549,882 in 2025 \$549,882 in 2026 \$549,882 in 2027 \$549,884 in 2028	6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	\$ 622,091	\$ 549,882
Qualified Zone Academy Bonds, Series B of 2010 (SPSBA)	12/14/2010	13,972,000	4,814,824	\$802,471 in 2023 \$802,471 in 2024 \$802,471 in 2025 \$802,471 in 2026 \$802,471 in 2027 \$802,469 in 2028	6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	907,481	802,471
General Obligation Note Series of 2021 Refunding	4/28/2021	10,705,000	6,710,000	\$3,390,000 in 2023 \$3,320,000 in 2024	0.69% 0.69%	46,299	3,390,000
General Obligation Note Series of 2022 Refunding Series A	5/27/2022	7,402,000	7,402,000	\$2,410,000 in 2023 \$2,221,000 in 2024 \$2,771,000 in 2025	2.48% 2.48% 2.48%	183,570	2,410,000

(continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2022

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2023 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Note Series of 2022 Refunding Series B	5/27/2022	4,932,000	4,932,000	\$0 in 2023	3.02%	148,946	-
				\$15,000 in 2024	3.02%		
				\$15,000 in 2025	3.02%		
				\$15,000 in 2026	3.02%		
				\$550,000 in 2027	3.02%		
				\$565,000 in 2028	3.02%		
				\$585,000 in 2029	3.02%		
				\$597,000 in 2030	3.02%		
				\$622,000 in 2031	3.02%		
				\$639,000 in 2032	3.02%		
				\$654,000 in 2033	3.02%		
				\$675,000 in 2034	3.02%		
Total General Obligation Notes			<u>\$ 27,158,118</u>			<u>\$ 1,908,388</u>	<u>\$ 7,152,353</u>
			(continued)				(continued)
Total General Obligation Bonds Payable			\$ 275,995,000			\$ 11,217,903	\$ 19,390,000
Total Taxable General Obligation Bonds			\$ 6,720,000			\$ 1,227,520	\$ 960,000
Total General Obligation Notes			\$ 27,158,118			\$ 1,908,388	\$ 7,152,353
Total Outstanding			<u>\$ 309,873,118</u>			<u>\$ 14,353,811</u>	<u>\$ 27,502,353</u>

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