



School District of Pittsburgh, Pennsylvania
Annual Comprehensive Financial Report
for the fiscal year ended December 31, 2021

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, 2021



Prepared by the Finance Division

Laura R. Cosharek

Director of Finance

The Pittsburgh Public Schools (PPS) does not discriminate on the basis of race, color, national origin, sex, disability or age in its programs, activities, or employment and provides equal access to the Boy Scouts and other designated youth groups. Inquiries may be directed to Title IX Coordinator or the Section 504/ADA Title II Coordinator at 341 South Bellefield Avenue, Pittsburgh, PA 15213 or 412.529.HELP (4357).

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT AS OF AND FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021 TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal	i-xxx
GFOA Certificate of Achievement for Excellence in Financial Reporting	xxx
ASBO Certificate of Excellence in Financial Reporting	xxxii
List of Elected and Appointed Officials	xxxiii
Organizational Chart	xxxiv
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	1-3
REQUIRED SUPPLEMENTARY INFORMATION – MANAGEMENT'S DISCUSSION AND ANALYSIS	4-16
BASIC FINANCIAL STATEMENTS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021:	
Government-Wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements:	
Balance Sheet — Governmental Funds	19
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	20
Statement of Revenues, Expenditures, and Changes in Fund Balances — Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Revenues, Expenditures, and Changes in Fund Balances — Budget and Actual (Non-GAAP Budgetary Basis) — General Fund	23
Statement of Net Position — Proprietary Funds	24

Statement of Revenues, Expenses, and Changes in Fund Net Position — Proprietary Funds	25
Statement of Cash Flows — Proprietary Funds	26-27
Statement of Fiduciary Net Position — Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	29
Notes to the Basic Financial Statements	30-76
REQUIRED SUPPLEMENTARY INFORMATION AS OF DECEMBER 31, 2021	
Schedule of Changes in the Net OPEB Liability and Related Ratios for the Retiree Health Plan	77
Schedule of the District’s Contributions to the Retiree Health Plan	78
Schedule of the District’s Proportionate Share of PSERS’ Net OPEB Liability	79
Schedule of the District’s Contributions to PSERS’ Premium Assistance	80
Schedule of the District’s Proportionate Share of PSERS’ Net Pension Liability	81
Schedule of the District’s Contributions to PSERS’ Pension Plan	82
Notes to Required Supplementary Information	83-84
SUPPLEMENTARY INFORMATION – COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021	
General Fund:	
Budget Comparison Schedule	85
Nonmajor Governmental Funds:	
Combining Balance Sheet	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	87
Internal Service Funds:	
Combining Statement of Net Position	88
Combining Statement of Revenues, Expenses, and Changes in Net Position	89
Combining Statement of Cash Flows	90
STATISTICAL SECTION	91
Net Position by Component	92
Changes in Net Position	93-94

Fund Balance of Governmental Funds	95
Changes in Fund Balances of Governmental Funds	96
Governmental Activities Tax Revenues by Source	97
General Government Tax Revenues by Source	98
Assessed Value and Estimated Actual Value of Taxable Property	99
Property Tax Rates — Direct and Overlapping Governments	100
Principal Property Taxpayers	101
Property Tax Levies and Collections	102
Ratios of General Bonded Debt Outstanding	103
Ratios of Annual Debt Service Expenditures to Total General Governmental Expenditures	104
Direct and Overlapping Debt of Governmental Debt	105
Legal Debt Margin Information	106
Demographic and Economic Statistics	107
Principal Employers, Pittsburgh Metropolitan Statistical Area	108
Student Membership	109
Graduation Rate	110
Student Operating Statistics	111
Total Number of Employees	112
Teachers' Base Salary — Annual School Year Salary	113
Building Functional Square Footage and Capacity	114
OTHER INFORMATION	
Schedule of Bonds and Notes Payable	115-122

INTRODUCTORY SECTION



August 31, 2022

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:

An Annual Comprehensive Financial Report (Annual Report) for the School District of Pittsburgh (the "District") for the year ended December 31, 2021, 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, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements; evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management; and evaluating the overall presentation of the financial statements. 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, 2021, 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 2021-22 membership included 20,350 students (Pre-K to 12) attending 54 schools. The projected enrollment for 2022-23 is 18,141 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, 5,069 pupils residing in the city and boroughs attended 38 charter schools, including 10 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 2021 totaled \$122,087,479.

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 2025. 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

Strategic Plan Rationale

Superintendent Hamlet wanted to ensure that the development of the Pittsburgh Public Schools (PPS) five-year strategic plan was comprehensive, authentic and took into account all points of view. Dr. Hamlet and his team followed a structured process that included a strong community engagement effort, a review of District data and a third-party organizational assessment.

Engagement: Look, Listen and Learn Tour

During his *Look, Listen and Learn* tour, which launched on August 25, 2016, Dr. Hamlet visited the District's 54 schools, two Center Schools, and met with staff and held nine public listening sessions across the city. Four additional listening opportunities were provided to the Pittsburgh Federation of Teachers (PFT) union membership, principals, the faith-based community and high school students. At each session, participants were organized in small working groups and were asked how to answer three questions:

- What are assets of the District that must be sustained and preserved?
- What are areas in need of improvement as we look to the future?
- What programs or solutions do you think should be considered by the District in this process?

The same questions were provided in an online survey to gain additional feedback. Through this process, the District received input from more than 2,500 individuals. Each of the responses captured in a listening session or online were read and categorized, and those categories were combined into larger themes. The top themes were then used to create a strategic planning input survey. The survey was open for a little over 2 weeks. The survey was designed to provide an additional way for the District to prioritize the feedback from PPS Stakeholders and identify District assets and the top priority areas for improving student achievement. Over 1,000 individuals responded to the strategic planning input survey.

At the conclusion of the *Look, Listen and Learn* tour, more than 3,500 constituents were engaged across schools and the Pittsburgh community. At the same time, District leadership conducted an in-depth analysis of student achievement data and other key indicators focused on the teaching and learning environment. These included student suspensions and the identification of gifted students and students with disabilities. The Council of the Great City Schools (CGCS) also conducted a third-party analysis in the following five areas:

- Organizational Structure and Staffing
- Curriculum/Instructional Programming and Alignment
- Budget and Business Services
- Data, Research, Evaluation and Assessment / Information Technology
- Disciplinary Procedures and Protocols

The information gathered through the *Look, Listen and Learn* tour, the data review and a third-party analysis yielded the development of the District's 5-year Strategic Plan; *Expect Great Things* in April 2017. The strategic plan outlines four long-term outcomes:

- Increase student proficiency in literacy
- Increase student proficiency in math
- Equip all students with skills to succeed in college, career and life
- Eliminate racial disparity in achievement levels of African American students

Those four long-term outcomes will be achieved through four strategic themes and 18 strategic initiatives. The recommendations from CGCS and the full strategic plan are available at www.ppsstrategicplan.org.

Imagine PPS

In December 2019, the School District of Pittsburgh along with Leaders from Heinz Endowments, Children's Hospital of Pittsburgh, the Pittsburgh Federation of Teachers and CCAC announced a new city-wide initiative to re-imagine how Pittsburgh Public Schools (PPS) delivers education. *Imagine PPS* seeks to ensure that all children have equal access to the knowledge, skills, and attributes needed to be successful in the 21st Century global economy and beyond. The *Imagine PPS* launch corresponds with the sunset of the District's strategic plan but goes further to design an educational delivery model that aligns with the values of the District and its stakeholders. There will be 12 Focus Areas within 4 categories which include:

- **System Design/Student Pathways** (Graduate Student Profile, Graduation Requirements, Pupil Progression Plan)
- **School Design** (Career Middle School, Birth-Age 8 Programming, STEM School – Medical Careers)
- **School Improvement of Underperforming High Schools** (Pittsburgh Millionaires 6-12, Pittsburgh Perry High School, Pittsburgh Westinghouse 6-12)

- **Areas of Interest** (Mental Health/Trauma-Informed Care, Arts, Athletics, “Homemade” Healthy Food, Program for Students with Exceptionalities (Special Education) Infrastructure)

The *Imagine PPS* process will build off of the efforts of the working group and center around the formation of 12 design teams – led by the District, in partnership with an external community champion and informed by a mix of PPS staff and community members. Design teams will develop recommendations for 12 focus areas within four categories: *Student Pathways, School Design, Areas of Interest and School Improvement of Underperforming High Schools*. Drawing on the expertise of local team members and best practices from across the country, design teams will develop action plans. Each design team will seek input from student groups, teachers, principals, parents, community leaders and partners. While engagement will take place throughout the planning, targeted dates for engagement will occur in two phases – January 2020 and April 2020 based on proposal timelines.

Simultaneously, the Superintendent, his Executive Cabinet and District staff will collect data and analyze the District’s facilities needs to develop strategies for system and structural improvements in four areas: *Education Delivery Model, Feeder Patterns, Magnet Pathways and Technology Enhancements*.

After the release of the *Imagine PPS* initiative, Dr. Hamlet, Superintendent of Schools opened the lines of communication for the community, staff, parents, students, etc. to voice their opinions about the new project to order to make decisions based on this feedback. To listen and respond to questions, suggestions, and future plans for the District, a Twitter chat held in January 2020 reached 206,000 people within 1 hour.

District Assets

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

Quality and Dedication of PPS Staff

Consistently, throughout the *Look, Listen and Learn* tour, and on the strategic plan input survey, the quality and dedication of PPS staff was a strength recognized by all stakeholders. In our 2017 annual parent survey results showed:

- 79% of parents would recommend their school to another family
- 83% of parents agree that “adults at this school care about your child.”

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.

2019 District Performance Results - PSSA/PASA & Keystone

Superintendent Dr. Hamlet, Pittsburgh Public Schools released the 2019 Student Achievement Results in September 2019. Pittsburgh Public School students achieved District-wide gains on 8 of 14 exams in the 2019

Pennsylvania System of School Assessment (PSSA), according to results released by Superintendent Anthony Hamlet. Additional gains were realized in all major subgroups of students, including African Americans, English Language Learners, and students with Individualized Education Plans (IEPs).

Overall, the percentage of students scoring proficient and advanced in English Language Arts (ELA) increased on 4 of 6 testing points, 2 of 6 in Mathematics, and on both exams in Science. Following two years of steady performance, District performance on the Keystone Exam declined on all three tests.

The Northwest Evaluation Association's Measures of Academic Progress system, nicknamed MAP Growth, offers more data from fewer assessments to create a more precise evaluation of student progress and provide the data and supports that teachers need to make instructional decisions. Through Map Growth, the District will receive valuable data on student performance on Pennsylvania state standards, eligible content, Lexiles, and K-2 foundational skills. Additionally, MAP Growth will help identify students who may require additional diagnostic assessments and interventions.

The PSSA measures individual student performance and determines the level to which school programs enable students to reach Pennsylvania proficiency standards in ELA and Mathematics in Grades 3-8 and Science in Grades 4 and 8.

Overall, the percentage of students scoring proficient or advanced on the ELA PSSA increased from 46.2 percent in 2018 to 47.3 percent in 2019. Grade level ELA results include:

- 3rd-grade student performance declined 5.2 points to 50.9 % from 56.1% in 2018.
- 4th-grade student performance increased 7.7 points to 53.3% from 45.6% in 2018.
- 5th-grade student performance increased 3.1 points to 45.5% from 42.4% in 2018.
- 6th-grade student performance increased 3.4 points to 46.3% from 42.9% in 2018.
- 7th-grade student performance increased 1.1 points to 45.9% from 44.8% in 2018.
- 8th-grade student performance decreased 2.9 points to 42.0% from 44.9% in 2018.

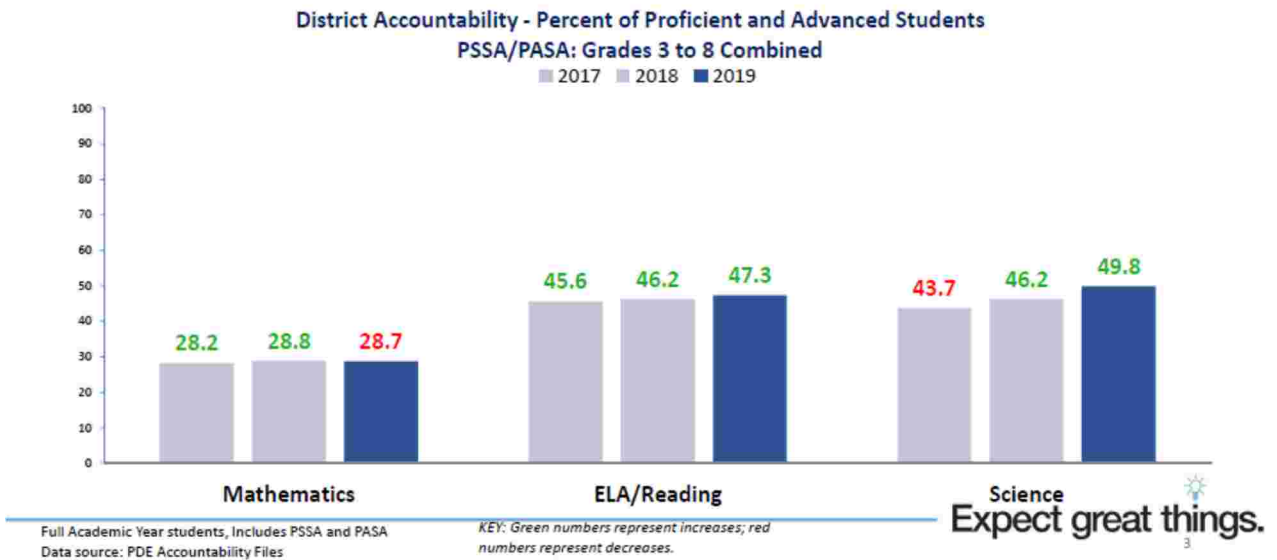
Overall, the percentage of students scoring proficient or advanced in PSSA Mathematics remained steady at 28.7% in 2019 from 28.8% in 2018. Grade level Mathematics results include:

- 3rd-grade student performance declined 0.1 points to 44.3 % from 44.7% in 2018.
- 4th-grade student performance increased 2.3 points to 33.6% from 31.3% in 2018.
- 5th-grade student performance decreased 1.5 points to 27.8% from 29.3% in 2018.
- 6th-grade student performance decreased 3.0 points to 22.1% from 25.1% in 2018.
- 7th-grade student performance increased 3.5 points to 24.3% from 20.8% in 2018.
- 8th-grade student performance decreased 0.8 points to 19.5% from 20.3% in 2018.

2019 District Performance Results - PSSA/PASA & Keystone cont'd. The District saw overall gains in Science proficiency from 46.2% in 2018 to 49.8% in 2019.

- Grade 4, proficiency levels in Science increased 3.5 points to 62.8% from 59.3% in 2018.
- Grade 8 proficiency in Science also increased 4.5 points to 36.5% from 33% in 2018.

The combined 2019 PSSA results (overall score) across all tested grades within each content area show similar performance in Mathematics from last year to this year, while ELA/Reading and Science continue to show increases.



The District has made the elimination of racial disparities in academic achievement one of four desired outcomes of its strategic plan. The percent of African American students scoring proficient or advanced increased on 8 of 14 exams in 2019. The percent of English Language Learners (ELL) students scoring proficient or advanced increased on 11 of 14 exams in 2019, while all major subgroups (Race, IEP and ELL) achieved gains on both Science exams, Grade 4 and 6 ELA exams, and Grade 4 in Mathematics.

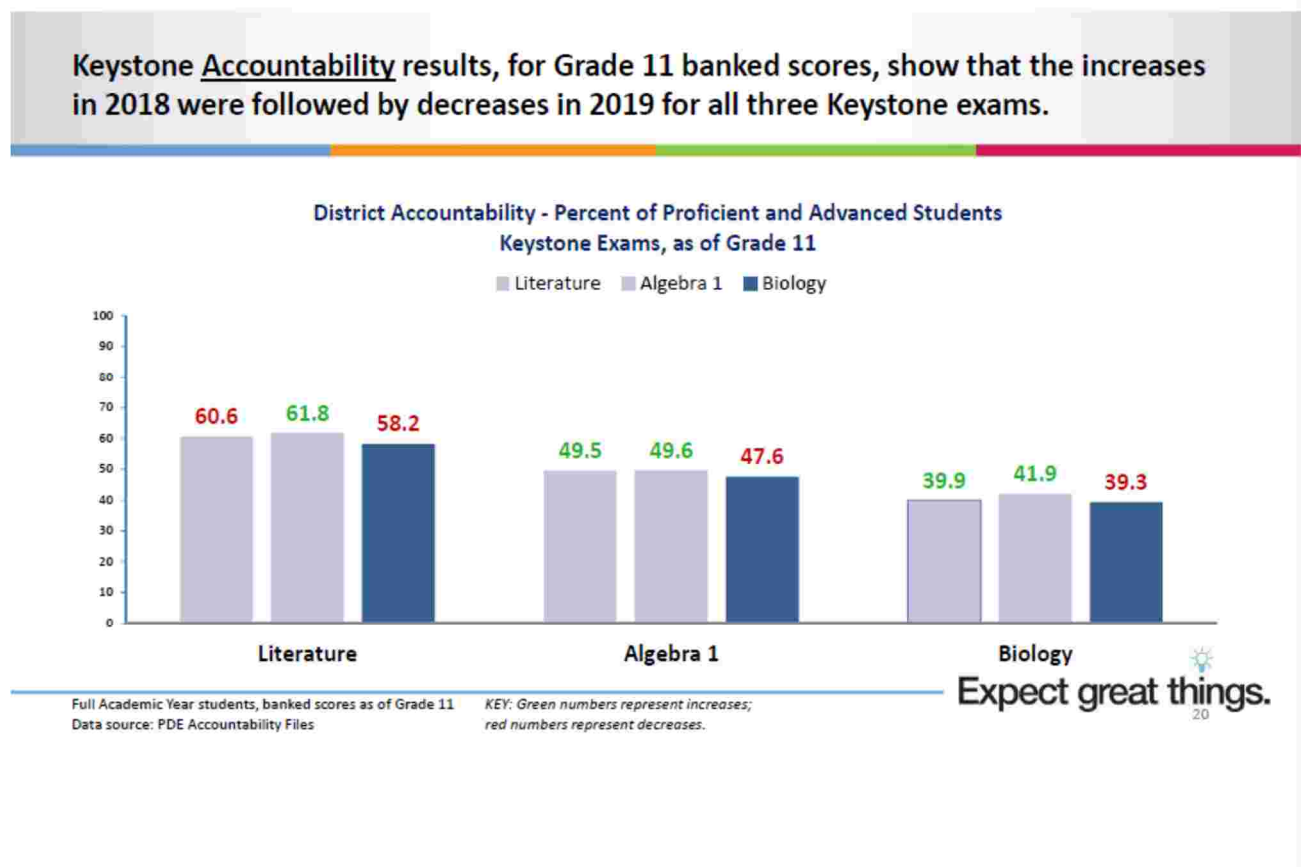
2019 Keystone Exam Results

Keystone Exams are end-of-course exams aligned to the Pennsylvania Core Standards that measure student learning in Algebra 1, Literature and Biology. Students take these exams after completing the corresponding course. Although students may take the Keystone Exams at various times throughout their high school career, results for State accountability purposes are attributed to the school when the student reaches 11th Grade.

Following two years of steady performance, overall District performance on the Keystone Exams declined on all three exams. Results include:

- Keystone Literature accountability results show a decrease from 61.8 percent in 2018 to 58.2 percent in 2019.
- Algebra 1 accountability results declined from 49.6 percent in 2018 to 47.6 percent in 2019.
- Biology results dropped from 41.9 percent in 2018 to 39.3 percent in 2019.

Subgroup performance on the 2019 Keystone exams varied, with English Language Learners and White students seeing gains in Literature performance, while students with Individualized Education Plans (IEPs) achieved gains in Biology. African American student performance declined on all three exams.



The full presentation is available on the Board’s section of the website at <https://www.pghschools.org>.

Subgroup Student Achievement

The percent of African American students scoring proficient or advanced increased on 8 of 14 exams in 2019. The percent of English Language Learners (ELL) students scoring proficient or advanced increased on 11 of 14 exams in 2019, while all major subgroups (Race, IEP and ELL) achieved gains on both Science exams, Grade 4 and 6 ELA exams, and Grade 4 in Mathematics.

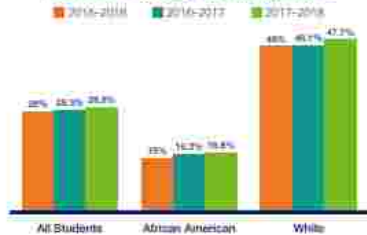
Subgroup performance on the 2019 Keystone exams varied, with English Language Learners and White students seeing gains in Literature performance, while students with Individualized Education Plans (IEPs) achieved gains in Biology. African American student performance declined on all three exams.

The results show the disparity in Mathematics achievement between Black and White students has leveled out after a slight dip in 2017. The disparity in ELA achievement between Black and White students has remained flat.

MATHEMATICS PSSA/PASA – 3 YEARS

PSSA/PASA Mathematics results show small increases over time for the All group, African-American subgroup, and White subgroup. However, subgroup results also provide a picture of the ongoing disparity between African-American and White students. African-American students consistently performed below the District average. African-American female and male performance on the Mathematics PSSA/PASA showed similar improvements from year to year.

DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
PSSA/PASA: GRADES 3 TO 8 MATHEMATICS



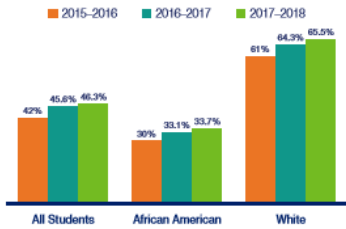
DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
AFRICAN-AMERICAN BY GENDER: MATHEMATICS PSSA/PASA



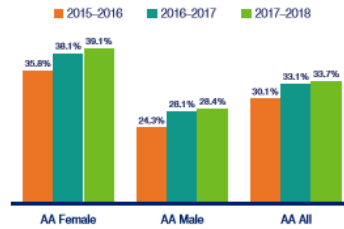
ENGLISH LANGUAGE ARTS

In English Language Arts (ELA) each group achieved small increases in performance over time, with the exception of Multi-Racial students, who saw a small dip in 2017–18. African-American students consistently performed below the District average. African American females performed better than African American males on the ELA PSSA/PASA by approximately 10 percentage points. Both groups have demonstrated improvements from year to year.

DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
PSSA/PASA: GRADES 3 TO 8 ENGLISH LANGUAGE ARTS

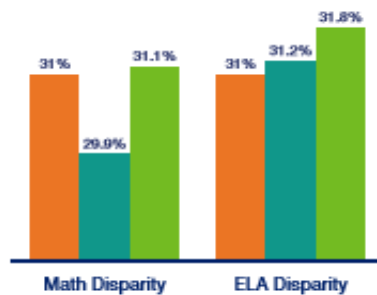


DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
AFRICAN-AMERICAN BY GENDER: ELA PSSA/PASA



PSSA/PASA DISPARITIES – 3 YEARS

2015-2016 2016-2017 2017-2018

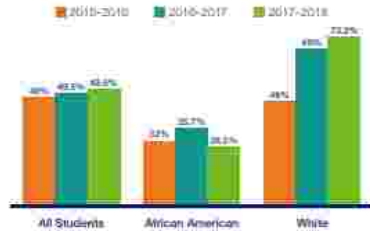


ALGEBRA 1

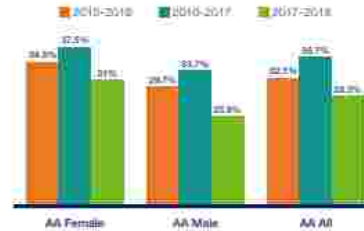
In Algebra 1 the All group stayed relatively similar, with a percentage point growth across the two reported years. In 2017–2018 the African-American subgroup decreased, and the disparity between African-American and White students increased.

In Algebra, African-American females performed better than African-American males by 5 percentage points. While student achievement rose in 2016–2017, both groups saw a decline in performance in 2018 when compared to 2015–16 results.

DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
KEYSTONE: ALGEBRA 1



DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
AFRICAN-AMERICAN BY GENDER: ALGEBRA KEYSTONE

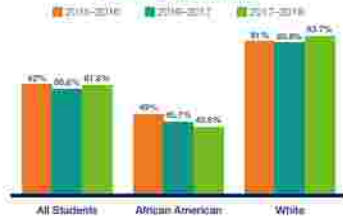


LITERATURE

On the Literature Keystone, the All group increased slightly, while the African-American subgroup showed a slight decrease. The disparity between African-American students and White students has increased.

Performance on the Literature Keystone shows the greatest disparity in achievement between the performance of African-American males and females, where a steady decline in the performance of African-American males has resulted in a 19.8 percentage gap between males and females in 2017–18.

DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
KEYSTONE: LITERATURE



DISTRICT ACCOUNTABILITY – PROFICIENT AND ADVANCED
AFRICAN-AMERICAN BY GENDER: LITERATURE KEYSTONE



On Track to Equity: Integrating Equity Throughout PPS

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.

On Track to Equity is designed to achieve one of the long-term outcomes identified in the District’s 2017-2022 Strategic Plan, Expect Great Things: *Eliminate Racial Disparity in Achievement Levels of African American Students*. The 97-page plan details 27 key action steps the District is taking toward this goal, each grouped under one of seven focus areas outlined in the MOU between PPS and the Pennsylvania Human Relations Commission. As a starting point, the plan illustrates the District’s commitment to moving beyond compliance with the MOU to demonstrate our commitment to the continued monitoring of our progress and supporting the work of the Equity Advisory Panel (EAP).

The plan is grouped into seven focus areas, each of which includes action steps designed to promote equity within that topic. **These focus areas include:**

- Board support
- Instructional support
- Equity in discipline
- Reducing the achievement gap
- Equity in Special Education and Special Program access
- Monitoring
- Administrative Support

2018–19 AND 2019–20 PROFICIENCY TARGETS FOR AFRICAN-AMERICAN MALES AND FEMALES							
AFRICAN-AMERICAN MALES							
SUBJECT	2017–18 % PA	2017–18 % BELOW PROFICIENT	2023–24 BELOW PROFICIENT TARGET*	ANNUAL REDUCTION NEEDED TO REACH TARGET**	ADJUSTED ANNUAL REDUCTION NEEDED TO REACH TARGET***	2018–19 % PA TARGET	2019–20 % PA TARGET
ELA GRADE 3–8	28.1	71.9	36.0	6.0	7.0	35.1	42.1
MATH GRADE 3–8	16.3	83.7	41.9	7.0	8.0	24.3	32.3
LITERATURE	33	67	33.5	5.6	6.6	39.6	26.2
ALGEBRA 1	25.6	74.4	37.2	6.2	7.2	32.8	40.0
AFRICAN-AMERICAN FEMALES							
SUBJECT	2017–18 % PA	2017–18 % BELOW PROFICIENT	2023–24 BELOW PROFICIENT TARGET*	ANNUAL REDUCTION NEEDED TO REACH TARGET**	ADJUSTED ANNUAL REDUCTION NEEDED TO REACH TARGET***	2018–19 % PA TARGET	2019–20 % PA TARGET
ELA GRADE 3–8	39	61	30.5	5.1	6.1	45.1	51.2
MATH GRADE 3–8	16.4	83.6	41.8	7.0	8.0	24.4	32.3
LITERATURE	52.8	47.2	23.6	3.9	4.9	57.7	62.7
ALGEBRA 1	31	69	34.5	5.8	6.8	37.8	44.5

*The 2023–24 Target is based on reducing the 2017–18 non-proficiency percentage in half.

**The annual target is based on six years from 2017–18 to 2023–24.

***A PPS Executive Cabinet decision was to increase annual goals by 1 point per year, for African-American students.

Attendance Rate

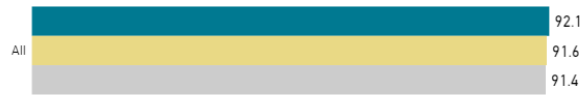
Pittsburgh Public Schools recognizes that without access to instructional time, student learning will suffer. When students are absent, they lose access to that instructional time, and so the District pays close attention to attendance rates across schools, grades, and student subgroups.

Attendance Rate

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

District Attendance Rate

● 2017-18 ● 2018-19 ● 2019-20



Chronic Absence Rate

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

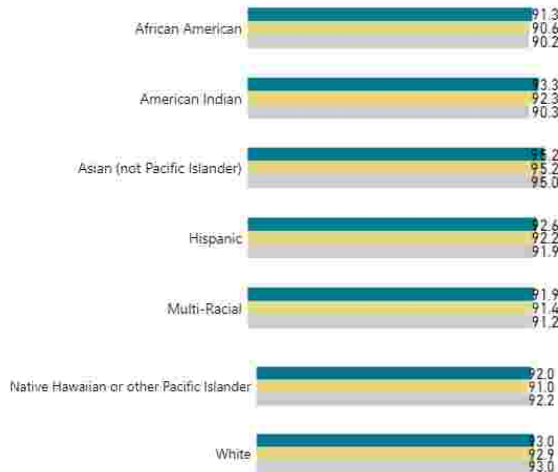
District Chronic Absence Rate

● 2017-18 ● 2018-19 ● 2019-20



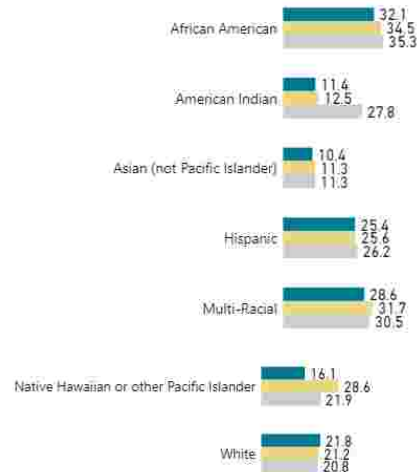
Attendance Rate by Race

● 2017-18 ● 2018-19 ● 2019-20



Chronic Absence Rate by Race

● 2017-18 ● 2018-19 ● 2019-20

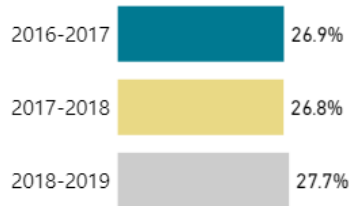


Advanced Placement

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

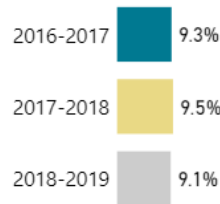
Percent of Students who Passed an AP Course

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

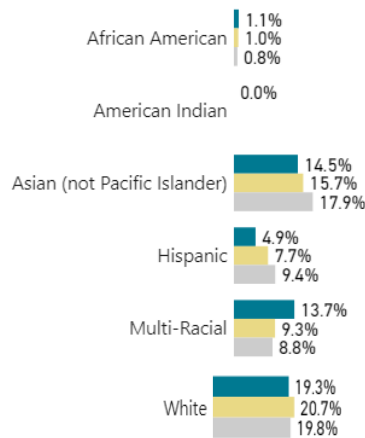
This bar chart represents the percent of students who passed an AP or IB course and passed an AP or IB exam out of all students who were enrolled in grades 10 to 12.



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

by Race

● 2016-2017 ● 2017-2018 ● 2018-2019



Eliminate Racial Disparity in Achievement Levels of African American Students

The elimination of racial disparities in achievement levels of African-American students is one of four desired outcomes of the District’s 2017–2022 Strategic Plan: Expect Great Things. As demonstrated in the chart below, performance of African-American students also increased on all three 2018 PSSA exams.

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. From 2015 to 2017, the District rate for all students increased 10.4 percentage points from 70.4 percent to 80.8 percent. Additionally, students of both genders and African American students also saw increases in graduation rates.

Overall District

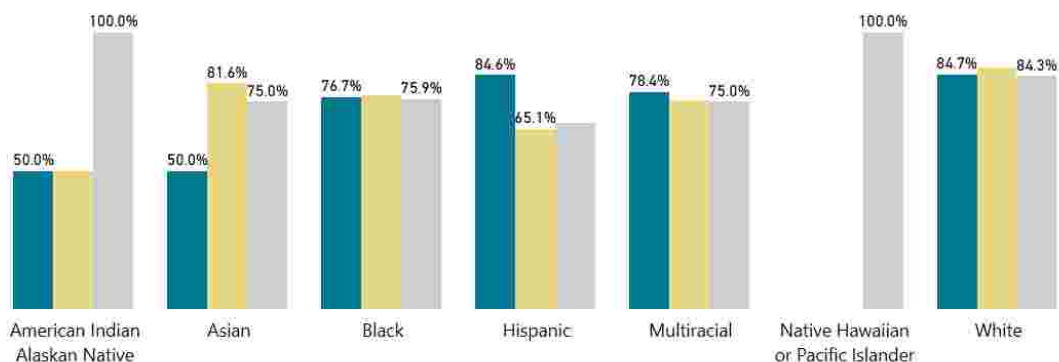
4-year cohort graduation rates for the district overall



Race

4-year cohort graduation rates for each race subgroup

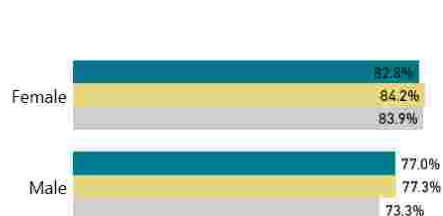
● 2015-16 ● 2016-17 ■ 2017-18



Gender

4-year cohort graduation rates for each gender subgroup

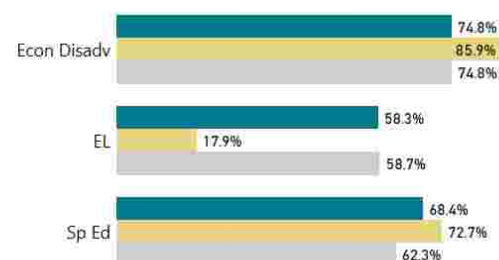
● 2015-16 ● 2016-17 ■ 2017-18



Other characteristics

4-year cohort graduation rates for other subgroups

● 2015-16 ● 2016-17 ■ 2017-18



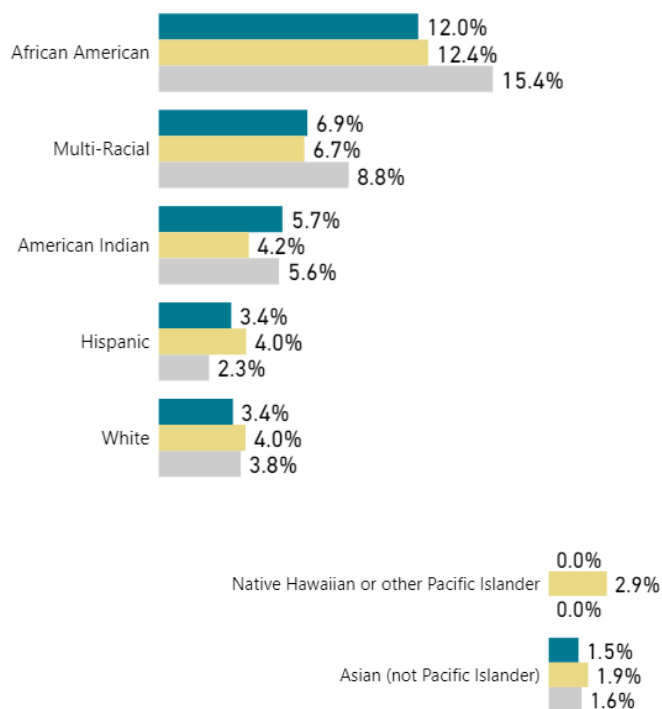
Suspension Data

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	2017-18	2018-19	2019-20
The number of students suspended divided by the total number of students who were enrolled at any point in the school year.	8.1%	8.6%	10.1%

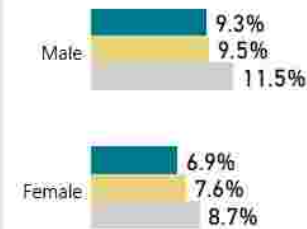
Suspension Rate by Race

● 2017-18 ● 2018-19 ● 2019-20



Suspension Rate by Gender

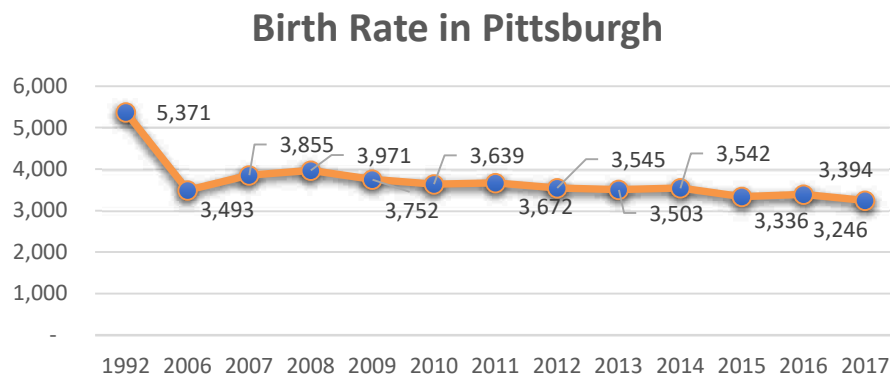
● 2017-18 ● 2018-19 ● 2019-20



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

According to the Pennsylvania Department of Health, the birth rate in the City of Pittsburgh is dropping and is now lower than it was in 2006. In 1992, there were 5,371 births. The most recent data available in 2017 shows a drop to 3,246. This drop impacts District enrollment numbers, which have also been steadily declining each year.



Our Instructional Systems are Weak and Disjointed

To build the District's capacity to improve student achievement, the curriculum, assessment system, professional development, and teacher evaluation system (RISE) must be aligned with Pennsylvania Core Standards. (*Council of the Great City Schools Report, pg. 35*)

No System-wide Strategy to Address School Climate and Student Discipline

By not having a system-wide strategy to address student discipline and school climate, disciplinary actions are disproportionately failing on students of color which causes a significant loss of instructional time for these students. (*Council of the Great City Schools Report, pg. 67*)

2017 – 2022 STRATEGIC PLAN

Progress of the Pittsburgh Public Schools Strategic Plan; Expect Great Things 2017-2022

In April 2017, after nine months of planning and the unprecedented engagement of more than 3,500 stakeholders, an in-depth data review, and a third-party analysis conducted by the Council of the Great City Schools, the District launched the 2017-2022 Strategic Plan: *Expect Great Things*.

The strategic plan outlines four long-term outcomes:

- Increase student proficiency in literacy
- Increase student proficiency in math
- Equip all students with skills to succeed in college, career and life
- Eliminate racial disparity in achievement levels of African American students

Those four long-term outcomes will be achieved through the following four strategic themes and the implementation of initiatives under each theme. The full strategic plan is available www.ppsstrategicplan.org.

THEME #1: Positive and Supportive School Culture

Create a positive and supportive school culture. Engage in positive and effective relationships with every student, family, community partner and staff member to meet the holistic needs of all students.

- Establish a system-wide Multi-Tiered System of Support (MTSS) process, that includes Positive Behavior Interventions and Supports (PBIS) and restorative practices, implemented through high-functioning, Student Assistance Program (SAP) teams in every school that are equipped to follow the process with fidelity.
- Develop and communicate clear, consistent, and explicit expectations for staff interactions with students and families.
- Implement a tiered and phased community schools approach.
- Embed elements of Social-Emotional Learning (SEL) into academic instruction.
- Develop individual student success plans for all students.
- Develop effective partnerships among schools, students, families, and community organizations, utilizing a research-based framework that fosters collaboration for student success.

THEME #2: Aligned Instructional System

Meet student needs through a rigorous curriculum and assessment system that is culturally inclusive with equitable resources.

- Develop and design a common curriculum framework.
- Develop a comprehensive assessment system aligned to grade-level expectations.
- Implement an instructional system with aligned and equitably distributed resource.

THEME #3: Instructional Support for Teachers and Staff

Advance student outcomes through a system of instructional support that increases teacher knowledge and effectiveness.

- Align instructional support efforts to ensure collaboration between school administrators and staff around the school's professional development focus.
- Ensure that all professional development for teachers and staff follows research-based and culturally relevant practices.
- Provide differentiated instructional support that is based on data and deployed through school-based, District-wide, and online learning opportunities.
- Ensure that supervisory and support staff who engage in instructional conversations with teachers receive differentiated learning opportunities to be effective in their roles.

THEME #4: High Performance for All Employees

Attract and attain high-performing staff who hold high expectations for all students.

- Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce.
- Develop a rigorous selection and hiring process that ensures the most effective workforce.
- Review and modify performance management systems to maximize impact on professional growth and student outcomes.
- Promote retention and reduce negative effect of turnover.
- Create comprehensive professional learning environments to both facilitate role specific learning and to enable employees to grow and develop.

Our Strategic Plan Framework outlines for strategic themes each with separate objectives and strategic initiatives. Each strategic initiative in the plan will be phased in over a three-year period to ensure sufficient staff capacity, strong implementation planning and continuous monitoring.

Strategic Plan Framework

Long-Term Outcomes

Increase proficiency
in literacy for all students

Strategic Theme #1

Create a positive and supportive school culture.

Objectives

1. Meet the holistic needs of all students.
2. Establish a shared commitment and responsibility for positive relationships with every student, family, and staff member.
3. Create effective family and community partnerships in every school.

Strategic Initiatives

PHASE 1

- 1a. Establish a system-wide Multi-Tiered System of Support (MTSS) process, that includes Positive Behavior Interventions and Supports (PBIS) and restorative practices, implemented through high-functioning Student Assistance Program (SAP) teams in every school that are equipped to follow the process with fidelity.
- 2b. Develop and communicate explicit and consistent expectations for staff interactions with students and families.
- 3b. Implement a tiered and phased community schools approach.

PHASE 2

- 1b. Embed elements of social-emotional learning into academic instruction.

PHASE 3

- 1c. Develop individual student success plans for all students.
 - 3a. Develop effective partnerships among schools, students, families, and community organizations, utilizing a research-based framework that fosters collaboration for student success.

Strategic Theme #2

Develop and implement a rigorous, aligned instructional system.

Objectives

1. Establish a rigorous District-wide curriculum and assessment framework that is culturally inclusive.

Strategic Initiatives

PHASE 1

- 1a. Develop and design a common curriculum framework.
- 1b. Develop a comprehensive assessment system aligned to grade-level expectations.
- 1c. Implement an instructional system with aligned and equitably distributed resources.

District Vision

All students will graduate high school college, career and life-ready prepared to complete a two- or four-year college degree or workforce certification.

District Mission

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.

Ensure all students are equipped with skills to succeed in college, career and life

Increase proficiency in math for all students

Eliminate racial disparity in achievement levels of African-American students

Strategic Theme #3

Provide appropriate instructional support for teachers and staff.

Objectives

1. Impact student outcomes by increasing teacher knowledge through a cohesive system of instructional support.

Strategic Initiatives

PHASE 1

- 1b.** Align instructional support efforts to ensure collaboration between school administrators and staff around the school's professional development focus.

PHASE 2

- 1a.** Ensure that all professional development for teachers and staff follows research-based and culturally relevant practices.
- 1c.** Provide differentiated instructional support that is based on data and deployed through school-based, district-wide, and online learning opportunities.

- 1d.** Ensure that supervisory and support staff who engage in instructional conversations with teachers receive differentiated learning opportunities to be effective in their roles.

Strategic Theme #4

Foster a culture of high performance for all employees.

Objectives

1. Attract and retain high-performing staff who hold high expectations for all students.
2. Enhance District-wide systems that promote shared accountability, high expectations, and continuous growth for all employees.

Strategic Initiatives

PHASE 1

- 1a.** Develop and broaden teacher pipeline and recruitment efforts to yield a diverse, culturally competent and effective workforce.
- 1b.** Develop a rigorous selection and hiring process that ensures the most effective workforce.

PHASE 2

- 2b.** Review and modify performance management systems to maximize impact on professional growth and student outcomes.

PHASE 3

- 1c.** Promote retention and reduce negative effect of turnover.
- 2a.** Create comprehensive professional learning environments to both facilitate role-specific learning and to enable employees to grow and develop.

*Phase 1: Launching now through June 2017
Phase 2: Launching in the 2017–2018 School Year
Phase 3: Launching in the 2018–2019 School Year*

From May 2017, when the District's strategic plan was launched through June 2019, the District has taken the necessary steps to spur measurable change in our schools through the following efforts:

- Developed curriculum frameworks for all courses PreK-12, complete with aligned scope and sequence, formative assessments, syllabi, and course-related materials.
- Adopted a new PreK-5 English Language Arts curriculum, supplemental Science resources, and supporting technology, aligned to the PA Core Standards.
- Hired key roles to support district realignment including Chief of Data, Research, Evaluation, and Assessment (DREA), Chief Academic Officer, Assistant Superintendent of Professional Development, Director of Counseling, and Director of Social Workers.
- Bolstered our standards of supports to meet the holistic needs of students by increasing library services, hiring four new regional attendance officers, and expanding nursing services to ensure a nurse on every campus.
- Implemented Positive Behavioral Intervention and Supports (PBIS) at all schools, including the expansion of restorative practices to all schools, and the expansion of mindfulness training to improve school cultures.
- Created new codes of conduct that differentiate between the preK-5 and 6-12 age groups.
- Increased opportunities for job-embedded professional development for teachers with the addition of eight (8) half-days for school and district-level training.
- Revamped the Instructional Teacher Leader 2 role into two new positions - Literacy Academic Coach and Math Academic Coach - for modeling and content-specific training.
- Implemented teacher-led Professional Learning Communities in every school.
- Launched a District-wide Student Advisory Council to ensure student voice is always at the table.
- Expanded the TEALS Program to eight secondary schools, bringing in high-tech volunteers into the Advanced Placement Computer Science classrooms across PPS.
- Designated eight community schools, combining traditional approaches with community-based resources in a smarter way.
- Partnered with the College Board's "All In" Campaign Challenge to provide PPS high school students online personalized learning to boost success on the PSAT and SAT exams. In addition, paying for the administration of the PSAT to 8th graders and SAT for 11th graders.
- Reached an agreement with the PFT that establishes much-needed long-term structural change to reduce teacher churn and provide greater flexibility for principals.
- Established an instructional Review process to support all schools, with an emphasis on Focus and Priority Schools.

- Partnered with Learning Forward in the development of a comprehensive professional learning plan to build central office, principal, and teacher capacity to implement college- and career-readiness standards.
- Worked with the National Institute of School Leadership (NISL) for school leader coaching to further the growth and development of principals and other school leaders.
- Engaged the Council of Great City Schools to review the way of work of our Human Resources, Information Technology, Facilities, and DREA departments as part of our commitment to continuous improvement.
- Served as one of the first districts to pilot the Pennsylvania Department of Education's (PDE) Essential Practices across all schools.
- Rolled out a new curriculum in 6-12 ELA and K-5 Mathematics aligned to the PA Core standards.
- Staffed the District's new Transformation Office focused on supporting Focus and Priority schools.
- Implemented a K-2 suspension ban for non-violent offenses approved by the Board of Directors.
- Adopted and implemented multiple readiness indicators identified by Redefining Ready so we common language around what it means to be college, career, and life ready.
- Increased the number of Assistant Principals and modified their work-year to 12 months to ensure more support, planning and training during the summer months.
- Launched an evaluation process to determine the best way to implement a 2nd grade gifted screener to increase the identification African-American students.
- Implemented Naviance, college and career planning tool for middle and high school students that helps guidance counselors walk students through the process of identifying their strengths and interests and exploring careers and colleges to create personalized plans for life beyond high school.
- Held a Summer Leadership Academy for all 54 school's leadership teams to provide high-quality professional learning on differentiated instruction, formative assessment, culturally responsive pedagogy and inclusion.
- Developed Parent fact sheets on district initiatives and district services and departments such as special education, food services and transportation.

As a part of the District's comprehensive planning process required for the Pennsylvania Department of Education (PDE), Superintendent Hamlet convened a working group over the course of a six-month period that included District staff, parents and representatives from local universities and the philanthropic community. In partnership with the National Institute of School Leadership (NISL), working group members learned the nine building blocks for a world class education system by studying high-performing countries and educational systems within the United States. The District used the knowledge and skills of the working group to conduct research and planning on three areas required by the PDE District Improvement Planning process. The group convened ten times and after several months aligned their work to focus in the following five areas:

- Early Childhood Education (PreK)
- Gifted Education
- Aligned Instructional Systems
- New Teacher Induction
- Job-Embedded Professional Development

Outlined below are the commitments the District made in each of the five areas.

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.

Achievement by Ethnicity:

Data Comparison - Entry at 3 Years Old 2016 - Exit at 5 Years Old 2018

Beginning Proficient %	Overall	AA 65.6%	White 16.9%	Asian 6.2%	Latino 3.0%	Other 8.2%	Achievement Gap
Personal & Social Development	13.2%	12.9%	17.8%	13.9%	4.8%	8.8%	0.3% overall, 4.9% AA-W
Language & Literacy	5.6%	4.8%	7.6%	11.6%	0.0%	5.3%	0.8% overall, 2.8% AA-W
Mathematical Thinking	3.2%	3.1%	4.2%	4.7%	0.0%	1.8%	0.1% overall, 1.1% AA-W
Scientific Thinking	4.4%	4.2%	6.8%	4.7%	4.8%	1.8%	0.2% overall, 2.6% AA-W
Social Studies	4.9%	4.6%	6.8%	7.0%	0.0%	3.5%	0.3% overall, 2.2% AA-W
The Arts	18.2%	20.6%	15.2%	18.6%	9.5%	8.8%	2.4% overall, 5.6% AA-W
Physical Development & Health	21.5%	20.8%	24.6%	27.9%	14.3%	19.3%	0.7% overall, 3.8% AA-W
Average Percentage Proficient	10.1%	10.1%	11.9%	12.6%	4.8%	7.0%	0% overall, 1.8% AA-W

Average gap between AA and white students at the beginning = 1.8%

Final Proficient %	Overall	AA 56.5%	White 16%	Asian 4.5%	Latino 2%	Other 21%	Achievement Gap
Personal & Social Development	77.8%	78.2%	81.9%	71.8%	82.3%	74.9%	-0.4% overall, 3.7% AA-W
Language & Literacy	73.7%	75.3%	80.4%	74.4%	76.5%	63.9%	-1.6% overall, 5.1% AA-W
Mathematical Thinking	70.9%	71.5%	78.3%	71.8%	76.5%	63.4%	-0.6% overall, 6.8% AA-W
Scientific Thinking	70.7%	71.9%	76.1%	61.5%	76.5%	65.0%	-1.2% overall, 4.2% AA-W
Social Studies	73.3%	76.4%	75.4%	64.1%	58.8%	67.2%	-3.1% overall, -1.0% AA-W
The Arts	81.7%	82.2%	85.5%	71.8%	76.5%	80.3%	-0.5% overall, 3.3% AA-W
Physical Development & Health	83.5%	83.8%	85.5%	82.1%	94.1%	80.9%	-0.3% overall, 1.7% AA-W
Average Percentage Proficient	75.9%	77.0%	80.4%	71%	63.9%	70.8%	1.1% overall, 3.4% AA-W

Average gap between AA and white students at the end is = 3.4%
Growth over two years: Overall 65.8%, AA 66.9%, White 68.5%

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.

Aligned Instructional System

The District is committed to ensuring that all students entering and exiting any District school will leave with the same quality education regardless of zip code. Equitable learning for all students will occur and serve as the foundation for classroom instruction, with the implementation of culturally responsive curriculum, instructional frameworks, and assessments that articulate a sequence of learning aligned to grade-level expectations developed by District staff and teachers. The District will provide curricular resources and support for all staff to foster a mindset of continuous learning and high expectations. We will ensure a variety of ongoing assessments to inform daily instructional decisions that appropriately stretch students beyond their current level of performance. Students in PreK-12 will engage in learning experiences that reflect high expectations and enable them to transfer knowledge and skills to new situations, both locally and globally. Students will learn how to apply academic grit to transcend internal and external obstacles in order to reach their highest potential. Clear gateways will be established to ensure students are aware of their academic

options and can embody the academic and socio-emotional intelligence to become college, career and life-ready.

New Teacher Induction

The District is committed to ensuring all incoming teachers receive effective mentoring, guidance, and support through a comprehensive New Teacher Induction (NTI) process. NTI will establish a foundation for new teachers to benefit from and contribute to a culture of continuous improvement. NTI will consist of both individualized and collaborative learning experiences for teachers, preparing them to best meet the diverse academic and social-emotional needs of their students. The NTI process will support the District in developing and retaining teachers who are committed to ongoing growth, research, and development to ensure that every student in every school, experiences high quality instruction every day.

We expect new teachers to:

- Believe that students of every race, ethnicity, socio-economic status, gender, and ability can excel and make continuous academic progress.
- Understand and implement research-based and culturally-responsive instructional practices so that all students can learn.
- Have a dedicated, well-prepared, and qualified mentor.
- Have a shared responsibility in their professional learning.
- Experience professional learning that models effective learning experiences for students.
- Engage in data-driven and data-informed professional learning experiences.
- Have site-based and District-based supports that complement one another.
- Receive the resources to be successful in their roles.
- Become experienced and effective teachers in the District.

Job-Embedded Professional Development

In the District, job-embedded professional development will be an individual and collaborative continuous learning process of inquiry, reflection, and action that occurs during the work day with the goal of staff improving student outcomes. Job-embedded professional development will equip staff with data analysis, academic content, teaching and learning theory, social/emotional development, research and evidenced based teaching, learning theory, and cultural competency skills to ensure students are college, career and life ready.

We expect teachers to:

- Understand that professional learning is a professional responsibility.
- Feel empowered to improve their professional practice.
- Be engaged in job-embedded professional learning daily.
- Engage in data informed decision making.
- Have a deep knowledge of the content they teach and how to teach that content to a range of students.
- Work collaboratively to develop and implement lessons that are responsive to the educational needs of their students.
- Contribute to the improvement of the practice of all members of the school community.
- Be researchers.
- Experience high quality coaching and mentoring.
- Build their leadership capacity through the coaching and mentoring of other teachers.

Utilizing the information gleaned from the implementation and engagement efforts around the Strategic Plan, the District expanded its efforts since the release of *Expect Great Things* in 2017 and updated the Strategic Plan Framework to include new initiatives as a part of the Pennsylvania Department of Education (PDE) comprehensive plan work as highlighted above; and the *On Track to Equity* report. The *On Track to Equity* is a robust plan that details intentional efforts underway to eliminate racial disparity in achievement levels of African American students (one of four strategic themes in our strategic plan). The plan meets a requirement of our MOU with the Pennsylvania Human Relations Commission to deliver, in writing to the Equity Advisory Panel, an implementation plan that details, “the action steps which the District will take in order to accomplish the terms of the MOU.”

The District is confident it will continue to sustain the positive momentum it has built and become a stronger educational system where all children, regardless of where they start, will have a successful school experience and be prepared to graduate college, career and life-ready.

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.

Award-Winning School Board

PPS Board was one of three recipients of a 2017 National School Board Association award honoring outstanding “board governance, academic improvement, educational equity and community engagement” in urban school districts.

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.

Expansion of Restorative Practices to All Schools

The extension of restorative practices to all schools and center programs is a key strategy within Theme 1 ‘create a positive and supportive school culture’ of the District’s five-year strategic plan: *Expect Great Things*. Thanks to a 2014 Comprehensive School Safety Initiative grant from the U.S. Department of Justice, 22 schools across the District launched restorative practices in PPS. By the Fall of 2018, all District schools were using Restorative Practices to build healthy relationships.

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.

Job Situation

The COVID-19 pandemic hit Pittsburgh in early March of 2020 and has had lasting effects on the economic condition, which has had lasting effects into 2021. In the beginning of 2021, the unemployment in Pittsburgh was still substantially high at 7.1%, as was the case in the rest of the world. The unemployment rate by the end of 2021 did rebound, but unfortunately, not in trend with the national average. By the end of December 2021, as the pandemic still continued, the unemployment in the City of Pittsburgh fell to 5.7%, while the national average fell to 3.9%, a significant difference.

Housing

With a cost-of-living score of 87.5, 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 turn for the worse in hiring and income trends and the lasting effects of the COVID pandemic. Residential sales prices were up 4.9% over 2020. The housing price index has risen by more than 40% in the last decade showing a 13.35% gain over 2020. Price appreciation and home sales will at least be able to maintain a steady pace of gains thanks to lower housing costs overall, and the lower hurdle to entry into the housing market that they result in. There have also been positive impacts on the population in downtown Pittsburgh, with a shift of occupancy downtown from mainly offices to over 90% residential occupancy.

Demographics

Pittsburgh's long-time trend of population declines has toned down in recent years. Pittsburgh is currently seeing population stabilization and boasts a robust and diversified economy. 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. 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. Moreover, Pittsburgh will inevitably benefit from gas drilling activity in the Marcellus Shale formation over the longer term. Skilled workers already experienced in this industry will find Pittsburgh's low living costs attractive, and migration trends are likely to see a boost as a result.

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 that 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. Shell Chemicals moved forward with the building of a long-discussed ethane processing plant in 2016 in the first of potential wave of new production facilities looking to take advantage of the region's energy and raw materials accessibility. Each project will likely include thousands of construction-phase jobs, and permanent high-paying manufacturing and engineering positions. Highly affordable living costs will complement these eventual gains and further supports for the idea that Pittsburgh has the seeds of a strong economic future in place.

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.

Despite the negative consequences emerging from the COVID pandemic, Pittsburgh's outlook remains strong and stable to support future growth. The City has received \$335 million in relief funding from the government for the American Rescue Plan Act (ARPA), which has help offset the losses that the pandemic had on the city.

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 2021, the City continued efforts to control costs, maximize collections within the pandemic, and maintain solvency. As of the close of the 2021 fiscal year, the City's governmental funds reported combined ending fund balances of \$322.9 million, an increase of \$62.9 million from the previous year. Approximately 33.1% of this total amount or \$106.8 million is available for spending at the government's discretion (unassigned fund balance). The unassigned fund balance for the General Fund was \$106.8 million (compared to \$85.4 million in 2020) or 18.4% of total General Fund expenditures and debt service transfers for 2021, up from 14.5% in 2020. The City's outstanding general obligation bonds and notes including unamortized premium/discount amounted to \$472.7 million at the end of the fiscal year up from \$458.6 million in 2020.

In 2012, the District transitioned a statewide consolidated earned income tax collection system that was created by Act 32 of 2008. This act created a Tax Collection District (TCD) comprised of the City of Pittsburgh, the School District of Pittsburgh, and the Borough of Mt. Oliver. The taxes for all three municipalities within the TCD are collected by a single tax collector. As a result of the consolidated collections system, the District has experienced an increase in earned income tax revenue.

In 2013, Allegheny County implemented countywide reassessed values. To comply with the anti-windfall provision of Act 1 of 2006, the District lowered its millage from 13.92 mills to 9.65 mills as a result of increased assessed values. During the course of the property assessment appeals, Real Estate Revenue was negatively affected, commercial property assessments have been reduced substantially upon appeal, and numerous individual taxpayers have had their property assessments reduced. This resulted in 2013 Real Estate Revenue being \$12.4 million less than in 2012. In order to offset the unanticipated reduction in Real Estate Revenue, the Board of Directors of the School District of Pittsburgh approved a millage increase up to the Act 1 index of 2.5%. This helped in recouping some of the lost revenue, as 2014 revenue increased by \$3.3 million over 2013, though it was still below 2012. After this increase, the District's millage rate stayed level at 9.84 mills through 2019. The millage rate was increased to 9.95 in 2020.

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, 2020.

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, 2021.

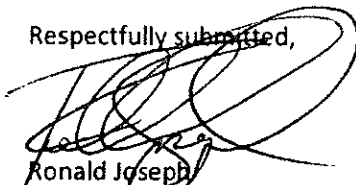
The **Association of School Business Officials International (ASBO)** awarded a **Certificate of Excellence in Financial Reporting** to the District for its Annual Report for the fiscal year ended December 31, 2020.

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, 2021.

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, 2021.

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, 2020

Christopher P. Morrill

Executive Director/CEO



**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.



A handwritten signature in black ink that reads 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink that reads 'David J. Lewis'.

David J. Lewis
Executive Director

School District of Pittsburgh

**List of Elected and Appointed Officials
June 2021**

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	Acting 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
--------	-----------------------------

Information and Technology Office

Mark Stuckey	Chief Information Officer
--------------	---------------------------

Human Resource Office

Margaret Rudolph	Chief Human Resource Officer
------------------	------------------------------

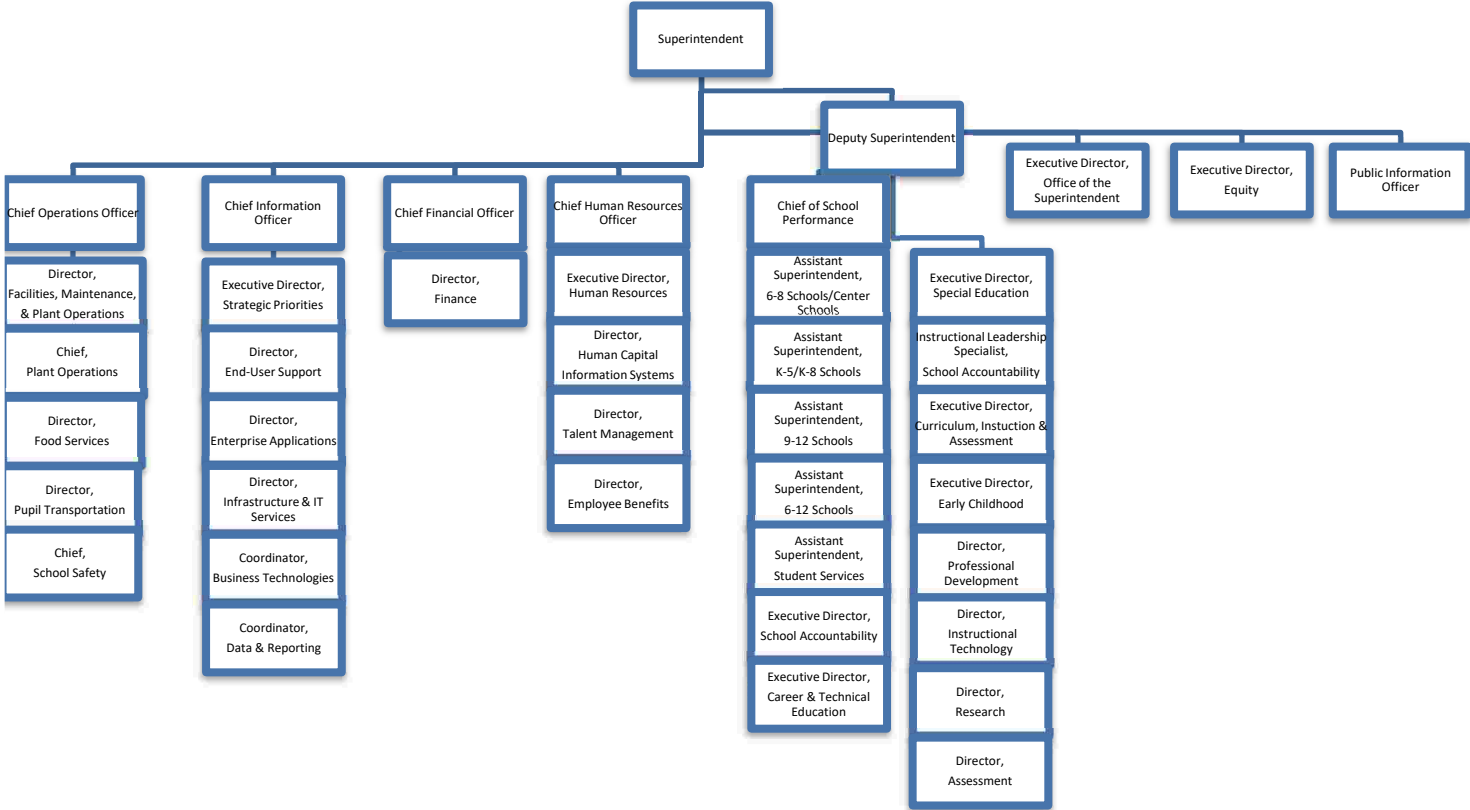
Law Office

Weiss Burkardt Kramer LLC	Solicitor and Assistant Secretary
---------------------------	-----------------------------------

School Treasurer's Office

Jennifer Gula	School Treasurer
---------------	------------------

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, 2021, 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, 2021, 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 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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, 2022

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

MANAGEMENT'S DISCUSSION AND ANALYSIS AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. 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.

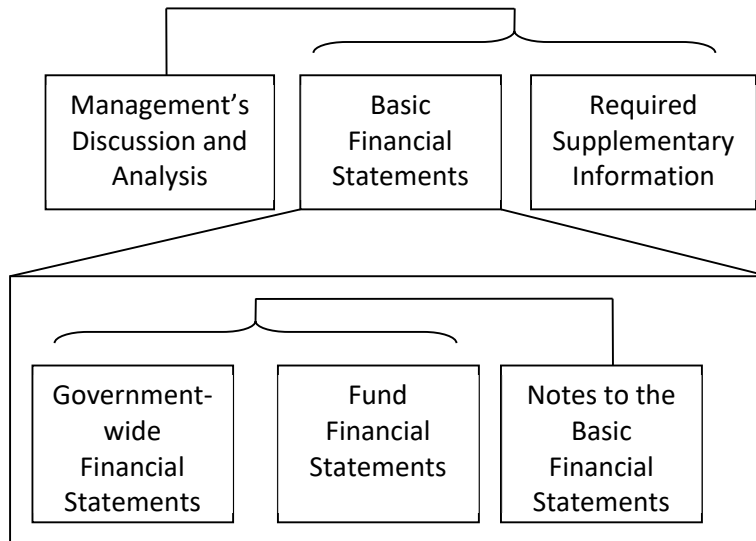
FINANCIAL HIGHLIGHTS

- 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 \$810,861,859 (net position).
- The government-wide financial statements reflect the recording of the net pension liability of \$833,369,000 and the net OPEB liability of \$221,054,747 as of December 31, 2021.
- Total net position of the District's governmental activities increased by \$189,976 or .023%, while net position of business-type activities decreased by \$5,027,317 or 64.7%.
- The unassigned fund balance of the general fund as of December 31, 2021, was \$47,508,614 or 7.47% of total general fund expenses and other financing uses. The assigned and unassigned general fund balance represents 12.11% of general fund expenditures and other financing uses for fiscal year 2021.
- 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 2021. Net position of the OPEB Trust is \$19,045,859.
- Total general obligation bonds and notes outstanding increased by \$6,530,253. 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 \$(808,121,363) at December 31, 2021. The District's combined net position for governmental activities and business-type activities decreased by \$4,837,341 during fiscal year 2021. The following factors contributed to the decrease:

- Although the net pension liability decreased by \$215,422,000 and net OPEB liability increased \$1,056,199, respectively, for 2021, the majority of the recognition of these changes are deferred until future periods. Approximately \$84 million was expensed during 2021.
- The decrease also shows the impact that the COVID-19 pandemic had on the District.
- During 2021, the District executed one new lease. Capital leases increased by \$1,382,632 to \$6,079,680 for 2021. In addition, as previously noted, the District's general obligation bonds and notes increased by \$6,530,253.

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	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 242,626,658	\$ 253,136,843	\$ (3,937,844)	\$ 902,624	\$ 238,688,814	\$ 254,039,467
Capital assets	455,808,606	466,973,390	7,316,174	7,713,582	463,124,780	474,686,972
Other noncurrent assets	3,614,550	4,617,205	-	-	3,614,550	4,617,205
Total assets	<u>702,049,814</u>	<u>724,727,438</u>	<u>3,378,330</u>	<u>8,616,206</u>	<u>705,428,144</u>	<u>733,343,644</u>
Deferred outflows for pension	92,030,029	113,571,633	-	-	92,030,029	113,571,633
Deferred outflows for OPEBS	65,161,310	75,931,818	-	-	65,161,310	75,931,818
Deferred charge on refunding	4,252,102	5,152,470	-	-	4,252,102	5,152,470
Total deferred outflows of resources	<u>161,443,441</u>	<u>194,655,921</u>	<u>-</u>	<u>-</u>	<u>161,443,441</u>	<u>194,655,921</u>
Current liabilities	97,039,094	94,482,670	285,662	431,248	97,324,756	94,913,918
Non-current liabilities outstanding	1,360,813,803	1,579,578,393	352,172	417,145	1,361,165,975	1,579,995,538
Total liabilities	<u>1,457,852,897</u>	<u>1,674,061,063</u>	<u>637,834</u>	<u>848,393</u>	<u>1,458,490,731</u>	<u>1,674,909,456</u>
Real estate taxes received in advance	15,582,013	15,579,898	-	-	15,582,013	15,579,898
Deferred inflows for pension	184,928,000	32,875,000	-	-	184,928,000	32,875,000
Deferred inflows for OPEBS	15,992,204	7,919,233	-	-	15,992,204	7,919,233
Total deferred inflows of resources	<u>216,502,217</u>	<u>56,374,131</u>	<u>-</u>	<u>-</u>	<u>216,502,217</u>	<u>56,374,131</u>
Net position:						
Net investment in capital assets	149,678,177	155,250,425	7,316,174	7,713,582	156,994,351	162,964,007
Restricted	3,640,388	4,661,424	-	-	3,640,388	4,661,424
Unrestricted	(964,180,424)	(970,963,684)	(4,575,678)	54,231	(968,756,102)	(970,909,453)
Total net position	<u>\$ (810,861,859)</u>	<u>\$ (811,051,835)</u>	<u>\$ 2,740,496</u>	<u>\$ 7,767,813</u>	<u>\$ (808,121,363)</u>	<u>\$ (803,284,022)</u>

The District's net investment in capital assets for governmental activities of \$149,678,177 as of December 31, 2021, 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

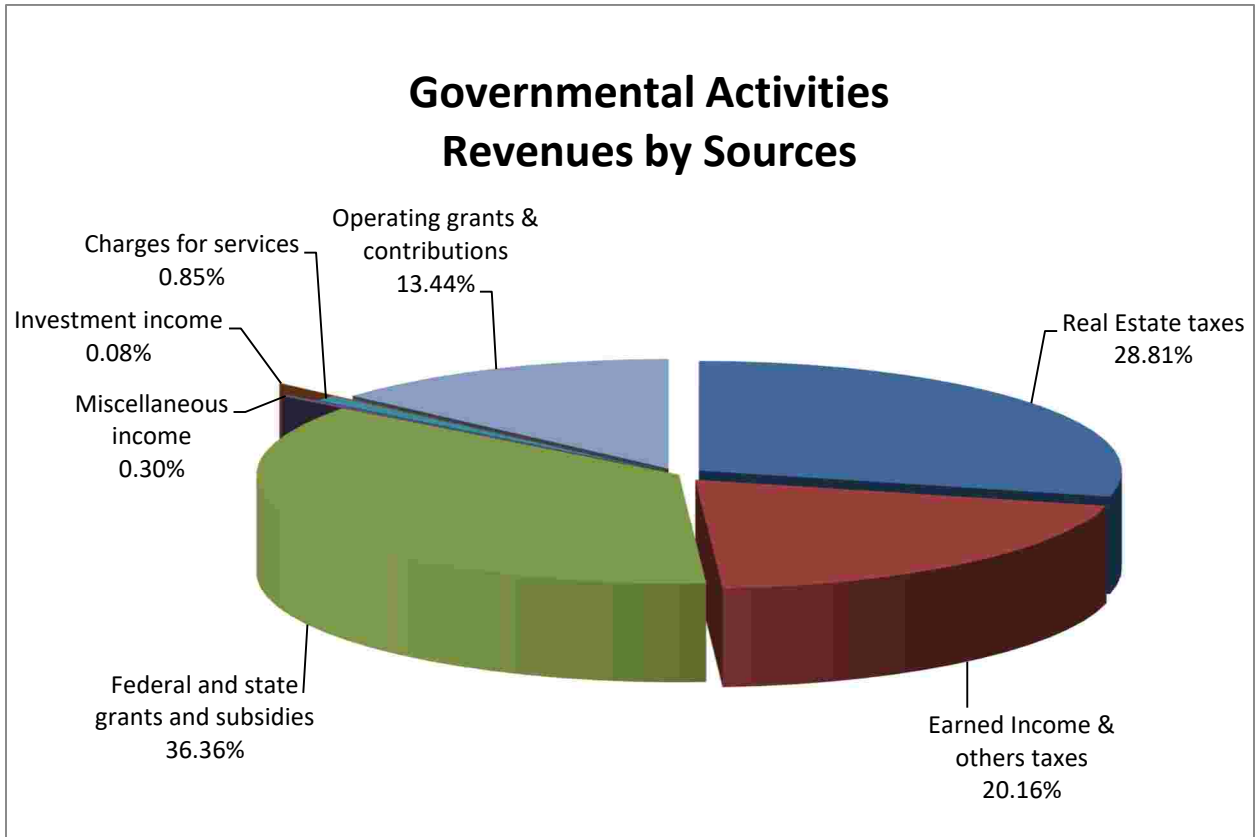
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,186,028	\$ 6,304,261	\$ 1,354,772	\$ 1,214,145	\$ 7,540,800	\$ 7,518,406
Operating grants and contributions	98,069,801	93,816,541	6,414,363	7,479,245	104,484,164	101,295,786
General revenues:						
Property taxes and other taxes	357,567,832	341,455,743	-	-	357,567,832	341,455,743
Investment income	569,933	1,529,302	1,677	18,711	571,610	1,548,013
Federal and state grants and subsidies	265,208,117	274,786,286	-	-	265,208,117	274,786,286
Miscellaneous income	2,172,754	1,089,394	-	-	2,172,754	1,089,394
Total revenues	729,774,465	718,981,527	7,770,812	8,712,101	737,545,277	727,693,628
Expenses:						
Instruction	489,095,629	510,934,392	-	-	489,095,629	510,934,392
Instruction student support	81,462,495	79,049,981	-	-	81,462,495	79,049,981
Administrative and financial support services	57,359,103	60,867,209	-	-	57,359,103	60,867,209
Operation & maintenance of plant services	52,787,812	58,599,014	-	-	52,787,812	58,599,014
Student transportation	28,536,545	23,795,204	-	-	28,536,545	23,795,204
Student activities	4,278,031	4,201,123	-	-	4,278,031	4,201,123
Community services	261,392	651,342	-	-	261,392	651,342
Food services	-	-	12,798,129	14,569,625	12,798,129	14,569,625
Facilities	6,286,450	4,286,195	-	-	6,286,450	4,286,195
Interest on long-term debt	9,517,032	11,930,701	-	-	9,517,032	11,930,701
Total expenses	729,584,489	754,315,161	12,798,129	14,569,625	742,382,618	768,884,786
Change in net position	189,976	(35,333,634)	(5,027,317)	(5,857,524)	(4,837,341)	(41,191,158)
Net position — January 1	(811,051,835)	(775,718,201)	7,767,813	13,625,337	(803,284,022)	(762,092,864)
Net position — December 31	\$ (810,861,859)	\$ (811,051,835)	\$ 2,740,496	\$ 7,767,813	\$ (808,121,363)	\$ (803,284,022)

GOVERNMENTAL ACTIVITIES — Net position for governmental activities increased by \$189,976, as compared to a decrease of \$35,333,634 in the prior fiscal year. Factors contributing to the changes:

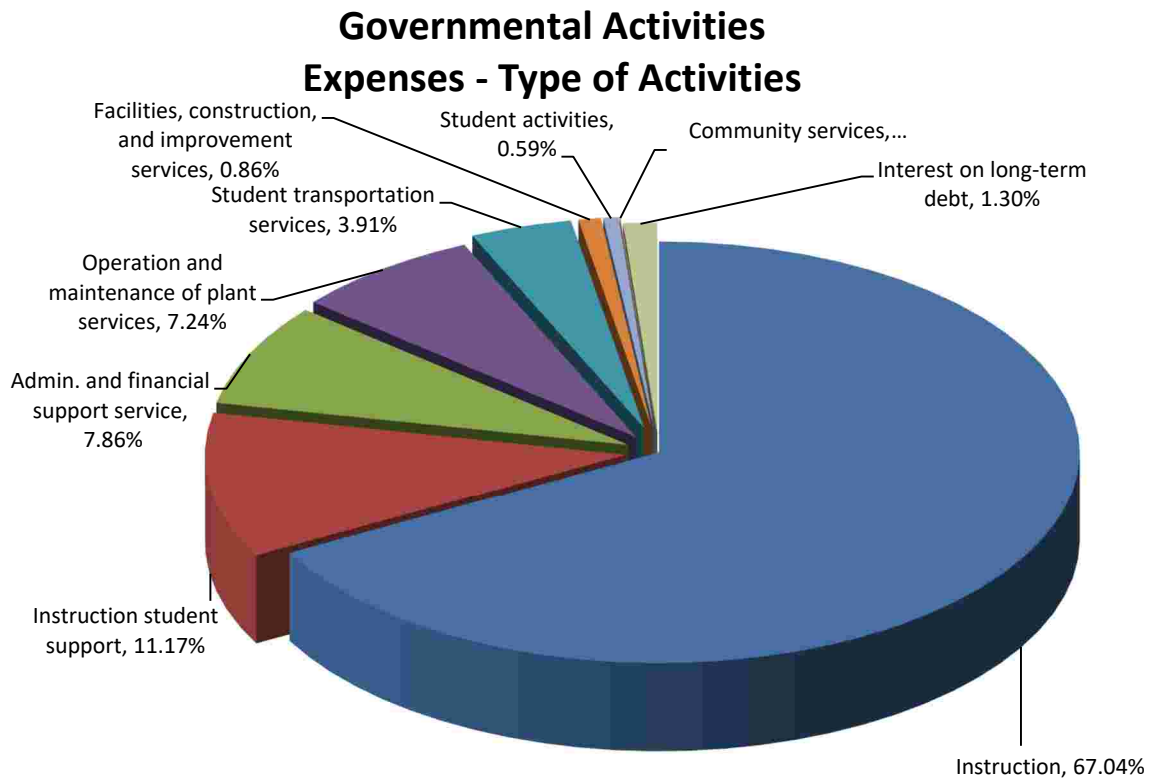
- The dependence upon tax revenues for governmental activities is apparent. The School District had expenses for governmental activities of \$729,584,489, while only \$6,186,028 has been provided from program specific charges and \$265,208,117 has been provided by the State and Federal Governments as operating and general grants. The District received \$162,421,978 from the State for Basic Education subsidy.
- Overall Local Tax Revenues of \$357,567,832 outperformed 2020 revenues by \$16,112,089. Real Estate Tax collections of \$210,146,308 in 2021 were \$16,666,439 more than 2020. This increase was due to the adjustment of property value throughout the District as well as catching up on payments from the pandemic.
- The District budget of \$1,685,730 for sinking fund revenues was based on the PDE continuing to fund PLANCON. In 2021, the District received funds from PDE for 2020-2021 and the first half of the 2021-2022 school year. The District received \$3,763,063 in Sinking Fund Revenues in 2021 compared to

\$1,181,036 in 2020. The increase in revenue is due to the District receiving back payments from the State from the pandemic.

- Revenue sources other than grants and subsidies composed 50.20% of revenues for the District's governmental activities as a whole.



- Functional expenses have decreased by \$24,730,672 or 3.00%. The majority of this decrease is due to the closure of brick-and-mortar schools and the implementation of virtual learning due to the COVID-19 pandemic.

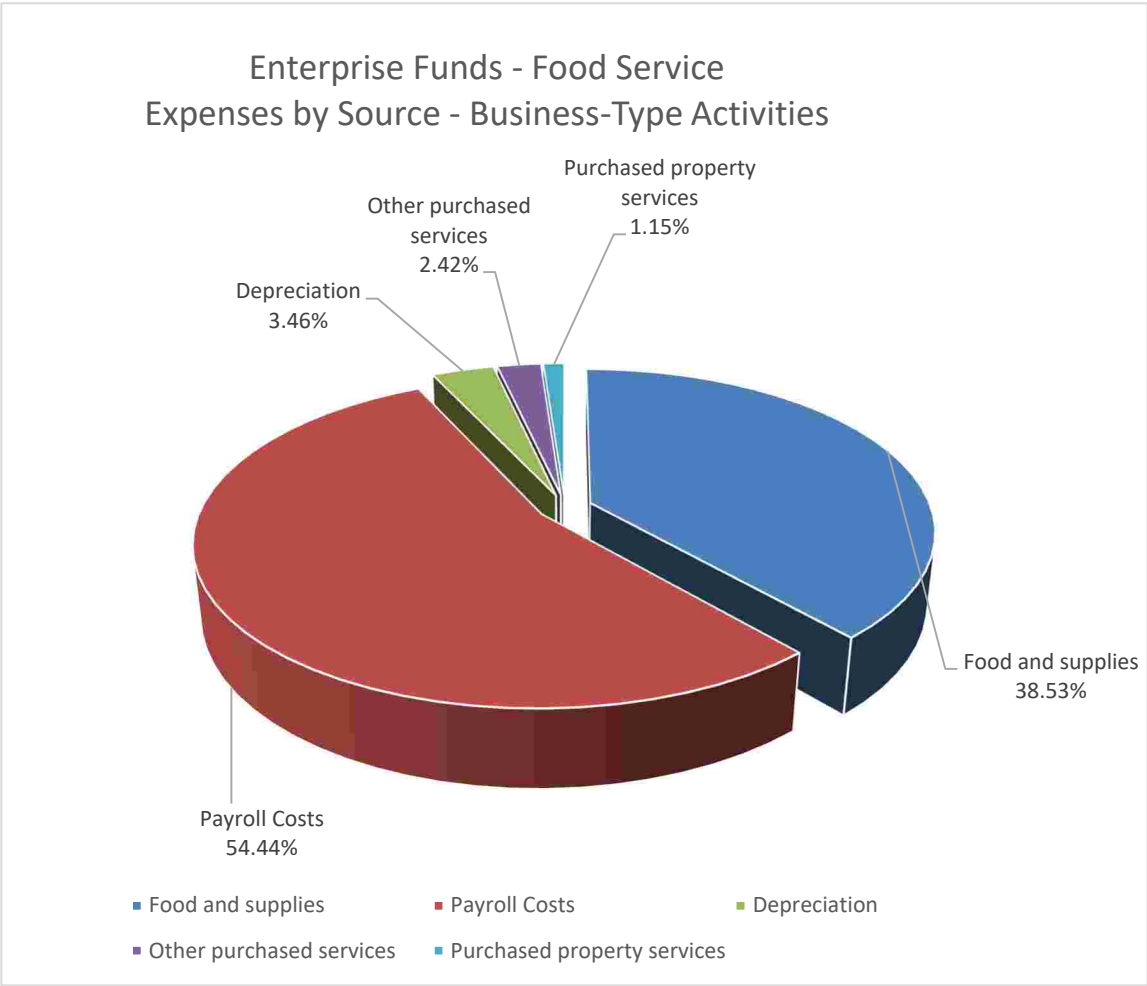


BUSINESS-TYPE ACTIVITIES

The net position of our food service activities decreased by \$5,027,317 in fiscal year 2021, compared to the \$5,857,524 decrease in 2020.

- Revenues decreased by \$1,064,882 or 10.80%, to \$7,770,812 for 2021.
- Operating grants and contributions revenue decreased by \$1,064,882 or 14.24% for 2021.
- The District's operating expenses decreased by \$1,771,496, or 12.16%, to \$12,798,129 for 2021. While the District is constantly trying to reduce spending, this decrease is also attributed to the closure of the schools and not operating the food service for the students due to the COVID-19 pandemic.
- The costs of food and supplies decreased by \$480,423, or 5.59%, over the 2020 costs which reflects the impact of the COVID-19 pandemic on the school system and the closure of the schools and not needing to purchase as many supplies.
- Food service expenses for the year ended December 31, 2021 included \$440,700 for depreciation, which is the same as 2020. The District's food operations did not make any capital improvements in 2021.

- 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 \$5,249,375. The combined ending fund balance of total governmental funds was \$116,912,627. Of this total amount, \$47,508,614 constitutes fund balance which is available for spending at the government’s discretion. Assigned balances of \$35,209,460 represent intentions of the District to use funds for specific purposes, such as \$27,001,834 to support the 2022 budget shortfall. Committed

funds of \$5,954,928 include \$2,712,166 for general fund contracts and \$3,242,762 for Capital Emergency funding. The District has \$27,597,954 in restricted capital projects imposed by debt covenants and \$246,540 restricted for scholarships.

The fund balance and the total change in fund balance by fund type as of December 31, 2021 and 2020 are as follows:

	Fund Balance December 31, 2021	Fund Balance December 31, 2020	Increase (Decrease)
General Fund	\$ 83,303,071	\$ 91,701,905	\$ (8,398,834)
Capital Projects	31,606,933	19,227,610	12,379,323
Special Revenue	675,633	3,484,314	(2,808,681)
Other Governmental	1,326,990	2,523,282	(1,196,292)
	<u>\$ 116,912,627</u>	<u>\$ 116,937,111</u>	<u>\$ (24,484)</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, 2021, was \$83,303,071 or 13.11% of total general fund expenditures and other financing uses. The unassigned and assigned fund balance of the general fund as of December 31, 2021, was \$76,953,012.

The fund balance of the District's general fund decreased by \$8,398,834. Key factors in this decrease were:

- An increase of \$497,185 in general fund purchase orders over 2020.
- An increase of Board-approved subsequent year budget of \$12,431,966.

The net increase of \$12,379,323 in the capital projects fund balance is due to:

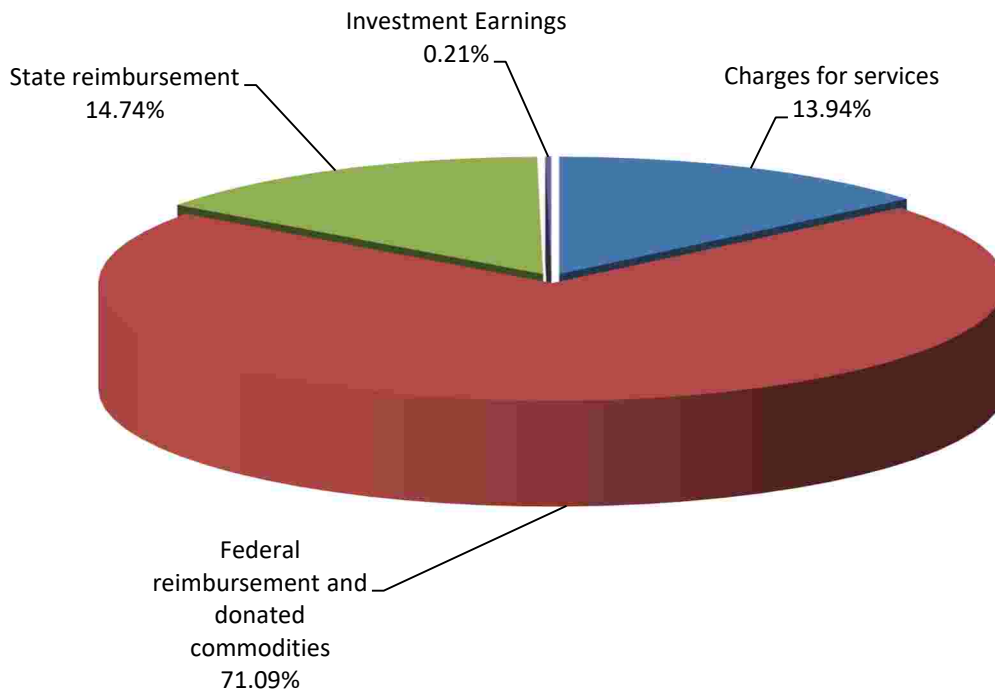
- The District issued \$35,780,000 in general obligation bonds in 2021 in anticipation of architectural and engineering design and construction of capital projects and major maintenance of facilities including the District-wide improvements to the grounds, mechanical systems, building interiors and exteriors, in particular replacement of the unit ventilator and installation of air conditioning, ceiling and lighting replacement, remodeling and additions, and ADA compliance and roof replacements to several facilities throughout the School District.
- The general fund did not make any transfers to the Capital Projects Fund in 2021 as was the same in 2020. The District is trying to spend down the fund balance.

The net decrease of \$2,808,681 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, 2021, federal and state reimbursement and donated commodities composed 85.83% of food service revenues.

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



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

Internal service funds’ total net position decreased by \$6,797,199 during 2021. Funds with significant changes were as follows:

- Net position decreased in the self-insurance health care fund by \$8,566,587. The net position balance is \$11,949,007 and the estimated liability for incurred but not paid claims is \$4,272,000 out of total liabilities of \$4,479,640.
- Benefit payments increased by \$374,675 from 2020. This is due to the District paying the Board share of the Retiree Health care expenses through the Self Insurance Fund instead of the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the 2021 year, there was a \$6.2 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, 2020. 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 2021 for the General Fund were \$32,096,364 better than budgeted. See Note 2 for additional information on the District's budgetary basis.

Actual revenues were \$2,487,296 less than budgeted. Key factors contributing to this shortfall include:

- Other revenues from Local Sources and refund of prior years was \$2,460,121 or 85.57% more than budgeted. This is due to collecting many prior year receivables that had not been collected in the past.
- The Earned Income Tax revenues are \$2,381,941, or 1.59%, more than budgeted. This is due to the unemployment rate decreasing.
- Investment income was \$1,035,650 less than budgeted attributable to lower-than-average short-term interest rates during the year due to the negative outlook on the economy because of the COVID-19 pandemic.
- State grants and subsidies were \$8,608,540, or 3.14% less than budgeted.

Actual expenditures were \$130,528,093 less than budgeted, but when the final budget for expenditures is compared with actual expenditures and other financing uses, the variance is \$29,016,600 less than budgeted. Key factors include:

- Regular Instructional expenditures were \$1,123,968 less than budgeted, due to the District's efforts to reduce spending.
- Instructional expenditures for special elementary/secondary programs were \$88,300,925 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 \$3,915,015 greater than budgeted.
- The District's budgeted contingency, originally adopted at \$979,200, ended the year with a \$754,480 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, 2021, the District's capital assets, net of depreciation, for its governmental and business-type activities amounted to \$455,808,606 and \$7,316,174 respectively, or a total of \$463,124,780, net of depreciation.

SCHOOL DISTRICT OF PITTSBURGH'S CAPITAL ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 23,277,381	\$ 23,847,664	\$ 43,878	\$ 43,878	\$ 23,321,259	\$ 23,891,542
Land improvements	11,809,767	10,751,423	-	-	11,809,767	10,751,423
Buildings & improve	405,371,083	413,472,695	6,859,436	7,211,629	412,230,519	420,684,324
Machinery and equipm	15,350,375	18,901,608	412,860	458,075	15,763,235	19,359,683
Total	<u>\$455,808,606</u>	<u>\$466,973,390</u>	<u>\$ 7,316,174</u>	<u>\$ 7,713,582</u>	<u>\$463,124,780</u>	<u>\$474,686,972</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 2021, the District had bonded debt outstanding of \$304,584,142. The Qualified Zone Academy Bonds (QZAB) outstanding in the amount of \$387,671 carry an interest rate of 1.38%. Two notes issued through the State Public School Board Authority are also outstanding in the amount of \$9,466,471, with a net rate of 6.50%. The Qualified School Construction Bonds in the amount of \$7,680,000 carries a net interest rate of 6.85%.

In 2021, the District issued \$35,780,000 in General Obligation Bonds. The final maturity on this issue is 2041. The District issued \$10,705,000 in General Obligation Note to refund the 2012 Series A and Series B Bonds. The final maturity on this issue is 2024. The District's total general obligation bonds and notes payable for its governmental activities increased by \$6,530,253, due to the District's need to increase its capital project programs and expenditures.

	Activities	
	2021	2020
General obligation and revenue bonds:		
General Obligation Bonds and Note	\$ 287,050,000	\$ 277,825,000
Qualified Zone Academy Bonds	387,671	770,065
Qualified School Construction Bonds	7,680,000	8,640,000
State Public School Board Authority Notes	9,466,471	10,818,824
Total	<u>\$ 304,584,142</u>	<u>\$ 298,053,889</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 "Aa2" 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 2021, the Board of Directors adopted a 2022 general fund budget of approximately \$706 million, excluding estimated encumbrance carryovers of \$5,154,740. The 2022 budget balanced revenues and expenditures using \$27,001,834 of the assigned general fund balance as of December 31, 2021. The unassigned general fund balance of \$47,508,614 as of December 31, 2021, satisfies the Board's fund balance policy requirement of 5%–15% of operating expenses budgeted for 2022.

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 2022 is 9.95, the same millage from 2021.

The Board of Directors also approved a 2022 capital program in the amount of \$34,758,538 to be funded from the issuance of general obligation debt, which will be issued in December 2022.

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, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
CURRENT ASSETS:			
Cash	\$ 16,393,041	\$ -	\$ 16,393,041
Cash with fiscal agents	100,000	-	100,000
Investments	107,382,242	-	107,382,242
Accrued interest	14,827,849	-	14,827,849
Taxes receivables - net:			
Earned income taxes	37,690,548	-	37,690,548
Real estate taxes	34,450,529	-	34,450,529
Due from other governments	25,716,135	373,654	26,089,789
Internal balances - due to/from	5,417,740	(5,417,740)	-
Inventories	-	840,134	840,134
Other receivables and prepaid expenses	648,574	266,108	914,682
Total current assets	242,626,658	(3,937,844)	238,688,814
NONCURRENT ASSETS:			
Restricted cash	2,763,398	-	2,763,398
Restricted investments	630,450	-	630,450
Issuance prepaid insurance	220,702	-	220,702
Capital assets not being depreciated:			
Land	23,277,381	43,878	23,321,259
Capital assets net of accumulated depreciation:			
Land improvements	11,809,767	-	11,809,767
Buildings and improvements	405,371,083	6,859,436	412,230,519
Furniture, fixtures, machinery, and equipment	15,350,375	412,860	15,763,235
Total capital assets (net of accumulated depreciation)	455,808,606	7,316,174	463,124,780
Total noncurrent assets	459,423,156	7,316,174	466,739,330
Total assets	702,049,814	3,378,330	705,428,144
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows of resources for pensions	92,030,029	-	92,030,029
Deferred outflows of resources for OPEBS	65,161,310	-	65,161,310
Deferred charge on refunding	4,252,102	-	4,252,102
Total deferred outflows of resources	161,443,441	-	161,443,441
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 863,493,255	\$ 3,378,330	\$ 866,871,585

See notes to financial statements.

	Primary Government		
	Governmental Activities	Business-type Activities	Total
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION			
CURRENT LIABILITIES:			
Accounts payable	\$ 13,542,875	\$ 10,325	\$ 13,553,200
Accrued salaries	1,271,819	189,707	1,461,526
Payroll withholdings	22,993,062	-	22,993,062
Interest payable	4,551,378	-	4,551,378
Other liabilities	1,246,659	-	1,246,659
Current portion of noncurrent liabilities	53,433,301	85,630	53,518,931
Total current liabilities	97,039,094	285,662	97,324,756
NONCURRENT LIABILITIES			
Total noncurrent liabilities	1,360,813,803	352,172	1,361,165,975
Total liabilities	1,457,852,897	637,834	1,458,490,731
DEFERRED INFLOWS OF RESOURCES:			
Real estate taxes received in advance	15,582,013	-	15,582,013
Deferred inflows of resources for pensions	184,928,000	-	184,928,000
Deferred inflows of resources for OPEBs	15,992,204	-	15,992,204
Total deferred inflows of resources	216,502,217	-	216,502,217
NET POSITION:			
Net investment in capital assets	149,678,177	7,316,174	156,994,351
Restricted net position:			
Workers' compensation	3,393,848	-	3,393,848
Scholarships	246,540	-	246,540
Total restricted net position	3,640,388	-	3,640,388
Unrestricted	(964,180,424)	(4,575,678)	(968,756,102)
Total net position	(810,861,859)	2,740,496	(808,121,363)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 863,493,255	\$ 3,378,330	\$ 866,871,585

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

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	\$ 489,095,629	\$ 6,186,028	\$ 72,630,494	\$ -	\$ (410,279,107)	\$ -	\$ (410,279,107)
Instruction student support	81,462,495	-	3,157,848	-	(78,304,647)	-	(78,304,647)
Administrative and financial support services	57,359,103	-	14,318,191	-	(43,040,912)	-	(43,040,912)
Operation & maintenance of plant services	52,787,812	-	2,030,045	-	(50,757,767)	-	(50,757,767)
Student transportation services	28,536,545	-	4,883,876	-	(23,652,669)	-	(23,652,669)
Student activities	4,278,031	-	627,647	-	(3,650,384)	-	(3,650,384)
Community services	261,392	-	421,700	-	160,308	-	160,308
Facilities acquisition, construction and imp services	6,286,450	-	-	-	(6,286,450)	-	(6,286,450)
Interest on long-term debt	9,517,032	-	-	-	(9,517,032)	-	(9,517,032)
Total governmental activities	729,584,489	6,186,028	98,069,801	-	(625,328,660)	-	(625,328,660)
Business-type activities:							
Food service operations	12,798,129	1,354,772	6,414,363	-	-	(5,028,994)	(5,028,994)
Total business-type activities	12,798,129	1,354,772	6,414,363	-	-	(5,028,994)	(5,028,994)
Total primary government	\$ 742,382,618	\$ 7,540,800	\$ 104,484,164	\$ -	(625,328,660)	(5,028,994)	(630,357,654)
General revenues:							
Taxes:							
Real estate					210,146,308	-	210,146,308
Earned income					147,082,350	-	147,082,350
Others					339,174	-	339,174
Investment income					569,933	1,677	571,610
Federal/state grants and subsidies not restricted to specific programs					265,208,117	-	265,208,117
Miscellaneous income					2,172,754	-	2,172,754
Total general revenues					625,518,636	1,677	625,520,313
Change in net position					189,976	(5,027,317)	(4,837,341)
Net position - beginning					(811,051,835)	7,767,813	(803,284,022)
Net position - ending					\$ (810,861,859)	\$ 2,740,496	\$ (808,121,363)

See notes to financial statements.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF DECEMBER 31, 2021

	General Fund	Capital Projects	Special Revenue Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 17,386,118	\$ 2,840,936	\$ -	\$ 1,313,366	\$ 21,540,420
Cash with fiscal agents	100,000	-	-	-	100,000
Investments	54,779,259	29,763,255	158,599	15,499	84,716,612
Accrued interest	22,752	-	-	375	23,127
Taxes receivable - net	72,141,077	-	-	-	72,141,077
Due from other funds	6,397,062	-	-	-	6,397,062
Due from other governments	21,644,929	-	4,071,206	-	25,716,135
Other receivables	253,443	-	-	-	253,443
Prepaid items	395,131	-	-	-	395,131
Total Assets	\$ 173,119,771	\$ 32,604,191	\$ 4,229,805	\$ 1,329,240	\$ 211,283,007
LIABILITIES					
Accounts payable and accrued	\$ 7,020,525	\$ 991,408	\$ 1,792,597	\$ 2,250	\$ 9,806,780
Due to other funds	-	-	966,935	-	966,935
Accrued salaries payable	6,306,679	5,850	63,703	-	6,376,232
Payroll withholdings payable	22,993,062	-	-	-	22,993,062
Prepayments and deposits	515,722	-	730,937	-	1,246,659
Total Liabilities	36,835,988	997,258	3,554,172	2,250	41,389,668
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	32,796,024	-	-	-	32,796,024
Unavailable revenue - earned income taxes	4,602,675	-	-	-	4,602,675
Advanced revenue - state property tax subsidy	15,582,013	-	-	-	15,582,013
Total Deferred Inflows of Resources	52,980,712	-	-	-	52,980,712
FUND BALANCES					
Nonspendable:					
Prepaid insurance and contractual deposits	395,131	-	-	-	395,131
Restricted for:					
Scholarships	-	-	-	246,540	246,540
Capital projects contracts	-	27,597,954	-	-	27,597,954
Committed to:					
Stabilization - capital emergency	3,242,762	-	-	-	3,242,762
General fund contracts	2,712,166	-	-	-	2,712,166
Assigned to:					
Board-approved subsequent years budget	27,001,834	-	-	-	27,001,834
Debt service	-	-	-	1,017,427	1,017,427
Special trust	-	-	675,633	63,023	738,656
Capital projects	-	4,008,979	-	-	4,008,979
Supply purchases	2,442,564	-	-	-	2,442,564
Unassigned	47,508,614	-	-	-	47,508,614
Total Fund Balances	83,303,071	31,606,933	675,633	1,326,990	116,912,627
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 173,119,771	\$ 32,604,191	\$ 4,229,805	\$ 1,329,240	\$ 211,283,007

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, 2021**

TOTAL FUND BALANCE - GOVERNMENTAL FUNDS \$ 116,912,627

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. 455,808,606

Certain assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds. 37,398,699

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. 28,565,880

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. (1,449,547,671)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (810,861,859)

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, 2021

	General	Capital Projects	Special Revenue	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Real estate, net of refunds of \$2,261,114	\$ 202,128,015	\$ -	\$ -	\$ -	\$ 202,128,015
Earned income	152,097,624	-	-	-	152,097,624
Other	339,174	-	-	-	339,174
Local nontax revenue	5,567,361	-	1,672,345	-	7,239,706
Federal and state grants and subsidies	266,468,531	-	97,928,463	-	364,396,994
Investment income	565,143	-	12	374	565,529
Total Revenues	627,165,848	-	99,600,820	374	726,767,042
EXPENDITURES:					
Current - instruction:					
Regular programs	306,835,400	-	11,589,476	-	318,424,876
Special programs	2,373,669	-	113,729,855	-	116,103,524
Vocational education programs	7,232,246	-	510,250	-	7,742,496
Other instructional programs	1,458,114	-	6,436,921	68,000	7,963,035
Pre-Kindergarten	2,229,766	-	25,455,438	-	27,685,204
Support services:					
Pupil personnel	16,384,026	-	5,032,663	-	21,416,689
Instructional staff	18,717,136	-	15,553,296	-	34,270,432
Administration	41,263,950	248,221	8,443,488	10,000	49,965,659
Pupil health	9,069,739	-	3,856,726	-	12,926,465
Business	5,870,586	-	191,504	-	6,062,090
Operation and maintenance of plant services	49,075,160	755,047	2,441,662	-	52,271,869
Student transportation services	22,145,150	-	6,389,045	-	28,534,195
Support services - central	9,189,214	-	1,572,430	-	10,761,644
Operation of noninstructional services:					
Student activities	3,120,400	-	1,030,746	-	4,151,146
Community services	404,331	-	188,896	-	593,227
Capital outlay:					
Facilities acquisition, construction, and improvement services	1,745,210	26,040,511	-	-	27,785,721
Debt service:					
Principal	29,217,353	-	-	10,737,394	39,954,747
Interest	13,057,958	-	-	1,086,272	14,144,230
Bond issuance costs	230,841	-	-	96,400	327,241
Total Expenditures	539,620,249	27,043,779	202,422,396	11,998,066	781,084,490
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	87,545,599	(27,043,779)	(102,821,576)	(11,997,692)	(54,317,448)
OTHER FINANCING SOURCES (USES):					
Initiation of capital lease	4,374,398	-	-	-	4,374,398
Face value of bonds issued	-	35,780,000	-	-	35,780,000
Proceeds from note payable	-	-	-	10,705,000	10,705,000
Bond premiums	-	2,980,884	-	-	2,980,884
Sale of, or compensation for, capital assets	118,096	272,061	-	-	390,157
Transfers (out) in-special education	(84,385,910)	-	84,385,910	-	-
Transfers in	1,074,566	390,157	16,701,551	96,400	18,262,674
Transfers out	(17,125,583)	-	(1,074,566)	-	(18,200,149)
Total other financing (uses) sources	(95,944,433)	39,423,102	100,012,895	10,801,400	54,292,964
CHANGE IN FUND BALANCES	(8,398,834)	12,379,323	(2,808,681)	(1,196,292)	(24,484)
FUND BALANCES - January 1, 2021	91,701,905	19,227,610	3,484,314	2,523,282	116,937,111
FUND BALANCES - December 31, 2021	\$ 83,303,071	\$ 31,606,933	\$ 675,633	\$ 1,326,990	\$ 116,912,627

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, 2021**

CHANGE IN FUND BALANCES \$ (24,484)

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. (11,164,784)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 37,398,699

Revenues that were recognized as current financial resources that would have been accrued in prior periods in the statement of activities. (34,395,680)

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. (10,893,769)

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. 26,015,750

The net expense of certain activities of internal service funds is reported with governmental activities. (6,745,756)

CHANGE IN NET POSTION OF GOVERNMENTAL ACTIVITIES \$ 189,976

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, 2021

	Budgeted Amounts		Budgetary Basis	Variance
	Original	Final	Actual Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes:				
Real estate	\$ 182,008,265	\$ 182,008,265	\$ 182,899,390	\$ 891,125
Earned income	149,715,683	149,715,683	152,097,624	2,381,941
Real estate transfers	15,302,219	15,302,219	21,489,739	6,187,520
Other	330,412	330,412	339,174	8,762
Local nontax revenue:				
In lieu of taxes	100,000	100,000	232,227	132,227
Other revenue from local sources and prior year refunds	2,875,013	2,875,013	5,335,134	2,460,121
State grants and subsidies:				
Basic instructional subsidies	163,484,830	163,484,830	163,541,058	56,228
Subsidies for specific education programs	29,489,497	29,489,497	29,225,377	(264,120)
Subsidies for noneducational programs	31,555,937	31,555,937	25,145,258	(6,410,679)
Subsidies for state paid benefits	49,946,685	49,946,685	47,956,716	(1,989,969)
Federal grants	5,504,924	5,504,924	600,122	(4,904,802)
Investment income	1,600,793	1,600,793	565,143	(1,035,650)
Total Revenues	631,914,258	631,914,258	629,426,962	(2,487,296)
EXPENDITURES:				
Instruction:				
Regular programs—elementary/secondary	308,349,139	310,767,828	309,643,860	1,123,968
Special programs—elementary/secondary	95,314,960	90,970,960	2,670,035	88,300,925
Vocational education programs	7,263,026	7,298,665	7,232,246	66,419
Other instructional programs-elementary/secondary	3,031,108	3,738,646	1,458,114	2,280,532
Pre-Kindergarten	2,357,765	2,357,765	2,229,766	127,999
Support services:				
Pupil personnel	15,376,455	15,695,617	16,384,026	(688,409)
Instructional staff	20,058,392	23,504,732	18,867,359	4,637,373
Administration	41,511,243	41,963,687	42,638,344	(674,657)
Pupil health	9,921,224	12,413,066	9,069,739	3,343,327
Business	6,794,985	6,801,643	5,870,586	931,057
Operation and maintenance of plant services	62,035,915	62,207,211	49,075,160	13,132,051
Student transportation services	35,164,640	35,214,640	22,145,150	13,069,490
Support services—central	10,447,391	10,899,191	9,471,979	1,427,212
Operation of noninstructional services:				
Student activities	4,668,259	4,663,011	3,120,670	1,542,341
Community services	491,009	492,779	404,331	88,448
Capital outlay:				
Facilities acquisition, construction and improvement services	1,434,176	1,671,094	1,987,462	(316,368)
Debt service:				
Principal	29,984,747	29,984,747	29,217,353	767,394
Interest	13,414,424	13,414,424	13,057,958	356,466
Bond issuance costs	-	-	230,841	(230,841)
Tax refunds	2,750,000	2,750,000	2,261,114	488,886
Contingencies/operating transfers	979,200	754,480	-	754,480
Total Expenditures	671,348,058	677,564,186	547,036,093	130,528,093
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(39,433,800)	(45,649,928)	82,390,869	128,040,797
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease	-	-	4,374,398	4,374,398
Sale of, or compensation for, capital assets	-	-	118,096	118,096
Transfers in	-	-	1,074,566	1,074,566
Transfers out	-	-	(101,511,493)	(101,511,493)
Total other financing uses	-	-	(95,944,433)	(95,944,433)
CHANGE IN FUND BALANCE	(39,433,800)	(45,649,928)	(13,553,564)	32,096,364
FUND BALANCE-January 1, 2021	91,701,905	91,701,905	91,701,905	-
FUND BALANCE - December 31, 2021	\$ 52,268,105	\$ 46,051,977	\$ 78,148,341	\$ 32,096,364

See notes to financial statements.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AS OF DECEMBER 31, 2021**

	Business-Type Activities Enterprise Fund Food Service	Governmental Activities Internal Service Funds
ASSETS		
CURRENT ASSETS:		
Cash	\$ -	\$ 9,657,005
Investments	-	22,665,630
Interest receivable	-	338
Due from other governments	373,654	-
Inventories	840,134	-
Other receivables	266,108	855,085
Total current assets	1,479,896	33,178,058
NONCURRENT ASSETS:		
Restricted cash	-	2,763,398
Restricted investments	-	630,450
Capital assets:		
Land	43,878	-
Buildings	15,070,740	-
Machinery and equipment	6,316,114	-
Less accumulated depreciation	(14,114,558)	-
Total capital assets (net of accumulated depreciation)	7,316,174	-
Total noncurrent assets	7,316,174	3,393,848
TOTAL ASSETS	\$ 8,796,070	\$ 36,571,906
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 10,325	\$ 4,591,180
Due to other funds	5,430,127	-
Accrued salaries	189,707	8,611
Current portion of compensated absences	85,630	-
Current portion of workers' compensation reserve	-	1,800,000
Total current liabilities	5,715,789	6,399,791
NONCURRENT LIABILITIES:		
Compensated absences	352,172	-
Workers' compensation reserve	-	1,593,848
Total noncurrent liabilities	352,172	1,593,848
TOTAL LIABILITIES	\$ 6,067,961	\$ 7,993,639
NET POSITION		
Investment in capital assets	7,316,174	-
Unrestricted	(4,588,065)	28,578,267
Total	2,728,109	28,578,267
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	12,387	-
TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES	\$ 2,740,496	\$ 28,578,267

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, 2021**

	Business-Type Activities — Enterprise Fund Food Service	Governmental Activities — Internal Service Funds
OPERATING REVENUES:		
Contributions	\$ -	\$ 64,198,860
Charges for services	1,354,772	-
Total operating revenues	<u>1,354,772</u>	<u>64,198,860</u>
OPERATING EXPENSES:		
Food service operations:		
Food and supplies	4,911,028	-
Payroll costs	6,939,909	-
Purchased property services	146,327	-
Other purchased services	308,722	-
Depreciation	440,700	-
Support services — administration	-	37,191
Support services — central:		
Employee salaries, benefits, insurance, and supplies	-	670,813
Benefit payments	-	70,229,934
Total operating expense	<u>12,746,686</u>	<u>70,937,938</u>
OPERATING GAIN (LOSS)	<u>(11,391,914)</u>	<u>(6,739,078)</u>
NONOPERATING REVENUES:		
Federal reimbursements and donated commodities	5,467,274	-
State reimbursements	947,089	-
Investment earnings	1,677	4,404
Total nonoperating revenues	<u>6,416,040</u>	<u>4,404</u>
INCOME (LOSS) BEFORE TRANSFERS	(4,975,874)	(6,734,674)
TRANSFERS IN / (OUT)	-	(62,525)
CHANGE IN NET POSITION	(4,975,874)	(6,797,199)
NET POSITION — January 1, 2021	<u>7,703,983</u>	<u>35,375,466</u>
NET POSITION — December 31, 2021	<u>\$ 2,728,109</u>	<u>\$ 28,578,267</u>
CHANGE IN NET POSITION	\$ (4,975,874)	\$ -
ADJUSTMENT TO REFLECT THE CONSOLIDATION OF INTERNAL SERVICE FUND ACTIVITIES RELATED TO ENTERPRISE FUNDS		
	<u>(51,443)</u>	-
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES	<u>\$ (5,027,317)</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, 2021**

	Business-Type Activities — Enterprise Fund Food Service	Governmental Activities — Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Contributions	\$ -	\$ 64,198,860
Receipts from customers and users	1,556,099	-
Payments to suppliers	(5,011,582)	(904,659)
Payments to claimants	-	(70,581,759)
Payments to employees	(6,992,187)	(671,779)
Net cash provided by (used in) operating activities	<u>(10,447,670)</u>	<u>(7,959,337)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Federal and state reimbursements	6,178,236	-
Advances from other funds	4,311,049	-
Net cash provided by (used in) noncapital financing activities	<u>10,489,285</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(43,292)	-
Transfers from (to) other funds	-	(62,525)
Net cash provided by (used in) capital and related financing activities	<u>(43,292)</u>	<u>(62,525)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	1,677	6,114
Sale (purchase) of investments	-	(3,312,882)
Net cash provided by (used in) investing activities	<u>1,677</u>	<u>(3,306,768)</u>
INCREASE (DECREASE) IN CASH	-	(11,328,630)
CASH — January 1, 2021 (including \$3,303,432 for the internal service funds included in restricted assets)	-	23,749,033
CASH — December 31, 2021 (including \$2,763,398 for the internal service funds included in restricted assets)	\$ -	\$ 12,420,403

See notes to financial statements.

(Continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2021

	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)	\$ (11,391,914)	\$ (6,739,078)
Adjustments to reconcile operating gain (loss) to net cash provided by (used in) operating activities:		
Donated commodities	533,776	-
Depreciation	440,700	-
Changes in assets and liabilities:		
Inventories	(21,000)	-
Other receivables	201,327	(852,152)
Accounts payable	(158,281)	587,102
Accrued salaries	40,507	(967)
Compensated absences	(113,444)	-
Workers' compensation reserve	20,659	(954,242)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (10,447,670)</u>	<u>\$ (7,959,337)</u>
NONCASH FINANCING TRANSACTION — Donated commodities	<u>\$ 533,776</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, 2021

	OPEB Trust	Escheated Property Private-Purpose Trust	Custodial Funds
ASSETS			
Cash	\$ -	\$ 45,874	\$ 1,003,083
Investments	19,045,859	-	-
TOTAL ASSETS	<u>\$ 19,045,859</u>	<u>\$ 45,874</u>	<u>\$ 1,003,083</u>
LIABILITIES			
Accounts payable	<u>\$ -</u>	<u>\$ 45,874</u>	<u>\$ -</u>
TOTAL NET POSITION			
Restricted for:			
OPEBs	\$ 19,045,859	\$ -	\$ -
Student activities	-	-	1,003,083
TOTAL NET POSITION	<u>\$ 19,045,859</u>	<u>\$ -</u>	<u>\$ 1,003,083</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, 2021

	OPEB Trust	Escheated Property Private-Purpose Trust	Custodial Funds
ADDITIONS:			
Contributions:			
District funds	\$ 5,728,563	\$ 43,588	\$ -
Student funds	-	-	558,247
Investment income:			
Net appreciation (depreciation)	705,532	-	-
Interest and income	497,161	-	-
Total investment income (loss)	1,202,693	-	-
Less investment expense	(146,494)	-	-
Net investment income (loss)	1,056,199	-	-
TOTAL ADDITIONS	6,784,762	43,588	558,247
DEDUCTIONS:			
Benefit payments	5,728,563	-	-
Reduction in stale check reserve	-	43,588	-
Student programs	-	-	541,393
TOTAL DEDUCTIONS	5,728,563	43,588	541,393
NET INCREASE (DECREASE) IN NET POSITION	1,056,199	-	16,854
NET POSITION — BEGINNING	17,989,660	-	986,229
NET POSITION— ENDING	\$ 19,045,859	-	\$ 1,003,083

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, 2021

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 2021, the

District received \$28,856,435 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 OPEB Trust, Private Purpose Trusts and Custodial Funds, 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, and special revenue. 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 Funds — Private purpose trust funds are used to account for assets held by the District in a trustee capacity. The District uses these funds to account for escheated property.

Custodial Funds — Custodial funds are 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; 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 21.37% of outstanding property taxes at December 31, 2021.

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, 2021, the District paid \$2,809,383 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 2021 was 9.95 mills (\$1 per \$1,000 assessed valuation) on an assessed value of \$21.3 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 2021, real estate tax abatements were as follows:

Act 42	\$	34,300
Act 42 Enhanced		851,794
Residential LERTA		1,938,589
Residential Enhanced LERTA		661,328
TRID		476,686
		<hr/>
Total tax abatements	\$	<u>3,962,697</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 2021, other real estate tax arrangements as defined above resulted in the following forgone tax amounts:

Homestead Exemption	\$	15,399,211
Tax Increment Financing		<u>2,922,388</u>
		<hr/>
Total other tax arrangements	\$	<u>18,321,599</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 the purchase method 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 financial 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 2022 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 financial position 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, 2021, is based on whether the employee is qualified to receive retirement pay or resignation pay at December 31, 2021.

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 2022.

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.

- xi. **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, 2021, 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, 2021, 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, 2021, are described in the governmental funds balance sheet.
- Unassigned — This category includes the residual classification for the District's General Fund and includes all spendable amounts not contained in other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

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

- xiv. **Net Position** — The government-wide and proprietary fund financial statements are required to report three components of net position:
- Net Investment in Capital Assets — This component of net position consists of capital assets net of accumulated depreciation and is reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
 - Restricted — This component of net position consists of constraints placed on net position use through external restrictions. The amounts reported as restricted net position at December 31, 2021, 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 requirements of the following Governmental Accounting Standards Board (GASB) Statements were adopted for the financial statements:

GASB Statement No. 89, “*Accounting for Interest Cost Incurred before the End of a Construction Period*,” establishes accounting requirements for interest costs incurred before the end of a construction period. The provisions of this statement had no significant impact on the District’s financial statements.

GASB Statement No. 93, “*Replacement of Interbank Offered Rates*,” provides guidance for the replacement of an interbank offered rate, most notably the London Interbank Offered Rate (LIBOR). The provisions of this statement had no significant impact on the District’s financial statements.

GASB Statement No. 98, “*The Annual Comprehensive Financial Report*,” replaced instances of comprehensive annual financial report and its acronym noted throughout the District’s financial statements with the phrase annual comprehensive financial report and its acronym ACFR.

- j. **Recently Issued and Pending Accounting Pronouncements** – GASB has issued statements that will become effective in future years including 87 (Leases), 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 97 (Deferred Compensation Plans), 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, 2021	\$ 83,303,071
Deduct outstanding:	
Committed contracts	(2,712,166)
Assigned supply purchases	<u>(2,442,564)</u>
Budgetary basis — fund balance — December 31, 2021	<u><u>\$ 78,148,341</u></u>

3. RECONCILIATION OF GOVERNMENT-WIDE AND FUND STATEMENTS

- a. ***Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position*** —The governmental funds balance sheet includes a reconciliation between *fund balance — total governmental funds* and *net position — governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Certain liabilities, including bonds, notes payable, pension, and post employment benefits are not due and payable in the current period and, therefore, are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ 284,412,671
Compensated absences	13,151,033
Notes payable	20,171,471
Premium on issuance (to be amortized as interest expense)	27,316,663
Less deferred charge on refunding	(4,252,102)
Less deferred charge for insurance costs (to be amortized over life of debt)	(220,702)
Less deferred outflows of resources for pension	(92,030,029)
Less deferred outflows of resources for OPEB	(65,161,310)
Accrued interest payable	4,551,378
Obligations under leases	6,079,680
Net OPEB liability	221,054,747
Net pension liability	833,369,000
Deferred inflows of resources for pension	184,928,000
Deferred inflows of resources for OPEB	15,992,204
Termination benefits	184,967
	<hr/>
Net adjustment to reduce fund balance — total governmental funds to arrive at net position — governmental activities	<u>\$ 1,449,547,671</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	\$ 26,442,094
Depreciation expense and changes in accumulated depreciation	(35,321,497)
Loss on sale/disposition of assets	<u>(2,285,381)</u>
Net adjustment to increase net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (11,164,784)</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, notes payable, debt refunding, and capital leases	\$ (53,840,282)
Repayment — to bondholders and lessors	<u>42,946,513</u>
Net adjustments to decrease net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ (10,893,769)</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	\$ 21,552,989
Amortization of premium	5,439,657
Amortization of bond discount, issuance prepaid insurance and deferred change on refunding	<u>(976,896)</u>
Net adjustments to decrease net changes in fund balances — total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 26,015,750</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	\$ 63,830
Internal receivable representing the consolidation of Internal Service Fund activities related to Enterprise Funds — current year	<u>(51,443)</u>
Net adjustment to increase net position — total enterprise funds to arrive at net position — business-type position activities	<u>\$ 12,387</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.
- 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 2021. There were no supplemental budget appropriations in 2021, except for the 2020 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, 2021.

A summary of deposits and investments with financial institutions at December 31, 2021, is as follows:

Deposits and Investments	Book Balance
General Fund	\$ 72,265,377
Capital Projects Funds	32,604,191
Special Revenue Funds	158,599
Nonmajor Governmental Funds	1,328,865
Internal Service Funds	35,716,483
OPEB Trust	19,045,859
Private Purpose Trusts	45,874
Fiduciary Funds	<u>1,003,083</u>
Total deposits and investments	<u>\$ 162,168,331</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, 2021, \$50,963,004 of the District's \$56,891,842 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>\$ 50,963,004</u>
--	----------------------

As of December 31, 2021, the District had the following investments:

	Maturity Date	Fair Value
Unrestricted Investments		
Money market funds:		
PA School District Liquid Asset Fund (PSDLAF)	n/a	\$ 10,465,275
PA Local Government Investment Trust — Class (PLGIT)	n/a	12,419,556
PLGIT - ARM	60 days or less	30,300,740
PA INVEST	60 days or less	21,874,181
Federated Government Obligations Fund	36 days average	253,475
PNC Government Money Market Fund	60 days or less	7,888,221
FNB Wealth Management	60 days or less	1,159,925
Nonnegotiable certificates of deposit:		
PLGIT — .05%-.10%	Various - 03/07/22	3,214,417
First Natl — .25%	09/11/21	1,047,024
First Commonwealth — .10%	01/14/22	5,225,049
Various - Each Certificate Under \$250,000 — .17% — 1.90%	Various - 02/19/27	4,667,136
FNB Wealth Management Municipal Bond Portfolio (Level 2)	Various	2,432,592
Repurchase agreement	01/01/22	<u>6,434,651</u>
Total unrestricted investments		<u>\$ 107,382,242</u>
Restricted Investments		
PA OPEB Master Trust		\$ 19,045,859
Money market funds:		
All other restricted investments		<u>630,450</u>
Total restricted investments		<u>\$ 19,676,309</u>

Restricted cash as of December 31, 2021, in the amount of \$2,763,398 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, 2021, the District’s investments were rated as follows:

Investments	Standard and Poor's
PSDLAF	AAAm
PLGIT — Class	AAAm
PLGIT — Prime	AAAm
PLGIT — Reserve	AAAm
PA INVEST	AAAm
Federated Government Obligations Fund	AAAm
FNB Daily Money Market	AA
PNC Government Money Market Fund	AA

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, 2021, the repurchase agreement was 19% 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, 2021, 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, 2021, 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, 2021, PLGIT/PRIME carried an AAAM rating and had an average maturity of less than one year.

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, 2021, 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, 2021, 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 \$19,045,859 at December 31, 2021. The OPEB Trust funds are not insured.

Investment allocations of the master trust are as follows as of December 31, 2021: Fixed income – 60.6%; Domestic Equity – 21.8%; International Equity – 10.8%; Real Estate – 3.4%; Inflation Hedge – 3.0%.

- b. **Receivables** — Receivables as of December 31, 2021, 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	\$ 43,450,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,450,530
Earned income	37,690,547	-	-	-	-	-	37,690,547
Due from other governments:							
Commonwealth of Pennsylvania	19,009,361	-	4,071,206	-	373,654	-	23,454,221
City of Pittsburgh	2,635,568	-	-	-	-	-	2,635,568
Other receivables	253,443	-	-	-	266,108	855,085	1,374,636
Interest	22,752	-	-	375	-	338	23,465
	<u>103,062,201</u>	<u>-</u>	<u>4,071,206</u>	<u>375</u>	<u>639,762</u>	<u>855,423</u>	<u>108,628,967</u>
Gross receivables							
Less allowance for uncollectibles	9,000,000	-	-	-	-	-	9,000,000
	<u>94,062,201</u>	<u>-</u>	<u>4,071,206</u>	<u>375</u>	<u>639,762</u>	<u>855,423</u>	<u>99,628,967</u>
Net receivables							

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. As of December 31, 2021, the various components of deferred inflows reported in the governmental funds are as follows:

	Deferred Inflows Advanced	Deferred Inflows Unavailable
Earned income taxes receivable	\$ -	\$ 4,602,675
State property tax relief (General Fund)	15,582,013	-
Delinquent property taxes receivable (General Fund)	<u>-</u>	<u>32,796,024</u>
Total deferred inflows for governmental funds	<u>\$ 15,582,013</u>	<u>\$ 37,398,699</u>

At times, the governmental funds also record unearned revenue in connection with resources that have been received, but not yet earned.

- c. **Interfund Balances and Transfers** — Interfund receivables and payables between the general fund and the proprietary fund resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of the balances are expected to be collected in the subsequent year.

The composition of transfers between funds as of December 31, 2021, 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	\$ -	\$ 390,157	\$ 101,087,461	\$ -	\$ 96,400	\$ (62,525)	\$ 101,511,493
Other Governmental Funds	-	-	-	-	-	-	-
Special Revenue Funds	1,074,566	-	-	-	-	-	1,074,566
Total transfers — in	<u>\$ 1,074,566</u>	<u>\$ 390,157</u>	<u>\$ 101,087,461</u>	<u>\$ -</u>	<u>\$ 96,400</u>	<u>\$ (62,525)</u>	<u>\$ 102,586,059</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, 2021, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets — not being depreciated:				
Land	\$ 23,847,664	\$ -	\$ (570,283)	\$ 23,277,381
Construction in progress	-	-	-	-
Total capital assets — not being depreciated	<u>23,847,664</u>	<u>-</u>	<u>(570,283)</u>	<u>23,277,381</u>
Capital assets — being depreciated:				
Land improvements	21,411,843	2,167,312	-	23,579,155
Buildings	401,036,245	-	-	401,036,245
Building improvements	484,347,743	20,609,134	(6,047,056)	498,909,821
Furniture, fixtures, machinery, and equipment	97,263,506	3,665,648	(62,332)	100,866,822
Computer software	13,697,833	-	-	13,697,833
Total capital assets — being depreciated	<u>1,017,757,170</u>	<u>26,442,094</u>	<u>(6,109,388)</u>	<u>1,038,089,876</u>
Total at historical cost	<u>1,041,604,834</u>	<u>26,442,094</u>	<u>(6,679,671)</u>	<u>1,061,367,257</u>
Less accumulated depreciation for:				
Land improvements	(10,660,420)	(1,108,968)	-	(11,769,388)
Buildings	(285,251,040)	(8,083,092)	4,345,632	(288,988,500)
Building improvements	(186,660,253)	(18,974,888)	48,658	(205,586,483)
Furniture, fixtures, machinery, and equipment	(84,986,416)	(530,031)	-	(85,516,447)
Computer Software	(7,073,315)	(6,624,518)	-	(13,697,833)
Total accumulated depreciation	<u>(574,631,444)</u>	<u>(35,321,497)</u>	<u>4,394,290</u>	<u>(605,558,651)</u>
Total capital assets — being depreciated — net	<u>443,125,726</u>	<u>(8,879,403)</u>	<u>(1,715,098)</u>	<u>432,531,225</u>
Governmental activities capital assets — net	<u>\$ 466,973,390</u>	<u>\$ (8,879,403)</u>	<u>\$ (2,285,381)</u>	<u>\$ 455,808,606</u>

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets — not being depreciated — 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	<u>6,272,822</u>	<u>43,292</u>	<u>-</u>	<u>6,316,114</u>
Total capital assets — being depreciated	<u>21,343,562</u>	<u>43,292</u>	<u>-</u>	<u>21,386,854</u>
Total at historical cost	<u>21,387,440</u>	<u>43,292</u>	<u>-</u>	<u>21,430,732</u>
Less accumulated depreciation for:				
Buildings	(7,859,111)	(352,193)	-	(8,211,304)
Furniture, fixtures, machinery, and equipment	<u>(5,814,747)</u>	<u>(88,507)</u>	<u>-</u>	<u>(5,903,254)</u>
Total accumulated depreciation	<u>(13,673,858)</u>	<u>(440,700)</u>	<u>-</u>	<u>(14,114,558)</u>
Total capital assets — being depreciated — net	<u>7,669,704</u>	<u>(397,408)</u>	<u>-</u>	<u>7,272,296</u>
Business-type activities capital assets — net	<u>\$ 7,713,582</u>	<u>\$ (397,408)</u>	<u>\$ -</u>	<u>\$ 7,316,174</u>

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

Governmental funds:	
Instruction	\$ 26,160,286
Instruction student support	6,540,080
Administrative and financial support service	796,217
Operation and maintenance of plant services	328,619
Facilities, construction and improvement services	1,279,373
Student activities	194,328
Community services	<u>22,594</u>
	<u>\$ 35,321,497</u>

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

Building	Carrying Value	Year of Closing	Future Use
Knoxville			
Elementary/Middle	\$ 1,527,660	July 1, 2006	May reopen as classroom space
Fort Pitt Elementary	2,005,350	July 1, 2012	May reopen as classroom space
Northview Elementary	1,763,970	July 1, 2012	May reopen as classroom space
Arlington Elementary	<u>2,174,125</u>	July 1, 2016	May reopen as classroom space
	<u>\$ 7,471,105</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 \$8,044,233.

e. **Construction Commitments** — As of December 31, 2021, the District had no committed construction projects.

f. **Long-Term Debt**

General Obligation Bonds — In November of 2021, the District issued General Obligation Bonds Series 2021 in the amount of \$35,780,000 to fund various capital projects. The Bonds will mature in September 2040. In addition, the original amount of current outstanding general obligation bonds issued in prior years was \$367,250,000. 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. The resulting difference in debt service is a positive savings of approximately \$707,000 or 6.83% of total refunded principal. The economic gain of the 2021 refunding was approximately \$690,000.

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.

QZAB — The U.S. Congress established QZABs in Section 226(a) of the Taxpayer Relief Act of 1997 to help strengthen schools serving large concentrations of low-income families. The federal government subsidizes these 15 year bonds by providing tax credits to bondholders that are approximately equal to the interest that states and communities would ordinarily pay to the holders of taxable bonds. The federal government allocates the authority to issue these bonds to states based on their proportion of the U.S. population living below the poverty line. Either of two criteria must be met for a school district to be eligible for QZAB funds. To qualify for the QZAB funds, the school district must be located in an Empowerment Zone or Enterprise Community or have at least 35% of the school district's students eligible for free or reduced-price lunches. Under this program, the District received bond proceeds of \$5,608,000 in 2006, and received a 10% in-kind matching contribution of \$560,800, from a corporation in 2006. The in-kind contribution was designated for capital expenditures that are energy efficient.

Legal Debt Margin — The District is subject to legal debt margin. This amount was \$1,036,117,478 for 2021.

Board Actions in Anticipation of Future Debt Offerings — At the December 2021 Board of Directors meeting, the Board authorized the arrangement for capital borrowing of \$34,758,538 for 2022.

General obligation bonds and notes payable at December 31, 2021, are summarized as follows:

General Obligation Bonds	Original Interest Rates	Original Maturity Range	Issued	Amount Outstanding	Due within One Year
2014 Refunding Series A	1.00-5.00	2014-2025	\$ 10,070,000	\$ 8,350,000	\$ 1,190,000
2014 Refunding Series B	1.00-5.00	2014-2025	26,670,000	14,220,000	3,355,000
2014 GOB Series C	2.00-5.00	2014-2034	9,995,000	7,245,000	450,000
2015 Refunding	0.6-5.00	2015-2027	25,750,000	17,480,000	2,320,000
2015 GOB	2.00-5.00	2015-2035	21,215,000	16,935,000	935,000
2016 GOB	2.00-5.00	2016-2036	20,590,000	17,690,000	840,000
2017 Refunding	1.70-3.00	2017-2023	8,710,000	5,440,000	2,710,000
2017 GOB	3.00-5.00	2017-2037	24,000,000	21,865,000	985,000
2018 GOB	4.00-5.00	2018-2038	23,880,000	22,735,000	900,000
2019 Refunding	5.00-6.04	2019-2029	36,765,000	34,205,000	3,340,000
2019 GOB	4.00-5.00	2019-2039	33,595,000	33,095,000	1,195,000
2020 Refunding	2.00-5.00	2020-2030	15,925,000	7,350,000	4,340,000
2020 GOB	4.00-5.00	2020-2040	33,955,000	33,955,000	410,000
2021 GOB	3.00-4.00	2021-2041	35,780,000	35,780,000	-
Total			<u>326,900,000</u>	<u>276,345,000</u>	<u>22,970,000</u>
2006 QZAB	1.38	2006-2022	5,608,000	387,671	387,671
2010 QSCB Series D	6.85	2010-2029	19,520,000	7,680,000	960,000
Total			<u>25,128,000</u>	<u>8,067,671</u>	<u>1,347,671</u>
Direct Borrowings - Notes					
2010 QSCB SPSBA Series A	6.50	2010-2028	9,578,000	3,849,176	549,882
2010 QZAB SPSBA Series B	6.50	2010-2028	13,972,000	5,617,295	802,471
2021 GON	0.69	2021-2024	10,705,000	10,705,000	3,995,000
Total			<u>34,255,000</u>	<u>20,171,471</u>	<u>5,347,353</u>
Total outstanding principal			<u>\$ 386,283,000</u>	<u>\$ 304,584,142</u>	<u>\$ 29,665,024</u>
Add interest payable in future years				<u>111,969,333</u>	
Total				<u>\$ 416,553,475</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
2022	\$ 24,317,671	\$ 12,344,644
2023	22,700,000	11,551,230
2024	20,540,000	10,580,280
2025	22,015,000	9,683,530
2026	19,710,000	8,753,180
2027-2031	70,490,000	30,808,482
2032-2036	65,605,000	14,013,141
2037-2041	39,035,000	3,384,763
Total	<u>\$ 284,412,671</u>	<u>\$ 101,119,250</u>

Years Ending December 31	Direct Borrowings - Notes	
	Principal	Interest
2022	\$ 5,347,353	\$ 1,603,438
2023	4,742,353	1,575,872
2024	4,672,353	1,552,481
2025	1,352,353	1,529,573
2026	1,352,353	1,529,573
2027-2028	2,704,706	3,059,146
Total	<u>\$ 20,171,471</u>	<u>\$ 10,850,083</u>

Changes in long-term liabilities:

	Beginning	Additions	Reductions	Ending	Due within One Year
Governmental activities:					
Bonds and notes payable:					
General obligation bonds - tax exempt	\$ 277,825,000	\$ 35,780,000	\$ (37,260,000)	\$ 276,345,000	\$ 22,970,000
General obligation bonds - taxable	8,640,000	-	(960,000)	7,680,000	960,000
QZABs	770,065	-	(382,394)	387,671	387,671
Direct borrowings - notes payable	10,818,824	10,705,000	(1,352,353)	20,171,471	5,347,353
Total before premium/discount	298,053,889	46,485,000	(39,954,747)	304,584,142	29,665,024
Add (less) deferred amounts:					
Premium on issuance	29,775,436	2,980,884	(5,439,657)	27,316,663	5,439,657
Discount on issuance	(28,115)	-	28,115	-	-
Total general obligation bonds and notes payable	327,801,210	49,465,884	(45,366,289)	331,900,805	35,104,681
Compensated absences	18,799,871	14,204,097	(14,810,862)	18,193,106	14,816,786
Net OPEB liability	220,572,903	2,128,000	(1,646,156)	221,054,747	-
Net pension liability	1,048,791,000	-	(215,422,000)	833,369,000	-
Termination benefits	124,451	326,869	(195,402)	255,918	69,999
Workers' compensation reserve	4,348,090	240,538	(1,194,780)	3,393,848	1,800,000
Capital leases	4,697,048	4,374,398	(2,991,766)	6,079,680	1,641,835
Governmental activities long-term liabilities	<u>\$ 1,625,134,573</u>	<u>\$ 70,739,786</u>	<u>\$ (281,627,255)</u>	<u>\$ 1,414,247,104</u>	<u>\$ 53,433,301</u>
Business-type activities:					
Compensated absences	<u>\$ 530,587</u>	<u>\$ -</u>	<u>\$ (92,785)</u>	<u>\$ 437,802</u>	<u>\$ 85,630</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.

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

Workers' compensation claims — restricted by trust agreements with the Commonwealth	<u>\$ 3,393,848</u>
--	---------------------

- h. **Capital Lease** — The District has entered into various lease agreements, ranging from four to five years, as lessee for financing of copy machines, computers, and servers. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset:	
Machinery and equipment	\$ 19,288,112
Less accumulated depreciation	<u>13,232,137</u>
Total	<u><u>\$ 6,055,975</u></u>

The future minimum lease obligations as of December 31, 2021, are as follows:

Years Ending December 31	Governmental Activities
2022	\$ 1,948,345
2023	1,948,345
2024	1,023,888
2025	1,023,888
2026	<u>938,564</u>
Total minimum lease payments	\$ 6,883,030
Less amount representing interest	<u>(803,350)</u>
Present value of minimum lease payments	<u><u>\$ 6,079,680</u></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, 2021, are as follows:

Worker's compensation	\$ 11,733,566
Unemployment compensation	5,559,346
Comprehensive general liability	795,879
Self-insurance health care	11,949,007

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 \$1,593,848 as of December 31, 2021.

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, 2021 to December 31, 2021. 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, 2021, which utilized a discount rate of 3.5%. The Reserve was reviewed through December 31, 2021 and determined to be within reasonable range. Non-incremental claims adjustment expenses have not been included as part of the liability.

The self-insurance funds, actually maintained by the District to provide for future anticipated losses, were \$3,393,848, at December 31, 2021. The expense is based on a percentage of gross payrolls for the year. The contribution rate is 0.85% of gross at December 31, 2021.

Changes in the Reserve claims liability in fiscal 2021 and 2020 are as follows:

		Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments		Liability End of Year
2020	\$	5,744,990	\$ 14,707	\$ (1,411,607)	\$	4,348,090
2021		4,348,090	240,538	(1,194,780)		3,393,848

- c. **Subsequent Events** – Subsequent events to report for the 2021 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. 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 can participate in the 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, and
- Participate in the PSERS Health Options Program or an employer-sponsored health insurance program.

- 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. To receive Premium Assistance, eligible retirees must obtain their health insurance through either their school employer or PSERS' Health Options Program. As of December 31, 2021, there were no assumed future benefit increases to participating eligible retirees.
- vi. **Member Contributions** – The following illustrates the member's contribution as a percent of the member's qualifying compensation:

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

Membership Class T-C	5.25%
Membership Class T-D	6.50%

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

Membership Class T-C	6.25%
Membership Class T-D	7.50%

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

Membership Class T-D	7.50%
----------------------	-------

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

Membership Class T-E*	8.00%
Membership Class T-F*	10.80%

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

Membership Class T-G (hybrid)**	9.00% (combined rate)
Membership Class T-H (hybrid)**	8.25% (combined rate)
Defined Contribution only	7.50%

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

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

- vii. **Employer Contributions** – The District’s contractually required PSERS contribution rate was 34.51% from January 1, 2021 to June 30, 2021 and 34.94% from July 1, 2021 to December 31, 2021 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 33.51% and 33.99% rate for the Pension Plan, a 0.82% and 0.80% rate for the Premium Assistance, and a 0.18% and 0.15% rate for Act 5 Defined Contribution for the periods January 1, 2021 to June 30, 2021 and July 1, 2021 to December 31, 2021, respectively. The combined contribution rate will increase to 35.26% on July 1, 2022 and is projected to grow to 37.30% by 2030.

The District remits contributions to PSERS on a quarterly basis. Approximately \$31,784,000 is owed to PSERS as of December 31, 2021, 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, 2021 were as follows:

Pension Plan	\$	98,550,574
Act 5 Defined Contribution		434,910
Premium Assistance		2,319,519
Total	\$	<u>101,305,003</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 \$40.2 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, 2021 (measurement date), the School District's proportion was 2.0298%, which was a decrease of 0.1002% from its proportion measured as of June 30, 2020.

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, 2021 (measurement date), the School District's proportion was 2.0246%, which was a decrease of 0.0977% from its proportion measured as of June 30, 2020.

- e. **Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions** – At December 31, 2021, the District reported a liability of \$833,369,000 for its proportionate share of PSERS' net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021.

For the year ended December 31, 2021, the District recognized pension expense of \$56,723,178.

At December 31, 2021, 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	\$ 614,000	\$ 10,949,000
Changes in assumptions	40,421,000	-
Net difference between projected and actual earnings on pension plan investments	-	132,654,000
Changes in proportion	8,065,000	41,325,000
District contributions subsequent to the measurement date	<u>42,930,029</u>	<u>-</u>
Total	<u>\$ 92,030,029</u>	<u>\$ 184,928,000</u>

\$42,930,029 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, 2022. 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:	
2022	\$ (33,970,000)
2023	(30,814,000)
2024	(28,186,000)
2025	<u>(42,858,000)</u>
Total	<u>\$ (135,828,000)</u>

i. **Actuarial Assumptions** – The actuarial valuation used for the June 30, 2021 measurement date contained the following methods and assumptions:

- 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 Retirees Tables for Males and Females, adjusted to reflect PSERS’ experience and projected using a modified version of the MP-2020 Mortality Improvement Scale
- Experience study – July 1, 2015 through June 30, 2020

Changes in Assumptions – The discount rate decreased from 7.25% to 7.00% and the inflation assumption was decreased from 2.75% to 2.50% for the actuarial valuation used for the June 30, 2020 measurement date. Salary growth decreased from 5.00% to 4.50%.

ii. **Changes in Benefit Terms** – There were no changes in benefit terms affecting the actuarial valuation used for the June 30, 2021 measurement date.

iii. **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	27.0%	5.2%
Private equity	12.0%	7.3%
Fixed income	35.0%	1.8%
Commodities	10.0%	2.0%
Absolute return	8.0%	3.1%
Infrastructure/MLPs	8.0%	5.1%
Real estate	10.0%	4.7%
Cash	3.0%	0.1%
Leverage	-13.0%	0.1%
	100.0%	

For PSERS' year ended June 30, 2021, the annual money-weighted rate of return on the pension plan investments, net of pension plan investment expenses, was 24.58%.

- iv. **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.
- v. **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	\$ 1,093,828,000	\$ 833,369,000	\$ 613,660,000

- 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, 2021, the District reported a net OPEB liability composed of the following:

School District's proportionate share of PSERS' net OPEB liability	\$	47,984,000
School District's total OPEB liability for its retiree plan		<u>173,070,747</u>
Net OPEB liability	\$	<u><u>221,054,747</u></u>

PSERS' net OPEB liability was measured as of June 30, 2021, 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, 2020 to June 30, 2021. The Retiree Health Plan's total OPEB liability was measured as of December 31, 2021, 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, 2021.

For the year ended December 31, 2021, the District recognized OPEB expense as follows:

OPEB expense related to PSERS Premium Assistance	\$	2,876,815
OPEB expense related to the Retiree Health Plan		<u>24,496,591</u>
Total OPEB expense	\$	<u><u>27,373,406</u></u>

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	PSERS Premium Assistance	Retiree Health Plan	Total Deferred Outflows of Resources
Deferred Outflows of Resources:			
Differences between expected and actual experience	\$ 446,000	\$ 27,583,960	\$ 28,029,960
Changes in assumptions	5,110,000	29,254,059	34,364,059
Net difference between projected and actual earnings on OPEB plan investments	95,000	302,875	397,875
Changes in proportion	1,359,000	-	1,359,000
District contributions subsequent to the measurement date	<u>1,010,416</u>	<u>-</u>	<u>1,010,416</u>
Total	<u><u>\$ 8,020,416</u></u>	<u><u>\$ 57,140,894</u></u>	<u><u>\$ 65,161,310</u></u>

Deferred Inflows of Resources:	PSERS		Total Deferred Outflows of Resources
	Premium Assistance	Retiree Health Plan	
Differences between expected and actual experience	\$ -	\$ 10,639,307	\$ 10,639,307
Changes in assumptions	640,000	1,478,798	2,118,798
Net difference between projected and actual earnings on OPEB plan investments	-	1,038,099	1,038,099
Changes in proportion	2,196,000	-	2,196,000
Total	<u>\$ 2,836,000</u>	<u>\$ 13,156,204</u>	<u>\$ 15,992,204</u>

\$1,010,416 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, 2022. 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
2022	\$ 811,000	\$ 12,667,455
2023	801,000	13,994,585
2024	1,069,000	14,220,197
2025	760,000	4,313,378
2026	391,000	(1,210,925)
Thereafter	<u>342,000</u>	<u>-</u>
Total	<u>\$ 4,174,000</u>	<u>\$ 43,984,690</u>

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

i. **Actuarial Assumptions** – The actuarial valuation used for the June 30, 2021 measurement date contained the following methods and assumptions:

- Actuarial cost method – Entry Age Normal – level % of pay
- Investment return – 2.18% - 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 Retirees Tables for Males and Females, adjusted to reflect PSERS' experience and projected using a modified version of the MP-2020 Mortality Improvement Scale
- Experience study – July 1, 2015 through June 30, 2030

- 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 decreased from 2.66% to 2.18% for the actuarial valuation used for the June 30, 2021 measurement date.
- iii. **Changes in Benefit Terms** – There were no changes in benefit terms affecting the actuarial valuation used for the June 30, 2021 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	79.8%	0.1%
US Core Fixed Income	17.5%	0.7%
Non-US Developed Fixed	2.7%	-0.3%
	<u>100.0%</u>	

For PSERS’ year ended June 30, 2021, the annual money-weighted rate of return on the Premium Assistance plan investments, net of plan investment expenses, was 0.31%.

- v. **Discount Rate** – The discount rate used to measure the total OPEB liability was 2.18%. 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 2.18%, which represents the S&P 20-year Municipal Bond Rate at June 30, 2021, was applied to all projected benefit payments to measure the total OPEB liability. The discount rate used to measure the Total OPEB liability decreased from 2.66% as of June 30, 2020 to 2.18% as of June 30, 2021.

- 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 (1.18%)	Current Discount Rate (2.18%)	1% Increase (3.18%)
District's proportionate share of PSERS' net OPEB liability	<u>\$ 55,068,000</u>	<u>\$ 47,984,000</u>	<u>\$ 42,150,000</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, 2021, 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>\$ 47,979,000</u>	<u>\$ 47,984,000</u>	<u>\$ 47,989,000</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 December 31, 2021, 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 \$5,728,563 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, 2021 were as follows:

Total OPEB liability	\$ (192,116,606)
Plan fiduciary net position	<u>19,045,859</u>
Net OPEB liability	<u><u>\$ (173,070,747)</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>9.91%</u></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, 2021 were as follows:

	Increases/Decreases		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Total OPEB liability, January 1, 2021	\$ 192,706,563	\$ 17,989,660	\$ 174,716,903
Changes for the year:			
Service cost	9,450,931	-	9,450,931
Interest on the total OPEB liability	4,466,900	-	4,466,900
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(11,484,307)	-	(11,484,307)
Changes of assumptions	2,705,082	-	2,705,082
Employer contributions	-	5,728,563	(5,728,563)
Investment income	-	1,202,693	(1,202,693)
Investment expenses	-	(146,494)	146,494
Benefit payments	(5,728,563)	(5,728,563)	-
Total OPEB liability, December 31, 2021	\$ 192,116,606	\$ 19,045,859	\$ 173,070,747

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, 2021 measurement date:
- The discount rate changed from 2.25% at December 31, 2020 to 2.00% at December 31, 2021.
 - Mortality tables were updated to the Pub-2010 Public Retirement Plans Mortality Tables published by the Society of Actuaries in 2019.
 - Mortality improvement was updated to rates published by the Society of Actuaries.
- viii. **Changes in Benefit Terms** – There were no changes in benefit terms for the December 31, 2021 measurement date.
- ix. **Investment Policy** – The plan’s policy regarding the allocation of invested assets is established and may be amended by the District’s board of directors. Plan assets are managed with a long-term objective to supplement the funding for the benefits provided through the OPEB plan. There were no investment policy changes during 2021.
- 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, 2021:

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, 2021, the annual money-weighted rate of return on the Plan’s investments, net of investment expense, was 6.72%.

- xii. **Discount Rate** – The discount rate used to measure the December 31, 2021 net OPEB liability was 2.00%. The Retiree Health Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Retiree Health Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.
- xiii. **Sensitivity of the District’s Total OPEB Liability to Changes in the Discount Rate** – The following presents the District’s total OPEB liability calculated using the discount rate described above, as well as what the District’s total OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (1.00%)	Current Discount Rate (2.00%)	1% Increase (3.00%)
District's Net OPEB liability	\$ 188,391,707	\$ 173,070,747	\$ 158,490,044

- 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	\$ 152,335,044	\$ 173,070,747	\$ 197,497,601

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 2020 but were not completed as of December 31, 2021. 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	\$ -	\$ 4,008,979	\$ 4,008,979
Committed — contracts	2,712,166	-	2,712,166
Assigned — supply purchases	2,442,564	-	2,442,564
	<u>5,154,730</u>	<u>4,008,979</u>	<u>9,163,709</u>
Total	<u>\$ 5,154,730</u>	<u>\$ 4,008,979</u>	<u>\$ 9,163,709</u>

- j. **Labor Relations — 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 legislative Board meeting held on August 25, 2021, the Board ratified a four-year agreement through June 30, 2024 for Federation represented professional unit. The agreement includes step movement and a top step bonus in the first year and step movement and across the board increases on all salary schedules in subsequent years. At a legislative Board meeting held on November 23, 2021, the Board ratified a four-year agreement through June 30, 2024 for Federation represented paraprofessional and technical-clerical units. The agreement includes step movement and a top step bonus in the first year, step movement and 1.8% across the board increases on all salary schedules in year 2, and step movement and 2% across the board increases on all salary schedules in years 3 and 4. At a legislative Board meeting held on July 27, 2022, the Board ratified agreements with the Pittsburgh Building and Construction Trades Council and the American Federation of State, County, and Municipal Employees (AFSCME) Local 2924. The Buildings and Construction Trades agreement is in effect from July 2, 2021 through December 31, 2024. The agreement includes a lump sum bonus in the first year and 2.5% increases across the board increases in subsequent years. The AFSCME Local 2924 agreement is in effect from January 1, 2021 through December 31, 2023. The agreement includes a lump sum bonus in the first year, step movement and 1.8% increases across the board increases and all salary schedules in year 2, and step movement and 2% increases across the board increases and all salary schedules in year 3. The agreement representing AFSCME Local 297 expired December 31, 2020. The District is currently in negotiations to renew the contract.
- k. **Risks and Uncertainties** - The coronavirus pandemic remains a rapidly evolving situation. The extent of the impact of the coronavirus on the District’s business and financial results will depend on future developments, including the duration and spread of the outbreak within the markets in which the District operates, the related impact on the federal budget, and the state of Pennsylvania's budget, all of which are highly uncertain.

**REQUIRED SUPPLEMENTARY INFORMATION
AS OF DECEMBER 31, 2021**

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***

	2021	2020	2019	2018	2017
Total OPEB Liability:					
Service cost	\$ 9,450,931	\$ 7,531,132	\$ 2,054,550	\$ 5,868,788	\$ 4,553,926
Interest	4,466,900	5,751,935	5,221,241	6,987,152	7,528,964
Changes of benefit terms		-	-	(61,493,736)	-
Differences between expected and actual experience	(11,484,307)	(1,501,661)	52,660,285	(1,159,242)	418,288
Changes of assumptions	2,705,082	13,798,960	34,315,284	(11,337,454)	12,329,571
Benefit payments, including refunds of member contributions	(5,728,563)	(6,151,227)	(6,389,483)	(7,019,179)	(7,195,732)
Net Changes in Total OPEB Liability	(589,957)	19,429,139	87,861,877	(68,153,671)	17,635,017
Total OPEB Liability - Beginning	192,706,563	173,277,424	85,415,547	153,569,218	135,934,201
Total OPEB Liability - Ending (a)	\$ 192,116,606	\$ 192,706,563	\$ 173,277,424	\$ 85,415,547	\$ 153,569,218
Plan Fiduciary Net Position:					
Contributions - District	\$ 5,728,563	\$ 6,151,227	\$ 6,389,483	\$ 7,019,179	\$ 7,195,732
Net investment income	1,056,199	1,843,964	2,007,452	(545,256)	1,219,335
Benefit payments, including refunds of member contributions	(5,728,563)	(6,151,227)	(6,389,483)	(7,019,179)	(7,195,732)
Net Change in Plan Fiduciary Net Position	1,056,199	1,843,964	2,007,452	(545,256)	1,219,335
Plan Fiduciary Net Position - Beginning	17,989,660	16,145,696	14,138,244	14,683,500	13,464,165
Plan Fiduciary Net Position - Ending (b)	\$ 19,045,859	\$ 17,989,660	\$ 16,145,696	\$ 14,138,244	\$ 14,683,500
Net OPEB Liability - Ending (a-b)	\$ 173,070,747	\$ 174,716,903	\$ 157,131,728	\$ 71,277,303	\$ 138,885,718
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.91%	9.34%	9.32%	16.55%	9.56%
Covered-Employee Payroll	\$ 273,973,162	\$ 281,566,221	\$ 271,463,068	\$ 270,150,811	\$ 254,465,764
Net OPEB liability as a percentage of covered employee payroll	63.17%	62.05%	57.88%	26.38%	54.58%

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

See accompanying notes to required supplementary information.

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Schedule of District's Contributions					
Contractually or statutorily required contributions	\$ 5,728,563	\$ 6,151,227	\$ 6,389,483	\$ 7,019,179	\$ 7,195,732
Contributions in relation to contractually or statutorily required contributions	<u>5,728,563</u>	<u>6,151,227</u>	<u>6,389,483</u>	<u>7,019,179</u>	<u>7,195,732</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 273,973,162	\$ 281,566,221	\$ 271,463,068	\$ 270,150,811	\$ 254,465,764
Contributions as a percentage of covered employee payroll	2.09%	2.18%	2.35%	2.60%	2.83%
Investment Returns					
Annual money-weighted rate of return, net of investment expense	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***

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

	2021	2020	2019	2018	2017	2016	2015
District's proportion of PSERS' net pension liability	2.030%	2.130%	2.152%	2.083%	2.035%	2.019%	2.010%
District's proportionate share of PSERS' net pension liability	\$ 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	\$ 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	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	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***

	2021	2020	2019	2018	2017	2016	2015
Contractually or statutorily required contributions	\$ 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>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>
District's covered payroll	\$ 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	32.86%	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, 2021

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	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
School District Fiscal Year in Which NOL is Recorded	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Discount Rate	2.18%	2.66%	2.79%	2.98%	3.13%
Salary Increases	4.50%	5.00%	5.00%	5.00%	5.00%
Mortality	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
Actuarially Calculated Contribution Rate from Actuarial Date Shown Above	0.75%	0.80%	0.82%	0.84%	0.83%
School District Fiscal Year in Which Actuarially Calculated Contribution Rate Is Applied	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	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	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Measurement Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Discount Rate	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	7.50%	7.50%
Salary Increases	4.50%	5.00%	5.00%	5.00%	5.00%	5.00%	5.50%	5.50%
Mortality	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	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	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	12/31/2022	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, 2021**

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, 2021**

	<u>Final Budgeted Appropriations</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Uncommitted Appropriations</u>
100 Personnel services — salaries	\$ 207,820,569	\$ 196,591,262	\$ -	\$ 11,229,307
200 Personnel services — employee benefits	133,293,916	124,920,940	-	8,372,976
300 Purchased professional and technical services	102,708,657	97,542,583	2,808,460	2,357,614
400 Purchased property services	5,758,474	4,837,352	296,366	624,756
500 Other purchased services	154,854,433	154,189,442	150,223	514,768
600 Supplies	17,838,241	13,699,369	1,374,394	2,764,478
700 Property	8,136,750	6,904,768	282,765	949,217
800 Other objects	16,589,199	15,527,285	270	1,061,644
900 Other financing uses	30,563,947	24,805,457	242,252	5,516,238
	<u>\$ 677,564,186</u>	<u>\$ 639,018,458</u>	<u>\$ 5,154,730</u>	<u>\$ 33,390,998</u>
Budgetary basis				
Transfer for Special Education budgeted as expenditures		(84,385,910)		
Transfer for Special Revenue Fund Indirect Costs budgeted as expenditures		(16,560,225)		
Transfer for Other Governmental Funds, Capital Projects, and Internal Service Fund not budgeted		(565,358)		
Tax refunds budgeted as expenditures		(2,261,114)		
Capital leases not budgeted		<u>4,374,398</u>		
GAAP expenditures		<u>\$ 539,620,249</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, 2021**

	Debt Service Fund	Special Revenue Funds		Total
		Special Trust Fund	Westinghouse Scholarship	
ASSETS				
Cash	\$ 1,017,427	\$ 63,023	\$ 232,916	\$ 1,313,366
Investments	-	-	15,499	15,499
Interest receivable	-	-	375	375
TOTAL ASSETS	<u>\$ 1,017,427</u>	<u>\$ 63,023</u>	<u>\$ 248,790</u>	<u>\$ 1,329,240</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 2,250	\$ 2,250
FUND BALANCE				
Restricted for — scholarships	\$ -	\$ -	\$ 246,540	\$ 246,540
Assigned to:				
Debt service	1,017,427	-	-	1,017,427
Special trust	-	63,023	-	63,023
TOTAL FUND BALANCE	<u>\$ 1,017,427</u>	<u>\$ 63,023</u>	<u>\$ 246,540</u>	<u>\$ 1,326,990</u>

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Debt Service Fund	Special Revenue Funds		Total
		Special Trust Fund	Westinghouse Scholarship	
REVENUES:				
Investment income	\$ -	\$ -	\$ 374	\$ 374
Total Revenues	-	-	374	374
EXPENDITURES:				
Instruction:				
Other instructional programs	832	-	67,168	68,000
Support services:				
Administration	-	10,000	-	10,000
Debt service				
Principal	10,737,394	-	-	10,737,394
Interest	1,086,272	-	-	1,086,272
Bond issuance costs	96,400	-	-	96,400
Total Expenditures	11,920,898	10,000	67,168	11,998,066
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,920,898)	(10,000)	(66,794)	(11,997,692)
OTHER FINANCING USES:				
Proceeds from note payable	10,705,000	-	-	10,705,000
Transfers in	96,400	-	-	96,400
Total other financing sources and uses	10,801,400	-	-	10,801,400
CHANGE IN FUND BALANCES	(1,119,498)	(10,000)	(66,794)	(1,196,292)
FUND BALANCES — January 1, 2021	2,136,925	73,023	313,334	2,523,282
FUND BALANCES — December 31, 2021	\$ 1,017,427	\$ 63,023	\$ 246,540	\$ 1,326,990

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, 2021**

	Workers' Compensation Fund	Unemployment Compensation Fund	General Liability Fund	Central Duplication Services	Self-Insurance Health Care Fund	Total
ASSETS						
CURRENT ASSETS:						
Cash	\$ 1,416,534	\$ 5,611,811	\$ 795,879	\$ (720,768)	\$ 2,553,549	\$ 9,657,005
Investments	8,790,870	-	-	-	13,874,760	22,665,630
Interest receivable	-	-	-	-	338	338
Other receivables	-	-	-	855,085	-	855,085
Total current assets	<u>10,207,404</u>	<u>5,611,811</u>	<u>795,879</u>	<u>134,317</u>	<u>16,428,647</u>	<u>33,178,058</u>
NONCURRENT ASSETS:						
Restricted cash	2,763,398	-	-	-	-	2,763,398
Restricted investments	630,450	-	-	-	-	630,450
Total noncurrent assets	<u>3,393,848</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,393,848</u>
TOTAL ASSETS	<u>\$ 13,601,252</u>	<u>\$ 5,611,811</u>	<u>\$ 795,879</u>	<u>\$ 134,317</u>	<u>\$ 16,428,647</u>	<u>\$ 36,571,906</u>
LIABILITIES						
CURRENT LIABILITIES:						
Accounts payable	\$ 59,075	\$ 52,465	\$ -	\$ -	\$ 4,479,640	\$ 4,591,180
Accrued salaries	8,611	-	-	-	-	8,611
Current portion of workers' compensation reserve	1,800,000	-	-	-	-	1,800,000
Total current liabilities	<u>1,867,686</u>	<u>52,465</u>	<u>-</u>	<u>-</u>	<u>4,479,640</u>	<u>6,399,791</u>
NONCURRENT LIABILITIES:						
Workers' compensation reserve	1,593,848	-	-	-	-	1,593,848
TOTAL LIABILITIES	<u>3,461,534</u>	<u>52,465</u>	<u>-</u>	<u>-</u>	<u>4,479,640</u>	<u>7,993,639</u>
NET POSITION — Unrestricted	<u>\$ 10,139,718</u>	<u>\$ 5,559,346</u>	<u>\$ 795,879</u>	<u>\$ 134,317</u>	<u>\$ 11,949,007</u>	<u>\$ 28,578,267</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, 2021**

	<u>Workers' Compensation Fund</u>	<u>Unemployment Compensation Fund</u>	<u>General Liability Fund</u>	<u>Central Duplication Services</u>	<u>Self-Insurance Health Care Fund</u>	<u>Total</u>
OPERATING REVENUES — contributions	\$ 2,530,345	\$ 595,632	\$ -	\$ -	\$ 61,072,883	\$ 64,198,860
OPERATING EXPENSES:						
Support services — administration	2,618	-	33,975	-	598	37,191
Support services — central:						
Employee salaries, benefits, insurance, and supplies	406,621	14,416	249,776	-	-	670,813
Benefit payments	240,538	348,662	-	-	69,640,734	70,229,934
Total operating expenses	649,777	363,078	283,751	-	69,641,332	70,937,938
OPERATING GAIN (LOSS)	1,880,568	232,554	(283,751)	-	(8,568,449)	(6,739,078)
NONOPERATING REVENUES — investment earnings	2,542	-	-	-	1,862	4,404
INCOME (LOSS) BEFORE TRANSFERS	1,883,110	232,554	(283,751)	-	(8,566,587)	(6,734,674)
TRANSFERS IN / (OUT)	-	-	(62,525)	-	-	(62,525)
CHANGE IN NET POSITION	1,883,110	232,554	(346,276)	-	(8,566,587)	(6,797,199)
NET POSITION — January 1, 2021	8,256,608	5,326,792	1,142,155	134,317	20,515,594	35,375,466
NET POSITION — December 31, 2021	<u>\$ 10,139,718</u>	<u>\$ 5,559,346</u>	<u>\$ 795,879</u>	<u>134,317</u>	<u>\$ 11,949,007</u>	<u>\$ 28,578,267</u>

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Workers' Compensation Fund	Unemployment Compensation Fund	General Liability Fund	Central Duplication Services	Self-Insurance Health Care Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Contributions	\$ 2,530,345	\$ 595,632	\$ -	\$ -	\$ 61,072,883	\$ 64,198,860
Payments to suppliers	-	-	(48,976)	(855,085)	(598)	(904,659)
Payments to claimants	(1,194,994)	(311,623)	-	-	(69,075,142)	(70,581,759)
Payments to employees	(407,588)	(14,416)	(249,775)	-	-	(671,779)
Net cash provided by (used in) operating activities	<u>927,763</u>	<u>269,593</u>	<u>(298,751)</u>	<u>(855,085)</u>	<u>(8,002,857)</u>	<u>(7,959,337)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES — Transfers to/from other funds						
	-	-	(62,525)	-	-	(62,525)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	2,573	-	-	-	3,541	6,114
Sale (purchase) of investments	(3,307,662)	-	-	-	(5,220)	(3,312,882)
Net cash provided by (used in) investing activities	<u>(3,305,089)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,679)</u>	<u>(3,306,768)</u>
INCREASE (DECREASE) IN CASH	(2,377,326)	269,593	(361,276)	(855,085)	(8,004,536)	(11,328,630)
CASH — January 1, 2021 (including \$3,303,432 included in restricted assets)	<u>6,557,258</u>	<u>5,342,218</u>	<u>1,157,155</u>	<u>134,317</u>	<u>10,558,085</u>	<u>23,749,033</u>
CASH — December 31, 2021 (including \$2,763,398 included in restricted assets)	<u>\$ 4,179,932</u>	<u>\$ 5,611,811</u>	<u>\$ 795,879</u>	<u>\$ (720,768)</u>	<u>\$ 2,553,549</u>	<u>\$ 12,420,403</u>
RECONCILIATION OF OPERATING GAIN (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating gain (loss)	\$ 1,880,568	\$ 232,554	\$ (283,751)	\$ -	\$ (8,568,449)	\$ (6,739,078)
Changes in assets and liabilities:						
Other receivables	-	-	-	(855,085)	2,933	(852,152)
Accounts payable	2,404	37,039	(15,000)	-	562,659	587,102
Accrued salaries	(967)	-	-	-	-	(967)
Workers' compensation reserve	(954,242)	-	-	-	-	(954,242)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 927,763</u>	<u>\$ 269,593</u>	<u>\$ (298,751)</u>	<u>\$ (855,085)</u>	<u>\$ (8,002,857)</u>	<u>\$ (7,959,337)</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)**

	2012 ^(a)	2013	2014 ^(b)	2015	2016	2017	2018 ^(c)	2019	2020	2021
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets	\$ 82,888,604	\$ 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
Restricted:										
Capital projects	24,257,688	14,308,575	4,397,245	-	-	-	-	-	-	-
Workers' compensation	8,067,407	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
Scholarships	402,060	402,125	402,166	402,165	402,165	405,208	398,165	354,152	313,334	246,540
Unrestricted	<u>86,220,059</u>	<u>129,720,546</u>	<u>(613,199,772)</u>	<u>(683,452,971)</u>	<u>(717,030,505)</u>	<u>(751,423,327)</u>	<u>(866,245,017)</u>	<u>(928,147,836)</u>	<u>(970,963,684)</u>	<u>(964,180,424)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>\$ 201,835,818</u>	<u>\$ 234,114,386</u>	<u>\$ (506,097,827)</u>	<u>\$ (563,835,839)</u>	<u>\$ (584,709,516)</u>	<u>\$ (609,942,602)</u>	<u>\$ (713,584,504)</u>	<u>\$ (775,718,201)</u>	<u>\$ (811,051,835)</u>	<u>\$ (810,861,859)</u>
BUSINESS-TYPE ACTIVITIES:										
Investment in capital assets	\$ 8,938,446	\$ 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
Unrestricted	<u>2,526,898</u>	<u>2,065,230</u>	<u>2,483,606</u>	<u>3,462,655</u>	<u>4,290,587</u>	<u>4,744,436</u>	<u>4,882,476</u>	<u>5,572,336</u>	<u>54,231</u>	<u>(4,575,678)</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>\$ 11,465,344</u>	<u>\$ 10,576,799</u>	<u>\$ 10,561,879</u>	<u>\$ 11,158,981</u>	<u>\$ 11,836,064</u>	<u>\$ 13,320,433</u>	<u>\$ 13,334,744</u>	<u>\$ 13,625,337</u>	<u>\$ 7,767,813</u>	<u>\$ 2,740,496</u>
PRIMARY GOVERNMENT:										
Net investment in capital assets	\$ 91,827,050	\$ 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
Restricted:										
Capital projects	24,257,688	14,308,575	4,397,245	-	-	-	-	-	-	-
Workers' compensation	8,067,407	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
Scholarships	402,060	402,125	402,166	402,165	402,165	405,208	398,165	354,152	313,334	246,540
Unrestricted	<u>88,746,957</u>	<u>131,785,776</u>	<u>(610,716,166)</u>	<u>(680,000,316)</u>	<u>(712,739,918)</u>	<u>(746,678,891)</u>	<u>(861,362,541)</u>	<u>(922,575,500)</u>	<u>(970,909,453)</u>	<u>(968,756,102)</u>
TOTAL PRIMARY GOVERNMENT NET POSITION	<u>\$ 213,301,162</u>	<u>\$ 244,691,185</u>	<u>\$ (495,535,948)</u>	<u>\$ (552,686,858)</u>	<u>\$ (572,873,452)</u>	<u>\$ (596,622,169)</u>	<u>\$ (700,249,760)</u>	<u>\$ (762,092,864)</u>	<u>\$ (803,284,022)</u>	<u>\$ (808,121,363)</u>

(a) 2012 has been amended to reflect GASB #65

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

(c) 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES:										
Governmental activities:										
Instruction	\$ 380,972,744	\$ 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
Instruction student support	70,870,488	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
Administrative and financial support services	34,942,606	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
Operation and maintenance of plant services	44,339,221	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
Student transportation services	40,395,225	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
Facilities	3,548,719	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
Student activities	4,863,727	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
Community services	488,147	453,191	53,681	256,939	595,541	471,385	323,665	609,284	651,342	261,392
Scholarships and awards	-	64,458	-	-	-	-	-	-	-	-
Interest on long-term debt	25,588,548	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
Total governmental activities	606,009,425	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
Business-type activities:										
Food service operations	15,786,992	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
Total business-type activities	15,786,992	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
Total primary government	621,796,417	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
PROGRAM REVENUES:										
Governmental activities:										
Charges for services — instruction	3,815,824	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
Operating grants and contributions	77,057,566	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
Total governmental activities program revenues	80,873,390	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
Business-type activities:										
Charges for services — food sales	2,131,414	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
Operating grants and contributions	13,183,351	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
Total business-type activities program revenues	15,314,765	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
Total primary government program revenues	96,188,155	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
NET (EXPENSE) REVENUE:										
Governmental activities	(525,136,035)	(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)
Business-type activities	(472,227)	(888,866)	(14,920)	597,102	475,840	194,385	(31,888)	209,451	(5,876,235)	(5,028,994)
TOTAL PRIMARY GOVERNMENT NET EXPENSE	\$ (525,608,262)	\$ (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)

(Continued)

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL REVENUES:										
Taxes:										
Real estate	\$ 173,301,574	\$ 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
Earned income	101,468,207	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
Others	378,740	354,304	350,243	329,639	329,770	311,479	319,477	297,626	330,413	339,174
Federal and state grants and subsidies	249,703,582	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
Investment income	4,036,901	599,483	771,590	1,070,711	1,036,203	2,144,835	3,939,521	4,631,029	1,529,302	569,933
Miscellaneous income	13,954,913	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
Transfers	(295,462)	(250)	-	-	(199,662)	(1,275,821)	-	-	-	-
Total government activities	<u>542,548,455</u>	<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>
BUSINESS-TYPE ACTIVITIES:										
Investment income	93	71	-	-	1,581	14,163	46,199	81,142	18,711	1,677
Transfers	295,462	250	-	-	199,662	1,275,821	-	-	-	-
Total business-type activities	<u>295,555</u>	<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>
Total primary government	<u>542,844,010</u>	<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>
CHANGE IN NET POSITION:										
Governmental activities	17,412,420	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
Business-type activities	(176,672)	(888,545)	(14,920)	597,102	677,083	1,484,369	14,311	290,593	(5,857,524)	(5,027,317)
TOTAL PRIMARY GOVERNMENT	<u>\$ 17,235,748</u>	<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>

(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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GENERAL FUND:										
Nonspendable	\$ 269,927	\$ 307,261	\$ 314,304	\$ 349,889	\$ 409,617	\$ 463,988	\$ 460,092	\$ 506,125	\$ 549,977	\$ 395,131
Committed	6,553,447	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
Assigned	10,471,624	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
Unassigned	71,663,229	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
Total general fund	88,958,227	113,737,429	129,213,110	133,232,030	133,602,221	131,912,200	114,930,107	91,178,412	91,701,905	83,303,071
CAPITAL PROJECTS:										
Restricted	20,855,031	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
Committed	-	850,538	1,870,946	2,995,565	3,882,349	3,427,265	1,275,836	880,173	876,311	-
Assigned	3,402,657	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
Total capital projects	24,257,688	14,308,575	12,401,051	21,496,499	16,684,616	14,448,911	13,467,640	14,474,526	19,227,610	31,606,933
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
Total special funds	-	-	-	-	6,733,949	6,063,624	4,463,009	5,374,374	3,484,314	675,633
OTHER GOVERNMENTAL FUNDS:										
Restricted	402,060	402,125	402,166	402,165	402,165	405,208	398,165	351,900	313,334	246,540
Assigned	113,023	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
Total other governmental funds	515,083	5,217,777	4,991,690	7,564,958	2,629,032	2,629,575	2,609,032	2,573,517	2,523,282	1,326,990
TOTAL ALL FUNDS	\$ 113,730,998	\$ 133,263,781	\$ 146,605,851	\$ 162,293,487	\$ 159,649,818	\$ 155,054,310	\$ 135,469,788	\$ 113,600,829	\$ 116,937,111	\$ 116,912,627

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)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES:										
Taxes	\$ 268,716,062	\$ 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
Local nontax revenue	24,914,237	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
Federal and state grants and subsidies	319,744,518	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
Investment earnings	563,967	599,483	730,103	999,250	974,411	2,064,048	3,745,938	4,409,892	1,477,669	565,529
Total revenues	613,938,784	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
EXPENDITURES:										
Instruction	349,729,619	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
Support service instruction	42,377,082	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
Administration and business	47,219,258	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
Pupil health	7,808,347	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
Operation and maintenance	44,503,401	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
Transportation	40,397,190	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
Operation of noninstructional services	5,249,755	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
Facilities — capital outlay	19,379,285	15,612,673	19,774,374	21,397,755	41,950,021	29,223,895	27,695,038	39,465,347	46,335,730	26,442,094
Facilities — noncapital outlay	(477,942)	(32,332)	(639,763)	1,300,750	(8,593,381)	(962,297)	(697,197)	1,273,752	(10,623,029)	1,343,627
Debt service principal and interest:										
Principal	36,762,657	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
Interest	21,242,131	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
Other charges	3,076,852	3,356,152	4,307,056	3,492,886	3,125,668	316,395	96,926	313,324	368,708	327,241
Total expenditures	617,267,635	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
EXCESS OF REVENUES OVER/ UNDER EXPENDITURES	(3,328,851)	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)
OTHER FINANCING SOURCES (USES):										
Issuance of general obligation bonds	5,000,000	-	9,995,000	21,215,000	20,590,000	24,000,000	23,880,000	33,595,000	33,955,000	35,780,000
Premium on refunding	71,130,000	-	3,222,496	3,175,970	-	889,093	-	-	-	-
Premium on general obligation bonds	9,944,668	-	378,833	1,164,174	1,226,239	1,626,539	1,917,715	13,060,210	7,523,902	2,980,884
Issuance of refunding bonds	-	-	36,740,000	25,750,000	-	8,710,000	-	36,765,000	15,925,000	-
Proceeds from note payable	-	-	-	-	-	-	-	-	-	10,705,000
Debt service (payments to refunded bond escrow agent)	(80,059,491)	-	(42,091,668)	(28,675,926)	-	(9,599,093)	-	(43,345,072)	(16,686,972)	-
Other capital leases	4,509,890	2,324,301	6,926,213	365,700	13,802,396	-	-	4,355,832	-	4,374,398
Sale of or compensation for capital assets	774,188	11,482,942	1,577,107	248,290	1,406,754	379,011	203,915	-	1,500	390,157
Transfers in	23,731,631	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
Transfers out	(28,027,093)	(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)
Total other financing sources	7,003,793	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
NET CHANGE IN FUND BALANCES	\$ 3,674,942	\$ 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)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.70 %	10.49 %	9.12 %	8.95 %	7.64 %	6.81 %	6.90 %	6.14 %	5.82 %	7.17 %

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
2012	\$ 165,594,664	\$ 7,706,910	\$ 101,468,207	\$ -	\$ 378,740	\$ 275,148,521
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

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 ^(a)	Earned Income Tax	Mercantile Tax ^(b)	Real Estate Transfer Tax	Public Utility Realty Tax	Total
2012	\$ 167,247,855	\$ 101,468,207	\$ -	\$ 7,706,910	\$ 378,740	\$ 276,801,712
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

(a) The decrease in 2013 reflects the new state property tax reduction allocation program.

(b) 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			
2012	\$ 7,399,525	\$ 15,054,547	\$ 22,454,072	\$ 8,742,618	\$ 13,711,454	\$ 16,042,401	0.855	13.92
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

(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)
2012	13.920	10.800	13.500	5.690	30.410	33.110
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	8.560	13.500	4.730	23.240	28.180

(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
2021 AND NINE YEARS AGO**

Taxpayer	2021			2012		
	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	2.01 %	\$ 276,789,000	2	2.02 %
Buncher Company	305,387,300	2	1.43	188,247,974	4	1.37
500 Grant St. Assoc/Mellon Bank	273,176,400	3	1.28	349,940,300	1	-
600 GS Prop LP	233,211,300	4	1.10	175,000,000	6	1.28
Holdings Acquisition Co LP	225,014,800	5	1.06	203,091,800	3	-
HRLP Fourth Avenue LLC	179,400,000	6	0.84	-	-	-
IX Liberty Center Owner LP	120,000,000	7	0.56	-	-	-
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	62,100,000	10	0.45
Market Assoc. Limited	-	-	-	185,000,000	5	1.35
Oxford Development	-	-	-	115,000,000	7	0.84
Grant Liberty Dev. Group	-	-	-	110,000,000	8	0.80
North Shore Developers	-	-	-	64,297,550	9	0.47
	<u>\$ 2,053,411,000</u>			<u>\$ 1,729,466,624</u>		
Total Taxable Assessed Value	<u>\$ 21,285,971,000</u>			<u>\$ 13,711,454,000</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
2012	\$ 12,217.6	\$ 170,069,937	\$ 159,318,698	93.68 %	\$ 7,012,352	\$ 166,331,050	97.80 %
2013	16,207.1	156,398,875	152,027,206	97.20	5,784,827	157,812,033	100.90
2014	16,211.6	159,522,560	152,331,919	95.49	5,920,412	158,252,331	99.20
2015	16,523.6	162,592,276	155,539,550	95.66	4,895,019	160,434,569	98.67
2016	17,077.2	168,039,758	161,384,672	96.04	5,089,295	166,473,967	99.07
2017	17,287.8	170,112,154	163,630,093	96.19	5,144,434	168,774,527	99.21
2018	17,796.4	175,116,697	168,447,786	96.19	4,482,718	172,930,504	98.75
2019	18,842.2	177,485,481	171,002,759	96.35	3,755,859	174,758,618	98.46
2020	22,904.1	184,607,200	174,867,046	94.72	4,165,634	179,032,680	96.98
2021	23,153.1	186,614,230	176,692,039	94.68	-	176,692,039	94.68

(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)	Capital Leases					
2012	\$ 426,748,532	\$ 6,557,544	\$ 433,306,076	2.66 %	\$ 1,401.80	\$ 1,380.59	0.23
2013	393,289,363	6,373,885	399,663,248	1.94	1,292.96	1,272.34	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	0.35
2019	317,571,973	8,382,506	325,954,479	1.46	1,054.50	1,027.39	0.34
2020	327,801,210	4,697,048	332,498,258	1.44	1,107.27	1,091.63	0.35
2021	331,900,805	6,079,680	337,980,485	1.46	1,014.03	994.19	0.36

(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
2012	\$ 36,762,657	\$ 21,242,131	\$ 58,004,788	\$ 617,267,635	9.40 %
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

Source: School District of Pittsburgh, Finance Division

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

DIRECT AND OVERLAPPING DEBT OF GOVERNMENTAL DEBT AS OF DECEMBER 31, 2021

Jurisdiction	Net Debt Outstanding	Percentage Applicable to District	Amount Applicable to District
DIRECT DEBT — School District of Pittsburgh:			
General obligation bonds	\$ 284,412,671	100 %	\$ 284,412,671
Notes	20,171,471	100	20,171,471
Premium and discount	27,316,663	100	27,316,663
Capital leases	6,079,680	100	6,079,680
Total direct debt	337,980,485		337,980,485
OVERLAPPING DEBT:			
Allegheny County ^(a)	\$ 985,452,000	25 %	\$ 246,363,000
City of Pittsburgh:			
City	480,134,000	100	480,134,000
Parking Authority	44,522,000	100	44,522,000
Total overlapping debt	1,510,108,000		771,019,000
TOTAL DEBT AND OVERLAPPING DEBT	\$ 1,848,088,485		\$ 1,108,999,485

(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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 1,155,188,600	\$ 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	\$ 1,374,097,963
Total net debt applicable to limit	<u>424,534,720</u>	<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>
Legal debt margin	<u>\$ 730,653,880</u>	<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>\$ 1,036,117,478</u>
Total net debt applicable to the limit as a percentage to debt limit	<u>36.75 %</u>	<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>24.60 %</u>

Legal Debt Margin Calculation for Fiscal Year 2021

	2018	2019	2020	Total
Total general funds	\$ 603,011,597	\$ 615,446,514	\$ 619,054,471	\$ 1,837,512,582
Less required deduction rental and sinking fund reimbursement	<u>(2,093,766)</u>	<u>(2,107,162)</u>	<u>(1,181,037)</u>	<u>(5,381,965)</u>
Total net general fund revenues	<u>\$ 600,917,831</u>	<u>\$ 613,339,352</u>	<u>\$ 617,873,434</u>	<u>\$ 1,832,130,617</u>
Average of three years				<u>\$ 610,710,206</u>
Multiply by 225% ^(a)				<u>225 %</u>
Debt limit				\$ 1,374,097,963
Less total net debt applicable to limit				<u>(337,980,485)</u>
Legal debt margin				<u>\$ 1,036,117,478</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)
2012	309,107	\$ 100,655,536	\$ 42,688	33.2	26,463	6.70 %
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

Sources:

(a) U.S. Census Bureau (Year 2020 is based on results of 2020 Census; Years 2012-2019 are based on results of 2010 Census)

(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 2021 AND NINE YEARS AGO

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment ^(a)	Employees	Rank	Percentage of Total City Employment ^(a)
University of Pittsburgh Medical Center	53,375	1	20.91 %	42,900	1	13.94 %
Highmark Health	20,295	2	7.95	5,100	10	1.66
US Government	18,564	3	7.27	19,416	2	6.31
Commonwealth of Pennsylvania	12,055	4	4.72	13,600	3	4.42
PNC Financial Services Group, Inc.	12,000	6	4.70	-	-	-
University of Pittsburgh	13,451	5	5.27	12,448	4	4.04
Giant Eagle Inc.	10,569	7	4.14	11,119	5	3.61
Wal-Mart Stores	9,000	8	3.53	-	-	-
Allegheny County	6,880	9	2.69	6,817	8	2.22
BNY Mellon	7,000	10	2.74	7,600	7	2.47
West Penn Allegheny Health System	-	-	-	10,117	6	3.29
Westinghouse Electric	-	-	-	5,600	9	1.82

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

Sources:

Pittsburgh Business Times

City of Pittsburgh Annual Comprehensive Financial Report

SCHOOL DISTRICT OF PITTSBURGH, PENNSYLVANIA

**STUDENT MEMBERSHIP
LAST TEN YEARS**

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Elementary school ^(a)	11,906	11,815	11,562	11,485	11,243	12,097	11,794	10,013	9,264	8,537
Middle school	5,466	5,439	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284
Secondary school	6,912	6,652	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614
Special education	565	619	581	513	561	479	705	642	728	724
Pre-K/Head Start	1,614	1,381	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191
Total	26,463	25,906	25,504	25,003	24,652	23,711	23,152	22,859	21,603	20,350

(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 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021
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	9	10	10	10	10	10	10	10	10
Special	3	3	3	3	3	3	3	3	3	3
Total public schools	53	53	54	54	54	54	54	54	54	54
Number of charter schools ^(a)	26	26	32	33	34	36	37	37	37	38
Total number of schools	79	79	86	87	88	90	91	91	91	92
School enrollment:										
Elementary	11,906	11,815	11,562	11,485	11,243	12,097	11,794	10,013	9,264	8,537
Junior/middle	5,466	5,439	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284
Senior/special/vocational	6,912	6,652	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614
Special	565	619	581	513	561	479	705	642	728	724
Pre-K	1,614	1,381	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191
Total public schools	26,463	25,906	25,504	25,003	24,652	23,711	23,152	22,859	21,603	20,350
Charter schools	3,306	3,498	3,737	3,840	3,957	4,080	4,241	4,398	4,705	5,069
Total school enrollment	29,769	29,404	29,241	28,843	28,609	27,791	27,393	27,257	26,308	25,419
Number of graduates:										
Public high school	1,588	1,571	1,511	1,336	1,525	1,446	1,344	1,478	1,415	1,338
High school/charter graduates ^(b)	310	348	407	307	331	274	248	224	225	185
Total number of high school graduates	1,898	1,919	1,918	1,643	1,856	1,720	1,592	1,702	1,640	1,523

(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)
2012	\$ 544,871,394	26,463	\$ 20,590	(2.77)%	\$ 621,796,417	\$ 23,497	0.52 %	1,901	14	92.20 %
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

(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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Administration:										
Officials, administrators, and managers	101	102	113	119	119	130	141	139	126	98
Legal services	2	1	1	1	1	1	-	-	-	-
Clerical and other nonprofessionals	562	549	516	530	534	552	562	570	554	768
Total administration	665	652	630	650	654	683	703	709	680	866
Instruction:										
Principals	62	66	62	65	63	58	59	58	59	60
Supervisors and assistant principals	23	19	29	29	29	41	44	51	46	41
Teachers	1,896	1,942	1,929	1,962	1,992	2,048	2,062	2,078	2,070	1,971
Librarians	24	20	23	22	20	29	31	31	30	32
Professionals and support staff	423	413	385	375	392	380	368	367	366	213
Total instruction	2,428	2,460	2,428	2,453	2,496	2,556	2,564	2,585	2,571	2,317
Pupil affairs:										
Directors and coordinators	-	-	-	-	-	-	-	-	-	-
Attendance personnel	38	40	40	43	39	42	39	44	43	51
Guidance and psychological personnel	121	121	113	112	132	136	136	136	138	154
Total pupil affairs	159	161	153	155	171	178	175	180	181	205
Health services:										
Nurses and health workers	39	41	41	42	42	62	66	64	62	63
Dentist and hygienists	3	3	3	3	3	2	3	3	3	3
Total health services	42	44	44	45	45	64	69	67	65	66
Operation and maintenance:										
Supervisors	11	11	11	10	11	11	11	10	11	14
Operation and maintenance	338	329	330	333	347	335	346	336	331	333
Total operation and maintenance	349	340	341	343	358	346	357	346	342	347
Food service:										
Director	1	1	1	1	1	1	1	1	1	1
Salaried employees	126	116	101	110	114	114	114	114	114	153
Total food service	127	117	102	111	115	115	115	115	115	154
Total	3,770	3,774	3,698	3,757	3,839	3,942	3,983	4,002	3,954	3,955

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)
2012	\$ 38,620	\$ 62,260	\$ 85,900
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

(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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	11,906	11,815	11,562	11,485	11,243	12,097	11,194	10,013	9,264	8,537
Functional capacity ^(a)	20,185	20,185	20,713	20,713	20,713	20,713	20,713	20,713	20,713	20,354
Percentage of capacity used	59 %	59 %	59 %	55 %	54 %	58 %	54 %	48 %	45 %	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	5,466	5,439	5,224	5,066	4,944	2,027	1,947	4,760	4,706	4,284
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	137 %	136 %	131 %	127 %	124 %	51 %	49 %	119 %	118 %	107 %
Secondary:										
Total schools	9	10	11	11	10	10	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	6,912	6,652	6,736	6,575	6,538	7,759	7,380	5,860	5,740	5,614
Functional capacity ^(a)	11,536	11,536	12,227	12,659	12,659	12,659	12,659	12,659	12,659	11,536
Percentage of capacity used	60 %	58 %	55 %	52 %	52 %	61 %	58 %	46 %	45 %	49 %
Special:										
Total schools	3	3	5	5	5	4	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	565	619	581	513	561	479	705	642	728	724
Functional capacity ^(a)	746	746	746	1,224	1,224	1,224	1,224	1,224	1,224	1,622
Percentage of capacity used	76 %	83 %	78 %	42 %	46 %	39 %	58 %	52 %	59 %	45 %
Pre-K and head start:										
Enrollment	1,614	1,381	1,401	1,364	1,366	1,349	1,326	1,584	1,165	1,191
Functional capacity ^(a)	914	914	914	914	914	914	914	914	914	1,038
Percentage of capacity used	177 %	151 %	153 %	149 %	149 %	148 %	145 %	173 %	127 %	115 %
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	56	57	60	60	59	58	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	26,463	25,906	25,504	25,003	24,652	23,711	22,552	22,859	21,603	20,350
Functional capacity ^(a)	37,373	37,373	38,052	39,502	39,502	39,502	39,502	39,502	39,502	38,542
Percentage of capacity used	71 %	69 %	67 %	63 %	62 %	60 %	57 %	58 %	55 %	53 %

(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, 2021

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Refunding Series A of 2014	7/10/2014	10,070,000	8,350,000	\$1,190,000 in 2022 \$2,350,000 in 2023 \$2,105,000 in 2024 \$2,705,000 in 2025	5.00% 5.00% 5.00% 5.00%	417,500	1,190,000
General Obligation Bonds Refunding Series B of 2014	7/10/2014	26,670,000	14,220,000	\$3,355,000 in 2022 \$3,520,000 in 2023 \$3,620,000 in 2024 \$3,725,000 in 2025	5.00% 2.75% 3.00% 3.00%	484,900	3,355,000
General Obligation Bonds Series C of 2014	11/6/2014	9,995,000	7,245,000	\$450,000 in 2022 \$475,000 in 2023 \$490,000 in 2024 \$505,000 in 2025 \$520,000 in 2026 \$535,000 in 2027 \$550,000 in 2028 \$570,000 in 2029 \$585,000 in 2030 \$610,000 in 2031 \$630,000 in 2032 \$650,000 in 2033 \$675,000 in 2034	5.00% 3.00% 3.00% 3.00% 3.00% 3.15% 3.20% 3.30% 3.45% 3.60% 3.60% 3.60% 3.60%	247,985	450,000
General Obligation Bonds Refunding Series A of 2015	3/10/2015	25,750,000	17,480,000	\$2,320,000 in 2022 \$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% 5.00% 4.00% 4.00% 3.00%	759,550	2,320,000

(continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series B of 2015	12/9/2015	21,215,000	16,935,000	\$935,000 in 2022	5.00%	592,237	935,000
				\$985,000 in 2023	5.00%		
				\$1,030,000 in 2024	5.00%		
				\$1,085,000 in 2025	4.00%		
				\$1,125,000 in 2026	2.60%		
				\$1,155,000 in 2027	3.00%		
				\$1,190,000 in 2028	3.00%		
				\$1,225,000 in 2029	3.00%		
				\$1,265,000 in 2030	3.10%		
				\$1,300,000 in 2031	3.15%		
				\$1,345,000 in 2032	3.20%		
				\$1,385,000 in 2033	3.25%		
				\$1,430,000 in 2034	3.30%		
				\$1,480,000 in 2035	3.35%		
				General Obligation Bonds Series B of 2016	12/28/2016		
\$890,000 in 2023	5.00%						
\$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	5,440,000	\$2,710,000 in 2022	4.00%	217,600	2,710,000
				\$2,730,000 in 2023	4.00%		

(continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2017	11/14/2017	24,000,000	21,865,000	\$985,000 in 2022	5.00%	796,937	985,000
				\$1,035,000 in 2023	5.00%		
				\$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%		
				General Obligation Bonds Series of 2018	10/25/2018		
\$945,000 in 2023	5.00%						
\$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%						

(continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2019 Refunding	3/14/2019	36,765,000	34,205,000	\$3,340,000 in 2022	5.20%	1,710,250	3,340,000
				\$3,575,000 in 2023	5.20%		
				\$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%		
				General Obligation Bonds Series of 2019	9/26/2019		
\$1,255,000 in 2023	5.00%						
\$1,315,000 in 2024	5.00%						
\$1,385,000 in 2025	5.00%						
\$1,450,000 in 2026	5.00%						
\$1,525,000 in 2027	5.00%						
\$1,600,000 in 2028	5.00%						
\$1,680,000 in 2029	5.00%						
\$1,765,000 in 2030	5.00%						
\$1,850,000 in 2031	5.00%						
\$1,945,000 in 2032	5.00%						
\$2,040,000 in 2033	4.00%						
\$2,125,000 in 2034	4.00%						
\$2,210,000 in 2035	4.00%						
\$2,295,000 in 2036	4.00%						
\$2,390,000 in 2037	4.00%						
\$2,485,000 in 2038	4.00%						
\$2,585,000 in 2039	4.00%						

(continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2020 Refunding	7/22/2020	15,925,000	7,350,000	\$4,340,000 in 2022 \$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	4.00% 5.00% 5.00% 5.00% 5.00% 5.00% 3.00% 3.00% 3.00%	298,900	4,340,000
General Obligation Bonds Series of 2020	10/28/2020	33,955,000	33,955,000	\$410,000 in 2022 \$1,220,000 in 2023 \$1,285,000 in 2024 \$1,350,000 in 2025 \$1,415,000 in 2026 \$1,485,000 in 2027 \$1,560,000 in 2028 \$1,640,000 in 2029 \$1,720,000 in 2030 \$1,805,000 in 2031 \$1,895,000 in 2032 \$1,970,000 in 2033 \$2,050,000 in 2034 \$2,135,000 in 2035 \$2,220,000 in 2036 \$2,305,000 in 2037 \$2,400,000 in 2038 \$2,495,000 in 2039 \$2,595,000 in 2040	5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 5.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00% 4.00%	1,497,100	410,000

(continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds Series of 2021	11/1/2021	35,780,000	35,780,000	\$0 in 2022	4.00%	808,765	-
				\$5,000 in 2023	4.00%		
				\$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%		
Total General Obligation Bonds Payable			<u>\$ 276,345,000</u>			<u>\$ 11,111,774</u>	<u>\$ 22,970,000</u>

(continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
Taxable General Obligation Bonds							
Qualified Zone Academy Bonds, Series of 2006	11/21/2006	5,608,000	387,671	\$387,671 in 2022	1.38%	5,350	387,671
Qualified School Construction Bonds, Series D of 2010	12/7/2010	19,520,000	7,680,000	\$960,000 in 2022 \$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>\$ 8,067,671</u>			<u>\$ 1,232,870</u>	<u>\$ 1,347,671</u> (continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest Remaining	2022 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Notes							
Qualified School Construction Bonds, Series A of 2010 (SPSBA)	12/14/2010	9,578,000	3,849,176	\$549,882 in 2022 \$549,882 in 2023 \$549,882 in 2024 \$549,882 in 2025 \$549,882 in 2026 \$549,882 in 2027 \$549,882 in 2028	6.50% 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	5,617,295	\$802,471 in 2022 \$802,471 in 2023 \$802,471 in 2024 \$802,471 in 2025 \$802,471 in 2026 \$802,471 in 2027 \$802,471 in 2028	6.50% 6.50% 6.50% 6.50% 6.50% 6.50% 6.50%	907,481	802,471
General Obligation Note Series of 2021	4/28/2021	10,705,000	10,705,000	\$3,995,000 in 2022 \$3,390,000 in 2023 \$3,320,000 in 2024	0.69% 0.69% 0.69%	73,865	3,995,000
Total General Obligation Notes			<u>\$ 20,171,471</u>			<u>\$ 1,603,438</u>	<u>\$ 5,347,353</u>
Total General Obligation Bonds Payable			\$ 276,345,000			\$ 11,111,774	\$ 22,970,000
Total Taxable General Obligation Bonds			\$ 8,067,671			\$ 1,232,870	\$ 1,347,671
Total General Obligation Notes			\$ 20,171,471			\$ 1,603,438	\$ 5,347,353
Total Outstanding			<u>\$ 304,584,142</u>			<u>\$ 13,948,082</u>	<u>\$ 29,665,024</u>

(concluded)



341 South Bellefield Avenue
Pittsburgh, PA 15213
www.pps.k12.pa.us