

PITTSBURG UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2024



PITTSBURG UNIFIED SCHOOL DISTRICT
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JUNE 30, 2024

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FINANCIAL SECTION

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTSIndependent Auditors' Report

Governing Board
Pittsburg Unified School District
Pittsburg, California

Report on the Audit of the Financial Statements***Opinions***

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis, budgetary comparison information, schedule of changes in net OPEB liability and related ratios, schedule of district contributions for OPEB, schedule of investment returns for OPEB, schedules of proportionate share of net pension liability, and schedules of district contributions for pensions 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 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 Pittsburg Unified School District's basic financial statements. The supplementary information listed in the table of contents, including the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2024 on our consideration of the Pittsburg Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Pittsburg Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pittsburg Unified School District's internal control over financial reporting and compliance.

Christy White, Inc.

San Diego, California
December 12, 2024

PITTSBURG UNIFIED SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

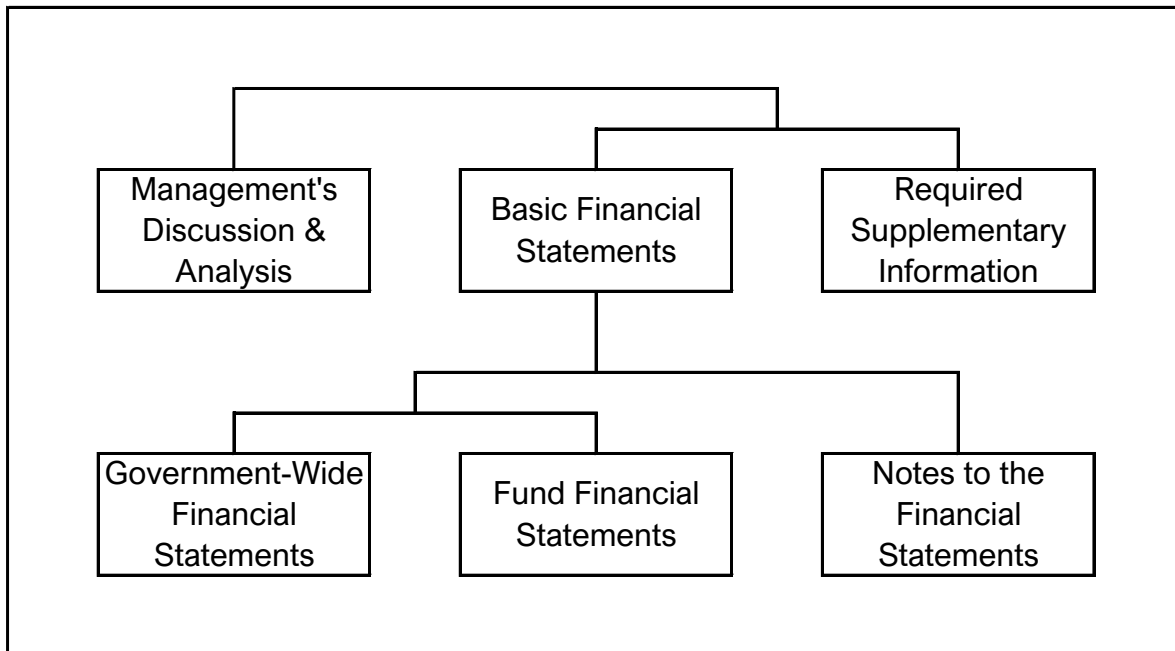
Our discussion and analysis of Pittsburg Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

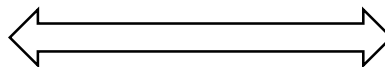
- The District's net position was \$9,514,275 at June 30, 2024. This was an increase of \$7,943,084 from the prior year.
- Overall revenues were \$263,238,216 which exceeded expenses of \$255,295,132.

OVERVIEW OF FINANCIAL STATEMENTS

Components of the Financial Section



Summary



Detail

**PITTSBURG UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Components of the Financial Section (continued)

This annual report consists of three parts – Management’s Discussion and Analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives:

- ▶ **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the entity’s overall financial position.

- ▶ **Fund financial statements** focus on reporting the individual parts of District operations in more detail. The fund financial statements comprise the remaining statements.
 - ▶ **Governmental Funds** provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs.

 - ▶ **Fiduciary Funds** report resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide statements because the resources of the fund are not available to support the District’s own programs.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The basic financial statements are followed by a section of required and other supplementary information that further explain and support the financial statements.

Government-Wide Statements

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

The two government-wide statements report the District’s net position and how it has changed. Net position is one way to measure the District’s financial health or position. Over time, increases or decreases in the District’s net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The government-wide financial statements of the District include governmental activities. All of the District’s basic services are included here, such as regular education, food service, maintenance and general administration. Local control formula funding and federal and state grants finance most of these activities.

**PITTSBURG UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE

Net Position

The District's net position was \$9,514,275 at June 30, 2024, as reflected in the table below. Of this amount, \$(118,098,088) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Governing Board's ability to use that net position for day-to-day operations.

	Governmental Activities		
	2024	2023	Net Change
ASSETS			
Current and other assets	\$ 239,260,980	\$ 250,446,640	\$ (11,185,660)
Capital assets	351,372,116	356,069,777	(4,697,661)
Total Assets	590,633,096	606,516,417	(15,883,321)
DEFERRED OUTFLOWS OF RESOURCES	69,302,104	64,229,682	5,072,422
LIABILITIES			
Current liabilities	24,403,075	48,222,614	(23,819,539)
Long-term liabilities	605,251,196	591,519,628	13,731,568
Total Liabilities	629,654,271	639,742,242	(10,087,971)
DEFERRED INFLOWS OF RESOURCES	20,766,654	29,432,666	(8,666,012)
NET POSITION			
Net investment in capital assets	14,973,191	15,843,870	(870,679)
Restricted	112,639,172	103,390,027	9,249,145
Unrestricted	(118,098,088)	(117,662,706)	(435,382)
Total Net Position	\$ 9,514,275	\$ 1,571,191	\$ 7,943,084

**PITTSBURG UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities. The following table takes the information from the Statement and rearranges it slightly, so that you can see the total revenues and expenses for the year.

	Governmental Activities		
	2024	2023	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 1,161,541	\$ 688,600	\$ 472,941
Operating grants and contributions	63,850,719	72,811,394	(8,960,675)
Capital grants and contributions	2,548,487	9,062,768	(6,514,281)
General revenues			
Property taxes	53,828,431	55,331,806	(1,503,375)
Unrestricted federal and state aid	133,631,625	125,105,111	8,526,514
Other	8,217,413	3,464,565	4,752,848
Total Revenues	263,238,216	266,464,244	(3,226,028)
EXPENSES			
Instruction	120,763,924	96,904,736	23,859,188
Instruction-related services	28,717,309	25,000,602	3,716,707
Pupil services	24,999,500	24,446,281	553,219
General administration	10,965,524	9,142,516	1,823,008
Plant services	30,368,260	21,754,635	8,613,625
Ancillary and community services	2,724,085	2,731,153	(7,068)
Debt service	14,200,061	11,621,241	2,578,820
Other outgo	2,508,653	3,172,480	(663,827)
Depreciation	20,047,816	19,194,642	853,174
Total Expenses	255,295,132	213,968,286	41,326,846
Change in net position	7,943,084	52,495,958	(44,552,874)
Net Position - Beginning	1,571,191	(50,924,767)	52,495,958
Net Position - Ending	\$ 9,514,275	\$ 1,571,191	\$ 7,943,084

**PITTSBURG UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF THE ENTITY AS A WHOLE (continued)

Changes in Net Position (continued)

In the table below, we have presented the net cost of each of the District’s functions. Net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

	Net Cost of Services	
	2024	2023
Instruction	\$ 85,309,141	\$ 44,144,657
Instruction-related services	17,431,885	12,977,789
Pupil services	10,740,901	11,941,846
General administration	9,259,452	8,114,806
Plant services	27,132,234	19,381,477
Ancillary and community services	1,845,462	1,907,343
Debt service	14,200,061	11,621,241
Transfers to other agencies	1,767,433	2,121,723
Depreciation	20,047,816	19,194,642
Total	\$ 187,734,385	\$ 131,405,524

FINANCIAL ANALYSIS OF THE DISTRICT’S MAJOR FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$230,544,887, which is more than last year’s ending fund balance of \$219,911,091. The District’s General Fund had \$16,088,254 more in operating revenues than expenditures for the year ended June 30, 2024. The District’s Building Fund had \$8,066,933 less in operating revenues than expenditures for the year ended June 30, 2024. The District’s Capital Facilities Fund had \$1,821,111 more in operating revenues than expenditures for the year ended June 30, 2024. The District’s Bond Interest and Redemption Fund had \$2,237,563 less in operating revenues than expenditures for the year ended June 30, 2024.

CURRENT YEAR BUDGET 2023-2024

During the fiscal year, budget revisions and appropriation transfers are presented to the Board for their approval on a periodic basis to reflect changes to both revenues and expenditures that become known during the year. In addition, the Board of Education approves financial projections included with the Adopted Budget, First Interim, and Second Interim financial reports. The Unaudited Actuals reflect the District’s financial projections and current budget based on State and local financial information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

CAPITAL ASSETS AND LONG-TERM LIABILITIES

Capital Assets

By the end of 2023-2024, the District had invested \$351,372,116 in capital assets, net of accumulated depreciation.

	Governmental Activities		
	2024	2023	Net Change
CAPITAL ASSETS			
Land	\$ 1,473,363	\$ 1,473,363	\$ -
Construction in progress	13,982,937	7,207,797	6,775,140
Land improvements	33,366,999	28,192,305	5,174,694
Buildings & improvements	530,502,010	528,054,455	2,447,555
Furniture & equipment	11,630,014	11,814,481	(184,467)
Less: Accumulated depreciation	(239,583,207)	(220,672,624)	(18,910,583)
Total	\$ 351,372,116	\$ 356,069,777	\$ (4,697,661)

Long-Term Liabilities

At year-end, the District had \$605,251,196 in long-term liabilities, an increase of 2% from the prior year – as shown below. More detailed information about the District’s long-term liabilities is presented in footnotes to the financial statements.

	Governmental Activities		
	2024	2023	Net Change
LONG-TERM LIABILITIES			
Total general obligation bonds	\$ 395,422,442	\$ 405,196,396	\$ (9,773,954)
Total certificates of participation	14,909,633	16,430,054	(1,520,421)
Energy loan	788,848	901,540	(112,692)
BBVA Compass loan	655,000	1,272,000	(617,000)
Compensated absences	1,275,623	1,052,764	222,859
Net OPEB liability	55,798,316	51,264,852	4,533,464
Net pension liability	145,294,120	127,610,542	17,683,578
Less: current portion of long-term liabilities	(8,892,786)	(12,208,520)	3,315,734
Total	\$ 605,251,196	\$ 591,519,628	\$ 13,731,568

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Several economic factors could impact California school district funding and the District’s budget in the next fiscal year:

Long-term Declining Enrollment: Lower birth rates and increased migration out of state have resulted in long-term declining enrollment across California schools. Enrollment can fluctuate due to factors such as population growth, competition from private and parochial schools, inter-district transfers in or out, economic conditions, and housing values. Losses in enrollment will cause a school district to lose operating revenues without necessarily permitting the district to adjust fixed operating costs.

**PITTSBURG UNIFIED SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (continued)

Revenue Uncertainties: Proposition 98 guarantees have improved over the 2023-24 fiscal year, but the prior 2022-23 revenues fell short of estimates, reducing the guarantee and resulting in the use of Proposition 98 reserves. California faced a significant budget deficit due to a severe revenue decline in 2022-23, driven mainly by lower income tax collections and economic downturns. However, recent tax forecasts show that actual revenues surpass projections. Surpluses could help fund more Proposition 98 revenue for school districts.

Underfunded Pension Liabilities: The District participates in state employee pension plans, California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) and both are underfunded. The District's proportionate share of the liability is reported in the Statement of Net Position as of June 30, 2024. The amount of the liability is material to the District's financial position. The CalSTRS projected employer contribution rate for 2024-25 is 19.10 percent. The CalPERS projected employer contribution rate for 2024-25 is 27.05 percent. The projected increased pension costs to school employers remain a significant fiscal factor.

Economic Downturn: Higher borrowing costs and reduced investment have slowed economic activity, particularly affecting sectors like technology and startups, which are crucial to California's economy. The unemployment rate is up but might reverse with future jobs in the technology and aerospace industries.

Federal Reserve Actions: The Federal Reserve's interest rate hikes have increased borrowing costs, reducing investment and economic growth.

Stock Market Performance: The steep decline in the stock market in prior years has negatively impacted income tax collections from high-income Californians and corporations. Overall, market performance in 2024 is trending in a positive direction.

These factors contribute to a challenging fiscal environment, potentially affecting the state's ability to maintain or increase funding for school districts. All these factors were considered in preparing the District's 2024-25 fiscal year budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the District's Business Office, Pittsburg Unified School District, 2000 Railroad Avenue, Pittsburg, California 94565.

PITTSBURG UNIFIED SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and investments	\$ 227,646,514
Accounts receivable	11,506,411
Inventory	108,055
Capital assets, not depreciated	15,456,300
Capital assets, net of accumulated depreciation	335,915,816
Total Assets	590,633,096
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	57,698,444
Deferred outflows related to OPEB	6,324,519
Deferred amount on refunding	5,279,141
Total Deferred Outflows of Resources	69,302,104
LIABILITIES	
Accrued liabilities	14,105,522
Unearned revenue	1,404,767
Long-term liabilities, current portion	8,892,786
Long-term liabilities, non-current portion	605,251,196
Total Liabilities	629,654,271
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	9,063,731
Deferred inflows related to OPEB	11,702,923
Total Deferred Inflows of Resources	20,766,654
NET POSITION	
Net investment in capital assets	14,973,191
Restricted:	
Capital projects	34,765,531
Debt service	18,103,581
Educational programs	57,677,186
Food service	1,551,683
Associated student body	541,191
Unrestricted	(118,098,088)
Total Net Position	\$ 9,514,275

The accompanying notes are an integral part of these financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Function/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
Instruction	\$ 120,763,924	\$ 899,062	\$ 32,007,234	\$ 2,548,487	\$ (85,309,141)
Instruction-related services					
Instructional supervision and administration	10,785,841	31,655	8,059,694	-	(2,694,492)
Instructional library, media, and technology	1,722,778	113	691,583	-	(1,031,082)
School site administration	16,208,690	12,379	2,490,000	-	(13,706,311)
Pupil services					
Home-to-school transportation	199,971	16,284	593,376	-	409,689
Food services	8,906,932	66,179	8,706,013	-	(134,740)
All other pupil services	15,892,597	82,422	4,794,325	-	(11,015,850)
General administration					
Centralized data processing	4,766,040	5,006	817,013	-	(3,944,021)
All other general administration	6,199,484	914	883,139	-	(5,315,431)
Plant services	30,368,260	1,276	3,234,750	-	(27,132,234)
Ancillary services	2,551,750	-	878,154	-	(1,673,596)
Community services	172,335	-	469	-	(171,866)
Interest on long-term debt	14,200,061	-	-	-	(14,200,061)
Other outgo	2,508,653	46,251	694,969	-	(1,767,433)
Depreciation (unallocated)	20,047,816	-	-	-	(20,047,816)
Total Governmental Activities	\$ 255,295,132	\$ 1,161,541	\$ 63,850,719	\$ 2,548,487	(187,734,385)
General revenues					
Taxes and subventions					
Property taxes, levied for general purposes					27,579,829
Property taxes, levied for debt service					18,706,313
Property taxes, levied for other specific purposes					7,542,289
Federal and state aid not restricted for specific purposes					133,631,625
Interest and investment earnings					7,058,604
Interagency revenues					110,410
Miscellaneous					1,048,399
Subtotal, General Revenue					195,677,469
CHANGE IN NET POSITION					7,943,084
Net Position - Beginning					1,571,191
Net Position - Ending					\$ 9,514,275

The accompanying notes are an integral part of these financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2024**

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 92,500,818	\$ 69,591,907	\$ 26,299,164	\$ 24,897,777	\$ 14,356,848	\$ 227,646,514
Accounts receivable	9,802,618	-	-	-	1,703,793	11,506,411
Stores inventory	-	-	-	-	108,055	108,055
Total Assets	\$ 102,303,436	\$ 69,591,907	\$ 26,299,164	\$ 24,897,777	\$ 16,168,696	\$ 239,260,980
LIABILITIES						
Accrued liabilities	\$ 5,759,175	\$ 734,737	\$ 8,347	\$ -	\$ 809,067	\$ 7,311,326
Unearned revenue	580,649	-	-	-	824,118	1,404,767
Total Liabilities	6,339,824	734,737	8,347	-	1,633,185	8,716,093
FUND BALANCES						
Nonspendable	25,000	-	-	-	113,055	138,055
Restricted	55,332,891	68,857,170	26,290,817	24,897,777	12,911,883	188,290,538
Committed	7,637,862	-	-	-	1,510,573	9,148,435
Assigned	6,583,283	-	-	-	-	6,583,283
Unassigned	26,384,576	-	-	-	-	26,384,576
Total Fund Balances	95,963,612	68,857,170	26,290,817	24,897,777	14,535,511	230,544,887
Total Liabilities and Fund Balances	\$ 102,303,436	\$ 69,591,907	\$ 26,299,164	\$ 24,897,777	\$ 16,168,696	\$ 239,260,980

The accompanying notes are an integral part of these financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION
JUNE 30, 2024**

Total Fund Balance - Governmental Funds \$ 230,544,887

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	\$ 590,955,323	
Accumulated depreciation	<u>(239,583,207)</u>	351,372,116

Deferred amount on refunding:

In governmental funds, the net effect of refunding bonds is recognized when debt is issued, whereas this amount is deferred and amortized in the government-wide financial statements:

5,279,141

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(6,794,196)

Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Total general obligation bonds	\$ 395,422,442	
Total certificates of participation	14,909,633	
Energy loan	788,848	
BBVA Compass loan	655,000	
Compensated absences	1,275,623	
Net OPEB liability	55,798,316	
Net pension liability	<u>145,294,120</u>	(614,143,982)

Deferred outflows and inflows of resources relating to pensions:

In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows of resources related to pensions	\$ 57,698,444	
Deferred inflows of resources related to pensions	<u>(9,063,731)</u>	48,634,713

Deferred outflows and inflows of resources relating to OPEB:

In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.

Deferred outflows of resources related to OPEB	\$ 6,324,519	
Deferred inflows of resources related to OPEB	<u>(11,702,923)</u>	(5,378,404)

Total Net Position - Governmental Activities \$ 9,514,275

**PITTSBURG UNIFIED SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES						
LCFF sources	\$ 156,450,441	\$ -	\$ -	\$ -	\$ 355,221	\$ 156,805,662
Federal sources	19,407,089	-	-	-	5,820,429	25,227,518
Other state sources	31,669,043	-	-	33,266	12,120,930	43,823,239
Other local sources	14,392,606	3,276,444	6,585,836	19,545,344	1,524,043	45,324,273
Total Revenues	221,919,179	3,276,444	6,585,836	19,578,610	19,820,623	271,180,692
EXPENDITURES						
Current						
Instruction	120,307,490	-	-	-	4,051,751	124,359,241
Instruction-related services						
Instructional supervision and administration	10,543,339	-	-	-	-	10,543,339
Instructional library, media, and technology	1,599,425	-	-	-	-	1,599,425
School site administration	14,375,411	-	-	-	1,296,750	15,672,161
Pupil services						
Home-to-school transportation	4,553,545	-	-	-	-	4,553,545
Food services	201,536	-	-	-	8,327,763	8,529,299
All other pupil services	15,396,793	-	-	-	200,872	15,597,665
General administration						
Centralized data processing	4,637,664	-	-	-	-	4,637,664
All other general administration	5,116,770	-	44,793	-	246,214	5,407,777
Plant services	21,772,789	1,727	-	-	1,002,637	22,777,153
Facilities acquisition and construction	2,997,390	11,341,650	1,942,233	-	816,789	17,098,062
Ancillary services	1,656,181	-	-	-	848,920	2,505,101
Community services	167,939	-	-	-	-	167,939
Transfers to other agencies	2,508,653	-	-	-	-	2,508,653
Debt service						
Principal	-	-	2,159,692	8,810,272	-	10,969,964
Interest and other	-	-	618,007	13,005,901	-	13,623,908
Total Expenditures	205,830,925	11,343,377	4,764,725	21,816,173	16,791,696	260,546,896
Excess (Deficiency) of Revenues Over Expenditures	16,088,254	(8,066,933)	1,821,111	(2,237,563)	3,028,927	10,633,796
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	2,227,804	2,227,804
Transfers out	-	-	-	-	(2,227,804)	(2,227,804)
Net Financing Sources (Uses)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	16,088,254	(8,066,933)	1,821,111	(2,237,563)	3,028,927	10,633,796
Fund Balance - Beginning	79,875,358	76,924,103	24,469,706	27,135,340	11,506,584	219,911,091
Fund Balance - Ending	\$ 95,963,612	\$ 68,857,170	\$ 26,290,817	\$ 24,897,777	\$ 14,535,511	\$ 230,544,887

The accompanying notes are an integral part of these financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024**

Net Change in Fund Balances - Governmental Funds \$ 10,633,796

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

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	\$ 15,836,229	
Depreciation expense:	(20,047,816)	(4,211,587)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

10,969,964

Deferred amounts on refunding:

In governmental funds, deferred amounts on refunding are recognized in the period they are incurred. In the government-wide statements, the deferred amounts on refunding are amortized over the life of the debt. The net effect of the deferred amounts on refunding during the period was:

(314,605)

Gain or loss from the disposal of capital assets:

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(486,074)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

(1,315,651)

Accreted interest on long-term debt:

In governmental funds, accreted interest on capital appreciation bonds is not recorded as an expenditure from current sources. In the government-wide statement of activities, however, this is recorded as interest expense for the period.

(184,453)

(continued on following page)

**PITTSBURG UNIFIED SCHOOL DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES, continued
 FOR THE YEAR ENDED JUNE 30, 2024**

Compensated absences:

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amount earned. The difference between compensated absences paid and compensated absences earned, was: (222,859)

Postemployment benefits other than pensions (OPEB):

In governmental funds, OPEB expenses are recognized when employer OPEB contributions are made. In the statement of activities, OPEB expenses are recognized on the accrual basis. This year, the difference between OPEB expenses and actual employer OPEB contributions was: (5,078,853)

Pensions:

In governmental funds, pension costs are recognized when employer contributions are made. In the government-wide statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and employer contributions was: (3,085,150)

Amortization of debt issuance premium or discount:

In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount is amortized over the life of the debt. Amortization of premium or discount for the period is: 1,238,556

Change in Net Position of Governmental Activities	\$ 7,943,084
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**PITTSBURG UNIFIED SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Other Employee Benefit Trust Fund
ASSETS	
Cash and investments	\$ 2,411,939
Total Assets	<u>2,411,939</u>
NET POSITION	
Restricted	2,411,939
Total Net Position	<u>\$ 2,411,939</u>

The accompanying notes are an integral part of these financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN NET POSITION
 FOR THE YEAR ENDED JUNE 30, 2024**

	Other Employee Benefit Trust Fund
ADDITIONS	
Investment earnings	\$ 255,991
Total Additions	<u>255,991</u>
 CHANGE IN NET POSITION	 255,991
Net Position - Beginning	<u>2,155,948</u>
Net Position - Ending	<u>\$ 2,411,939</u>

The accompanying notes are an integral part of these financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The Pittsburg Unified School District (the “District”) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education’s *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

The District operates under a locally elected Board form of government and provides educational services to grades K-12 as mandated by the state. A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments and agencies that are not legally separate from the District. For the District, this includes general operations, food service, and student-related activities.

B. Component Units

The District and Pittsburg Unified School District Financing Corporation (“the Corporation”) and Pittsburg Unified School District Financing Authority (“the Authority”) have financial and operational relationships that meet the reporting entity definition criteria for inclusion of the Corporation and the Authority as component units of the District. Therefore, the financial activities of the Corporation and the Authority have been included in the financial statements of the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization’s relationship with the District is such that exclusion would cause the District’s financial statements to be misleading or incomplete.

The Corporation was formed in March 1994, pursuant to the general California nonprofit corporation laws, to provide financial assistance to the District for construction and acquisition of major capital facilities. Certificates of Participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. At the end of the lease term, title of all Corporate property will pass to the District for no additional consideration.

The Authority was formed in June 2011, pursuant to the general California nonprofit corporation laws, to exercise any power common to the District and the California Municipal Finance Authority, and to issue and purchase bonds issued by, or make loans to Pittsburg Unified School District or the California Municipal Finance Authority.

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Component Units (continued)

The following are a summary of aspects of the relationship between the District and the component units:

1. Manifestation of Oversight

- The Corporation and Authority's Board of Directors were appointed by the District's Governing Board. The Corporation has no employees. The District's Associate Superintendent of Business Services functions as the agent of the Corporation and the Authority. This individual receives no additional compensation for work performed in this capacity.

2. Accounting for Fiscal Matters

- a. The District is able to impose its will upon the Corporation and the Authority, based on the following:
- All major financing arrangements, contracts, and other transactions of the Corporation and the Authority must have the consent of the District.
 - The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be the sole lessee of all facilities owned by the Corporation.
- b. The Corporation and the Authority provide specific financial benefits or impose specific financial burdens on the District based upon the following:
- Any deficits incurred by the Corporation will be reflected in the lease payments of the District.
 - Any surpluses of the Corporation revert to the District at the end of the lease period.
 - The District has assumed a "moral obligation", and potentially a legal obligation, on any debt incurred by the Corporation and the Authority.

3. Scope of Public Service and Financial Presentation

- The Corporation was formed for the sole purpose of providing financing assistance to the District for construction and acquisition of major capital facilities. Upon completion, the District intends to occupy all Corporation facilities under a lease-purchase agreement effective through the year 2024.
- The Authority was formed to exercise any power common to the District and the California Municipal Finance Authority, and to issue and purchase bonds issued by, or make loans to Pittsburg Unified School District or the California Municipal Finance Authority.

The Corporation and Authority are presented in these financial statements as blended component units.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenue for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reserved for the statement of activities. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting of operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Governmental funds are used to account for activities that are governmental in nature. Governmental activities are typically tax-supported and include education of pupils, operation of food service and child development programs, construction and maintenance of school facilities, and repayment of long-term debt.

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District that cannot be used to support the District's own programs.

Major Governmental Funds

General Fund: The General Fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of the District's activities are reported in the General Fund unless there is a compelling reason to account for an activity in another fund. A District may have only one General Fund.

Building Fund: This fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code Section 15146*) and may not be used for any purposes other than those for which the bonds were issued. Other authorized revenues to the Building Fund are proceeds from the sale or lease-with-option-to-purchase of real property (*Education Code Section 17462*) and revenue from rentals and leases of real property specifically authorized for deposit into the fund by the governing board (*Education Code Section 41003*).

Capital Facilities Fund: This fund is used primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving a development (*Education Code Sections 17620–17626*). The authority for these levies may be county/city ordinances (*Government Code Sections 65970–65981*) or private agreements between the District and the developer. Interest earned in the Capital Facilities Fund is restricted to that fund (*Government Code Section 66006*).

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Major Governmental Funds (continued)

Bond Interest and Redemption Fund: This fund is used for the repayment of bonds issued for the District (*Education Code Sections 15125–15262*). The board of supervisors of the county issues the bonds. The proceeds from the sale of the bonds are deposited in the county treasury to the Building Fund of the District. Any premiums or accrued interest received from the sale of the bonds must be deposited in the Bond Interest and Redemption Fund of the District. The county auditor maintains control over the District's Bond Interest and Redemption Fund. The principal and interest on the bonds must be paid by the county treasurer from taxes levied by the county auditor-controller.

Non-Major Governmental Funds

Special Revenue Funds: Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District maintains the following special revenue funds:

Student Activity Fund: This fund may be used to account for student body activities that do not meet the fiduciary criteria established in GASB Statement No. 84

Adult Education Fund: This fund is used to account separately for federal, state, and local revenues for adult education programs. Money in this fund shall be expended for adult education purposes only. Moneys received for programs other than adult education shall not be expended for adult education (*Education Code Sections 52616[b]* and *52501.5[a]*).

Child Development Fund: This fund is used to account separately for federal, state, and local revenues to operate child development programs. All moneys received by the District for, or from the operation of, child development services covered under the Child Care and Development Services Act (*Education Code Section 8200 et seq.*) shall be deposited into this fund. The moneys may be used only for expenditures for the operation of child development programs. The costs incurred in the maintenance and operation of child development services shall be paid from this fund, with accounting to reflect specific funding sources (*Education Code Section 8328*).

Cafeteria Fund: This fund is used to account separately for federal, state, and local resources to operate the food service program (*Education Code Sections 38090–38093*). The Cafeteria Fund shall be used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (*Education Code Sections 38091 and 38100*).

Deferred Maintenance Fund: This fund is used to account separately for state apportionments and the District's contributions for deferred maintenance purposes (*Education Code Sections 17582–17587*). In addition, whenever the state funds provided pursuant to *Education Code Sections 17584 and 17585* (apportionments from the State Allocation Board) are insufficient to fully match the local funds deposited in this fund, the governing board of a school district may transfer the excess local funds deposited in this fund to any other expenditure classifications in other funds of the District (*Education Code Sections 17582 and 17583*).

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation (continued)

Non-Major Governmental Funds (continued)

Capital Project Funds: Capital project funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

County School Facilities Fund: This fund is established pursuant to *Education Code Section 17070.43* to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), or the 2004 State School Facilities Fund (Proposition 55) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code Section 17070 et seq.*).

Special Reserve Fund for Capital Outlay Projects: This fund exists primarily to provide for the accumulation of General Fund moneys for capital outlay purposes (*Education Code Section 42840*).

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangements that have certain characteristics. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Other Employee Benefit Trust Fund: This fund exists to account separately for amounts held in trust from irrevocable contributions for employees' retirement benefit payments.

D. Basis of Accounting – Measurement Focus

Government-Wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Net Position equals assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The net position should be reported as restricted when constraints placed on its use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities results from special revenue funds and the restrictions on their use.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Accounting – Measurement Focus (continued)

Governmental Funds

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Governmental funds use the modified accrual basis of accounting.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. However, to achieve comparability of reporting among California school districts and so as not to distort normal revenue patterns, with specific respect to reimbursements grants and corrections to State-aid apportionments, the California Department of Education has defined available for school districts as collectible within one year.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from the grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue

Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position

Cash and Cash Equivalents

The District’s cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Inventories

Inventories are recorded using the purchases method in that the cost is recorded as an expenditure at the time the individual inventory items are requisitioned. Inventories are valued at historical cost and consist of expendable supplies held for consumption.

Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. Capital assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their acquisition value as of the date received. The District maintains a capitalization threshold of \$5,000. The District does not own any infrastructure as defined in GASB Statement No. 34. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. All reported capital assets, except for land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and Improvements	25-50 years
Furniture and Equipment	5-20 years
Vehicles	8 years

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "Due from other funds/Due to other funds." These amounts are eliminated in the governmental activities columns of the statement of net position.

Compensated Absences

Accumulated unpaid employee vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resource. These amounts are recorded in the fund from which the employees who have accumulated leave are paid.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken because such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in net OPEB liability are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Premiums and Discounts

In the government-wide financial statements, long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

Deferred Outflows/Deferred Inflows of Resources

In addition to assets, the District will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the District will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans (the Plans) of the California State Teachers' Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. 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.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable - The nonspendable fund balance classification reflects amounts that are not in spendable form. Examples include inventory, lease receivables (net of related deferred inflows), prepaid items, the long-term portion of loans receivable, and nonfinancial assets held for resale. This classification also reflects amounts that are in spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment.

Restricted - The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Governing Board. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. In contrast to restricted fund balance, committed fund balance may be redirected by the government to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the Governing Board.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, Fund Balance and Net Position (continued)

Fund Balance (continued)

Assigned - The assigned fund balance classification reflects amounts that the government *intends* to be used for specific purposes. Assignments may be established either by the Governing Board or by a designee of the governing body, and are subject to neither the restricted nor committed levels of constraint. In contrast to the constraints giving rise to committed fund balance, constraints giving rise to assigned fund balance are not required to be imposed, modified, or removed by formal action of the Governing Board. The action does not require the same level of formality and may be delegated to another body or official. Additionally, the assignment need not be made before the end of the reporting period, but rather may be made any time prior to the issuance of the financial statements.

Unassigned - In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

F. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements. Interfund transfers are eliminated in the governmental activities columns of the statement of activities.

G. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1 of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

I. Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County Auditor-Controller bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

J. New Accounting Pronouncements

GASB Statement No. 99 – In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The statement addresses various practice issues, including: (a) clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives, (b) disclosures related to nonmonetary transactions; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements, (c) terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and (d) terminology used in Statement 53 to refer to resource flows statements. A portion of this statement was effective upon issuance, while the remaining portions of this statement were effective for periods beginning after June 15, 2022 and for periods beginning after June 15, 2023. The District has fully implemented this Statement as of June 30, 2024.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. New Accounting Pronouncements (continued)

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for periods beginning after June 15, 2023. The District has fully implemented this Statement as of June 30, 2024.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for periods beginning after December 15, 2023. The District has not yet determined the impact on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The District has not yet determined the impact on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The statement is effective for periods beginning after June 15, 2025. The District has not yet determined the impact on the financial statements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 2 – CASH AND INVESTMENTS

A. Summary of Cash and Investments

	Governmental Activities	Fiduciary Funds
Investment in county treasury	\$ 229,415,134	\$ -
Fair value adjustment	(2,382,868)	-
Cash on hand and in banks	543,691	-
Cash in revolving fund	30,000	-
Local agency investment fund	40,557	-
Futuris OPEB trust	-	2,411,939
Total	\$ 227,646,514	\$ 2,411,939

B. Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the state; U.S. Treasury instruments; registered state warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; collateralized mortgage obligations; and the County Investment Pool.

Investment in County Treasury – The District maintains substantially all of its cash in the County Treasury in accordance with *Education Code Section 41001*. The Contra Costa County Treasurer’s pooled investments are managed by the County Treasurer who reports on a monthly basis to the board of supervisors. In addition, the function of the County Treasury Oversight Committee is to review and monitor the County’s investment policy. The committee membership includes the Treasurer and Tax Collector, the Auditor-Controller, Chief Administrative Officer, Superintendent of Schools Representative, and a public member. The fair value of the District’s investment in the pool is based upon the District’s pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

Local Agency Investment Fund - The investments are held with the Local Agency Investment Fund (LAIF). The program is offered to local agencies and is also part of the Pooled Money Investment Account (PMIA).

Futuris OPEB Trust – The District has established the Futuris Public Entity Investment Trust account under IRS Section 115. The amounts deposited in the trust are irrevocable and designated for the purpose of investment and disbursement of payments related to obligations to eligible employees under the District’s OPEB plan.

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 2 – CASH AND INVESTMENTS (continued)

C. General Authorizations

Except for investments by trustees of debt proceeds, the authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies the investment types permitted by California Government Code.

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains a pooled investment with the County Treasury with a fair value of approximately \$227,032,266. The average weighted maturity for this pool is 261 days.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 2 – CASH AND INVESTMENTS (continued)

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investments in the County Treasury and LAIF are not required to be rated.

F. Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2024, the District's bank balance was not exposed to custodial credit risk.

G. Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Contra Costa County Treasury Investment Pool and Local Agency Investment Fund are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2024 were as follows:

	Quoted Prices		
	Level 1	Uncategorized	Total
Investment in county treasury	\$ -	\$ 227,032,266	\$ 227,032,266
Local agency investment fund	-	40,557	40,557
Futuris OPEB trust	2,411,939	-	2,411,939
Total	\$ 2,411,939	\$ 227,072,823	\$ 229,484,762

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2024 consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal Government			
Categorical aid	\$ 7,566,663	\$ 1,059,338	\$ 8,626,001
State Government			
Categorical aid	1,518,249	605,355	2,123,604
Lottery	538,140	-	538,140
Local Government			
Other local sources	179,566	39,100	218,666
Total	\$ 9,802,618	\$ 1,703,793	\$ 11,506,411

NOTE 4 – CAPITAL ASSETS

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

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 1,473,363	\$ -	\$ -	\$ 1,473,363
Construction in progress	7,207,797	14,234,986	7,459,846	13,982,937
Total capital assets not being depreciated	8,681,160	14,234,986	7,459,846	15,456,300
Capital assets being depreciated				
Land improvements	28,192,305	5,174,694	-	33,366,999
Buildings & improvements	528,054,455	2,447,555	-	530,502,010
Furniture & equipment	11,814,481	1,438,840	1,623,307	11,630,014
Total capital assets being depreciated	568,061,241	9,061,089	1,623,307	575,499,023
Less: Accumulated depreciation				
Land improvements	17,142,316	979,085	-	18,121,401
Buildings & improvements	195,882,099	18,095,910	-	213,978,009
Furniture & equipment	7,648,209	972,821	1,137,233	7,483,797
Total accumulated depreciation	220,672,624	20,047,816	1,137,233	239,583,207
Total capital assets being depreciated, net	347,388,617	(10,986,727)	486,074	335,915,816
Governmental Activities				
Capital Assets, net	\$ 356,069,777	\$ 3,248,259	\$ 7,945,920	\$ 351,372,116

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 5 – INTERFUND TRANSACTIONS

Interfund transfers for the year ended June 30, 2024 consisted of a transfer of \$2,227,804 from the County School Facilities Fund to the Special Reserve Fund for Capital Outlay Projects to maintain state funds.

NOTE 6 – ACCRUED LIABILITIES

Accrued liabilities at June 30, 2024 consisted of the following:

	General Fund	Building Fund	Capital Facilities Fund	Non-Major Governmental Funds	District-Wide	Governmental Activities
Payroll	\$ 1,259,769	\$ -	\$ -	\$ 68,862	\$ -	\$ 1,328,631
Construction	-	734,737	-	-	-	734,737
Vendors payable	4,483,795	-	8,347	740,205	-	5,232,347
Unmatured interest	-	-	-	-	6,794,196	6,794,196
Due to grantor government	15,611	-	-	-	-	15,611
Total	\$ 5,759,175	\$ 734,737	\$ 8,347	\$ 809,067	\$ 6,794,196	\$ 14,105,522

NOTE 7 – UNEARNED REVENUE

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Governmental Funds	Governmental Activities
Federal sources	\$ 124,432	\$ 81,000	\$ 205,432
State categorical sources	456,217	743,118	1,199,335
Total	\$ 580,649	\$ 824,118	\$ 1,404,767

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES

A schedule of changes in long-term liabilities for the year ended June 30, 2024 consisted of the following:

	Balance July 01, 2023	Additions	Deductions	Balance June 30, 2024	Balance Due In One Year
Governmental Activities					
General obligation bonds	\$ 378,964,636	\$ -	\$ 8,810,272	\$ 370,154,364	\$ 6,016,538
Unamortized premium	25,175,526	-	1,148,135	24,027,391	1,148,135
Accreted interest	1,056,234	184,453	-	1,240,687	-
Total general obligation bonds	405,196,396	184,453	9,958,407	395,422,442	7,164,673
Certificates of participation	15,345,000	-	1,430,000	13,915,000	870,000
Unamortized premium	1,085,054	-	90,421	994,633	90,421
Subtotal certificates of participation	16,430,054	-	1,520,421	14,909,633	960,421
Energy loan	901,540	-	112,692	788,848	112,692
BBVA Compass loan	1,272,000	-	617,000	655,000	655,000
Compensated absences	1,052,764	222,859	-	1,275,623	-
Net OPEB liability	51,264,852	4,533,464	-	55,798,316	-
Net pension liability	127,610,542	17,683,578	-	145,294,120	-
Total	\$ 603,728,148	\$ 22,624,354	\$ 12,208,520	\$ 614,143,982	\$ 8,892,786

- Payments for general obligation bonds are made in the Bond Interest and Redemption Fund.
- Payments on certificates of participation are made in the Capital Facilities Fund.
- Payments for compensated absences are typically paid in the fund in which the employee is paid.
- Payments for the energy loan are made in the Capital Facilities Fund.
- Payments for the BBVA Compass loan are made in the Capital Facilities Fund.

A. Compensated Absences

Total unpaid employee compensated absences as of June 30, 2024 amounted to \$1,275,623. This amount is included as part of long-term liabilities in the government-wide financial statements.

B. General Obligation Bonds

A summary of the District’s bonded indebtedness is shown below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2024
					Outstanding July 01, 2023	Additions	Deductions	
2011 General Obligation Revenue	7/1/2011	8/1/2042	5.50%	\$ 59,999,952	\$ 4,811,000	\$ -	\$ 340,000	\$ 4,471,000
2012 QSCB	7/24/2012	8/1/2034	4.15% - 4.92%	25,000,000	25,000,000	-	-	25,000,000
Election 2010, Series C	8/7/2012	8/1/2037	4.25%	18,003,211	451,731	-	-	451,731
Election 2010, Series D	4/8/2014	8/1/2024	2.00% - 5.00%	12,500,000	225,000	-	100,000	125,000
2014 Refunding Bonds	4/8/2014	8/1/2029	2.00% - 5.00%	9,985,000	4,810,000	-	295,000	4,515,000
Election 2014, Series A	6/3/2015	8/1/2044	3.00% - 5.00%	30,000,000	28,100,000	-	-	28,100,000
2015 Refunding Bonds	6/3/2015	8/1/2039	3.00% - 5.00%	37,625,000	31,035,000	-	1,575,000	29,460,000
2016 Refunding Bonds	7/13/2016	8/1/2044	2.00% - 4.00%	69,700,000	68,620,000	-	-	68,620,000
Election 2014, Series B	6/28/2017	8/1/2046	3.125% - 5.00%	18,000,000	15,205,000	-	-	15,205,000
2017 Refunding Bonds	6/28/2017	8/1/2034	3.125% - 5.00%	20,305,000	16,480,000	-	860,000	15,620,000
Election 2014, Series C	9/27/2018	8/1/2047	3.30% - 4.00%	20,000,000	18,525,000	-	-	18,525,000
2019 Refunding Bonds	11/26/2019	8/1/2045	1.89% - 3.658%	27,165,000	25,740,000	-	770,000	24,970,000
2019 General Obligation Revenue	12/12/2019	8/1/2047	1.80% - 5.00%	32,000,000	23,296,905	-	985,272	22,311,633
2021 Refunding Bonds	7/21/2021	8/1/2043	0.30% - 3.00%	17,870,000	17,640,000	-	1,145,000	16,495,000
2021 General Obligation Bonds	7/21/2021	8/1/2051	0.23% - 4.00%	32,000,000	26,530,000	-	1,040,000	25,490,000
Election 2018, Series D	5/24/2023	8/1/2049	4.125% - 5.70%	72,495,000	72,495,000	-	1,700,000	70,795,000
					\$ 378,964,636	\$ -	\$ 8,810,272	\$ 370,154,364

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

In fiscal year 2012, the Financing Corporation issued \$59,999,952 of General Obligation Revenue Bonds. The bonds were issued to purchase the Election of 2006, Series C and Election 2010, Series A bonds. The two District bonds were structured with amortization schedules that match the constraints of each bond authorization. The bonds also refunded the District's 2009 Certificates of Participation. During the year ended June 30, 2017, a portion of the bonds were refunded by the District's 2016 Refunding Bonds. The remaining bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 415,000	\$ 535,000	\$ 950,000
2026	485,000	690,000	1,175,000
2027	540,000	835,000	1,375,000
2028	600,000	1,000,000	1,600,000
2029	656,000	1,194,000	1,850,000
2030 - 2034	-	-	-
2035 - 2039	-	-	-
2040 - 2043	1,775,000	9,275,000	11,050,000
Total	\$ 4,471,000	\$ 13,529,000	\$ 18,000,000

In fiscal year 2013, the District issued \$25,000,000 in Direct Payment Qualified School Construction Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 1,155,888	\$ 1,155,888
2026	9,625,000	956,169	10,581,169
2027	-	756,450	756,450
2028	-	756,450	756,450
2029	-	756,450	756,450
2030 - 2034	-	3,782,250	3,782,250
2035	15,375,000	378,225	15,753,225
Total	\$ 25,000,000	\$ 8,541,882	\$ 33,541,882

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

In fiscal year 2013, the District issued \$18,003,211 in Election of 2010, Series C General Obligation Bonds. The bonds consist of \$8,340,000 in current interest bonds and \$9,663,211 in capital appreciation bonds. The bonds were partially refunded during fiscal year 2020. The amounts presented below do not include accreted interest of \$1,240,687. The remaining bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ -	\$ -
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030 - 2034	-	-	-
2035 - 2038	451,731	6,698,269	7,150,000
Total	\$ 451,731	\$ 6,698,269	\$ 7,150,000

In fiscal year 2014, the District issued \$12,500,000 in Election of 2010, Series D General Obligation Bonds. During the year ended June 30, 2022, a portion of the bonds were refunded by the District's 2021 Refunding Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 125,000	\$ 25,000	\$ 150,000
Total	\$ 125,000	\$ 25,000	\$ 150,000

In fiscal year 2014, the District issued \$9,985,000 in General Obligation Refunding Bonds. The bonds were issued to refund a portion of the Election of 2004, Series A Bonds and refund the 2005 Refunding Bonds in full. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 305,000	\$ 159,775	\$ 464,775
2026	-	152,150	152,150
2027	-	152,150	152,150
2028	1,310,000	125,950	1,435,950
2029	1,400,000	76,125	1,476,125
2030	1,500,000	26,250	1,526,250
Total	\$ 4,515,000	\$ 692,400	\$ 5,207,400

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

In fiscal year 2015, the District issued \$30,000,000 in Election of 2014, Series A General Obligation Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 1,193,443	\$ 1,193,443
2026	-	1,193,443	1,193,443
2027	315,000	1,185,568	1,500,568
2028	385,000	1,168,068	1,553,068
2029	460,000	1,146,943	1,606,943
2030 - 2034	1,790,000	5,430,713	7,220,713
2035 - 2039	7,060,000	4,686,095	11,746,095
2040 - 2044	14,495,000	2,337,040	16,832,040
2045	3,595,000	74,596	3,669,596
Total	\$ 28,100,000	\$ 18,415,909	\$ 46,515,909

In fiscal year 2015, the District issued \$37,625,000 in General Obligation Refunding Bonds. The bonds were issued to refund a portion of the Election of 2004, Series B Bonds and a portion of the Election of 2006, Series B Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,685,000	\$ 1,281,475	\$ 2,966,475
2026	1,800,000	1,194,350	2,994,350
2027	1,920,000	1,101,350	3,021,350
2028	2,060,000	1,001,850	3,061,850
2029	2,185,000	895,725	3,080,725
2030 - 2034	6,210,000	3,102,500	9,312,500
2035 - 2039	10,665,000	1,887,700	12,552,700
2040	2,935,000	58,700	2,993,700
Total	\$ 29,460,000	\$ 10,523,650	\$ 39,983,650

In fiscal year 2017, the District issued \$69,700,000 in General Obligation Refunding Bonds. The bonds were issued to refund a portion of the 2011 General Obligation Revenue Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 2,659,600	\$ 2,659,600
2026	-	2,659,600	2,659,600
2027	-	2,659,600	2,659,600
2028	-	2,659,600	2,659,600
2029	-	2,659,600	2,659,600
2030 - 2034	8,500,000	12,580,400	21,080,400
2035 - 2039	18,235,000	9,951,500	28,186,500
2040 - 2044	31,185,000	5,255,250	36,440,250
2045	10,700,000	182,250	10,882,250
Total	\$ 68,620,000	\$ 41,267,400	\$ 109,887,400

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

In fiscal year 2018, the District issued \$18,000,000 in Election of 2014, Series B General Obligation Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 553,844	\$ 553,844
2026	-	553,844	553,844
2027	-	553,844	553,844
2028	-	553,844	553,844
2029	-	553,844	553,844
2030 - 2034	3,065,000	2,493,986	5,558,986
2035 - 2039	2,925,000	1,786,813	4,711,813
2040 - 2044	2,625,000	1,405,100	4,030,100
2045 - 2047	6,590,000	428,400	7,018,400
Total	\$ 15,205,000	\$ 8,883,519	\$ 24,088,519

In fiscal year 2018, the District issued \$20,305,000 in General Obligation Refunding Bonds. The bonds were issued to refund the remaining portions of the Election of 2004, Series C and Election of 2006, Series A bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 900,000	\$ 601,156	\$ 1,501,156
2026	950,000	554,906	1,504,906
2027	995,000	506,281	1,501,281
2028	1,040,000	455,406	1,495,406
2029	1,095,000	402,031	1,497,031
2030 - 2034	8,415,000	1,154,458	9,569,458
2035	2,225,000	36,156	2,261,156
Total	\$ 15,620,000	\$ 3,710,394	\$ 19,330,394

In fiscal year 2019, the District issued \$20,000,000 in Election of 2014, Series C General Obligation Bonds to finance the acquisition and improvement of various capital facilities of the District. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 892,500	\$ 892,500
2026	-	892,500	892,500
2027	-	892,500	892,500
2028	-	892,500	892,500
2029	-	892,500	892,500
2030 - 2034	550,000	4,451,500	5,001,500
2035 - 2039	2,825,000	4,057,200	6,882,200
2040 - 2044	3,730,000	3,366,250	7,096,250
2045 - 2048	11,420,000	1,459,500	12,879,500
Total	\$ 18,525,000	\$ 17,796,950	\$ 36,321,950

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

In fiscal year 2020, the District issued \$27,165,000 in General Obligation Refunding Bonds. The bonds were issued to refund portions of the 2010 Refunding Bonds and Election of 2010, Series C bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 275,000	\$ 871,802	\$ 1,146,802
2026	260,000	865,626	1,125,626
2027	355,000	858,020	1,213,020
2028	345,000	848,914	1,193,914
2029	330,000	839,683	1,169,683
2030 - 2034	725,000	4,117,610	4,842,610
2035 - 2039	2,400,000	4,023,416	6,423,416
2040 - 2044	13,535,000	2,447,589	15,982,589
2045 - 2046	6,745,000	252,311	6,997,311
Total	\$ 24,970,000	\$ 15,124,971	\$ 40,094,971

In fiscal year 2020, the Authority issued \$32,000,000 in 2019 General Obligation Revenue Bonds. The bonds purchased the District's Election of 2010, Series E Bonds, Election of 2018, Series A Bonds, and Election of 2018, Series B Bonds. The District's bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 501,538	\$ 754,612	\$ 1,256,150
2026	415,527	840,623	1,256,150
2027	344,267	911,883	1,256,150
2028	285,227	970,923	1,256,150
2029	236,312	1,019,838	1,256,150
2030 - 2034	695,980	5,584,770	6,280,750
2035 - 2039	633,764	5,646,986	6,280,750
2040 - 2044	2,266,059	5,829,491	8,095,550
2045 - 2048	16,932,959	9,677,916	26,610,875
Total	\$ 22,311,633	\$ 31,237,042	\$ 53,548,675

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES (continued)

B. General Obligation Bonds (continued)

In fiscal year 2022, the District issued \$17,870,000 in General Obligation Refunding Bonds. The bonds were issued to refund portions of the 2012 Refunding Bonds and Election of 2010, Series D bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,180,000	\$ 368,960	\$ 1,548,960
2026	1,415,000	358,568	1,773,568
2027	1,475,000	343,575	1,818,575
2028	300,000	332,890	632,890
2029	320,000	328,168	648,168
2030 - 2034	1,960,000	1,539,853	3,499,853
2035 - 2039	2,930,000	1,260,418	4,190,418
2040 - 2044	6,915,000	625,575	7,540,575
Total	\$ 16,495,000	\$ 5,158,007	\$ 21,653,007

In fiscal year 2022, the District issued \$32,000,000 in 2021 General Obligation Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 630,000	\$ 1,007,000	\$ 1,637,000
2026	760,000	979,200	1,739,200
2027	580,000	952,400	1,532,400
2028	660,000	927,600	1,587,600
2029	745,000	899,500	1,644,500
2030 - 2034	3,455,000	4,054,100	7,509,100
2035 - 2039	2,985,000	3,450,500	6,435,500
2040 - 2044	4,050,000	2,747,800	6,797,800
2045 - 2049	7,750,000	1,596,000	9,346,000
2050 - 2052	3,875,000	240,700	4,115,700
Total	\$ 25,490,000	\$ 16,854,800	\$ 42,344,800

In fiscal year 2023, the District issued \$72,495,000 in Election 2018, Series D Bonds. The bonds mature as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ -	\$ 3,549,440	\$ 3,549,440
2026	-	3,327,600	3,327,600
2027	-	3,327,600	3,327,600
2028	-	3,327,600	3,327,600
2029	120,000	3,324,600	3,444,600
2030 - 2034	3,480,000	16,277,750	19,757,750
2035 - 2039	9,235,000	14,730,375	23,965,375
2040 - 2044	17,495,000	11,410,125	28,905,125
2045 - 2049	34,545,000	5,466,467	40,011,467
2050	5,920,000	125,800	6,045,800
Total	\$ 70,795,000	\$ 64,867,357	\$ 135,662,357

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 8 – LONG-TERM LIABILITIES (continued)

C. Certificates of Participation

A summary of the District’s certificates of participation (COP) debt is shown below:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds			Bonds Outstanding June 30, 2024
					Outstanding July 01, 2023	Additions	Deductions	
2013 COP	10/1/2012	9/1/2023	2.54%	\$ 7,050,000	\$ 640,000	\$ -	\$ 640,000	\$ -
2017 COP	8/16/2017	6/1/2035	3.125% - 5.00%	18,270,000	14,705,000	-	790,000	13,915,000
					\$ 15,345,000	\$ -	\$ 1,430,000	\$ 13,915,000

In October 2012, the Pittsburg Unified School District Financing Corporation issued certificates of participation in the amount of \$7,050,000. These COPs were issued to refund the outstanding amounts of the certificates of participation issued in October 1998 and January 2001. The refunding transaction resulted in a net savings to the District of approximately \$1,300,000. The final payment was made during the year ended June 30, 2024.

In August 2017, the Pittsburg Unified School District Financing Corporation issued certificates of participation in the amount of \$18,270,000. These COPs were issued to refund the outstanding amounts of the 2011 COP issued in July 2010. The refunding transaction resulted in a net savings to the District of approximately \$2,250,194. The annual requirements to amortize the 2017 COPs are as follows:

Year Ended June 30,	Principal	Interest	Total
2025	\$ 870,000	\$ 527,312	\$ 1,397,312
2026	960,000	483,812	1,443,812
2027	1,045,000	435,812	1,480,812
2028	1,150,000	383,562	1,533,562
2029	1,265,000	326,062	1,591,062
2030 - 2034	6,945,000	922,860	7,867,860
2035	1,680,000	52,508	1,732,508
Total	\$ 13,915,000	\$ 3,131,928	\$ 17,046,928

D. Other Postemployment Benefits

The District’s beginning net OPEB liability was \$51,264,852 and increased by \$4,533,464 during the year ended June 30, 2024. The ending net OPEB liability at June 30, 2024 was \$55,798,316. See Note 10 for additional information regarding the net OPEB liability.

E. Net Pension Liability

The District’s beginning net pension liability was \$127,610,542 and increased by \$17,683,578 during the year ended June 30, 2024. The ending net pension liability at June 30, 2024 was \$145,294,120. See Note 11 for additional information regarding the net pension liability.

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 8 – LONG-TERM LIABILITIES (continued)

F. BBVA Compass Loan

In October 2014, the District received \$5,000,000 in tax-exempt financing from BBVA Compass Bank. The lease was to finance a new facility maintenance and storage equipment center. The District will pay a tax-exempt fixed interest rate of 3.00% and will make semiannual principal and interest payments over ten years. Payment obligations were as follows at June 30, 2024:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 655,000	\$ 9,825	\$ 664,825
Total	\$ 655,000	\$ 9,825	\$ 664,825

G. Energy Loan

The District entered into a loan agreement with the California Energy Commission (CEC). The proceeds from the loan will be used for energy efficiency projects within the District. The loan was offered with a zero percent interest rate with equal payments due through June 22, 2031. Payment obligations at June 30, 2024 were as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>
2025	\$ 112,692
2026	112,692
2027	112,692
2028	112,692
2029	112,692
2030 - 2031	225,388
Total	\$ 788,848

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 9 – FUND BALANCES

Fund balances were composed of the following elements at June 30, 2024:

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Non-spendable						
Revolving cash	\$ 25,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 30,000
Stores inventory	-	-	-	-	108,055	108,055
Total non-spendable	25,000	-	-	-	113,055	138,055
Restricted						
Educational programs	55,332,891	-	-	-	2,344,295	57,677,186
Food service	-	-	-	-	1,551,683	1,551,683
Associated student body	-	-	-	-	541,191	541,191
Capital projects	-	68,857,170	26,290,817	-	8,474,714	103,622,701
Debt service	-	-	-	24,897,777	-	24,897,777
Total restricted	55,332,891	68,857,170	26,290,817	24,897,777	12,911,883	188,290,538
Committed						
Stabilization	6,637,862	-	-	-	-	6,637,862
Other commitments	1,000,000	-	-	-	1,510,573	2,510,573
Total committed	7,637,862	-	-	-	1,510,573	9,148,435
Assigned						
Other assignments	6,583,283	-	-	-	-	6,583,283
Total assigned	6,583,283	-	-	-	-	6,583,283
Unassigned	26,384,576	-	-	-	-	26,384,576
Total	\$ 95,963,612	\$ 68,857,170	\$ 26,290,817	\$ 24,897,777	\$ 14,535,511	\$ 230,544,887

The District is committed to maintaining a prudent level of financial resources to protect against the need to reduce service levels because of temporary revenue shortfalls or unpredicted expenditures. The District’s Minimum Fund Balance Policy requires a Reserve for Economic Uncertainties, consisting of unassigned amounts, equal to no less than 3 percent of General Fund expenditures and other financing uses.

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

The District administers a single-employer defined benefit other postemployment benefit (OPEB) plan that provides medical, dental and vision insurance benefits to eligible retirees and their spouses. The Plan is a single-employer defined benefit plan administered by the District. The District has established an irrevocable trust, the Futuris Public Entity Investment Trust.

B. Benefits Provided

Classified (CSEA) and Certificated (PEA) unit members who have completed at least 15 years of full-time service with the District, and are at least age 55 at retirement, and who are actively drawing retirement benefits from either PERS or STRS, are eligible to receive an additional monthly District contribution towards health insurance up to a cap that varies by classification and tier. These caps are not automatically indexed but are subject to periodic negotiation. For purposes of the 15-year requirement, a minimum of 75% full-time equivalency is required.

Management, Confidential and Supervisory employees are subject to the same rules as CSEA or PEA members, as applicable, except that they are not subject to the monthly caps described above. In all cases, once the additional District contributions (as described above) end, the District pays the applicable PEMHCA statutory contribution for the remainder of the retiree's lifetime, as long as the retiree continues coverage under PEMHCA. If a covered spouse reaches age 65 before the retiree, the retiree then becomes subject to the retiree-only cap until he or she reaches age 65 (or the retiree +1 cap if there are covered dependent children under the age of 26).

C. Contributions

The District pays the applicable PEMHCA statutory contribution for the retiree's lifetime. The District also pays a percent-of-premium administrative fee to PEMHCA for each retiree. Furthermore, the District will make additional contributions towards certain eligible retirees' premiums until age 65 according to the District's agreements with its various employee groups. For the measurement period, the District contributed \$1,440,951 to the Plan, all of which was used for current premiums.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

D. Plan Membership

Membership of the Plan consisted of the following:

	<u>Number of participants</u>
Inactive employees receiving benefits	237
Inactive employees entitled to but not receiving benefits*	-
Participating active employees	<u>949</u>
Total number of participants**	<u>1,186</u>

*Information not provided

**As of the July 1, 2022 valuation date

E. Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2024, were as follows:

Total OPEB liability	\$ 58,210,255
Plan fiduciary net position	<u>(2,411,939)</u>
District's net OPEB liability	<u>\$ 55,798,316</u>

Plan fiduciary net position as a percentage of total OPEB liability	4.14%
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F. Investments

Investment Policy

The District's policy regarding the allocation of the plan's invested assets is established and may be amended by District management. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the District has selected is the Moderate Objective, which has a dual goal to seek moderate growth of income and principal.

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 13.29 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

G. Actuarial Assumptions and Other Inputs

The net OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of July 1, 2022 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Economic assumptions:

Salary increases	3.00%
Investment rate of return	5.00%
Discount rate	3.97%
Inflation	2.50%
Healthcare cost trend rate	5.50% for 2024

Non-economic assumptions:

Mortality:

Pre-retirement	Mortality Rates from CalSTRS and CalSTRS Experience Analyses
Post-retirement	Mortality Rates from CalSTRS and CalPERS Experience Studies

The actuarial assumptions used in the July 1, 2022 valuation were based on a review of plan experience during the period July 1, 2020 to June 30, 2022.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The calculated investment rate of return was set equal to the expected ten-year compound (geometric) real return plus inflation (rounded to the nearest 25 basis points, where appropriate). The table below provides the long-term expected real rates of return by asset class (based on published capital market assumptions).

Asset Class	Assumed Asset Allocation	Real Rate of Return
Broad U.S. Equity	38%	4.4%
U.S. Fixed	41%	1.8%
Global ex-U.S. Equity	12%	4.8%
Real Estate	9%	3.7%

Discount rate. GASB 75 requires a discount rate that reflects the following:

- The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan’s fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s Total OPEB liability is based on these requirements.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

H. Changes in Net OPEB Liability

	<u>June 30, 2024</u>
Total OPEB Liability	
Service cost	\$ 4,728,892
Interest on total OPEB liability	2,217,031
Changes of assumptions	(715,517)
Benefits payments	<u>(1,440,951)</u>
Net change in total OPEB liability	4,789,455
Total OPEB liability - beginning	<u>53,420,800</u>
Total OPEB liability - ending (a)	<u>\$ 58,210,255</u>
 Plan fiduciary net position	
Contributions - employer	\$ 1,440,951
Net investment income	281,923
Benefit payments	(1,440,951)
Administrative expenses	<u>(25,932)</u>
Net change in plan fiduciary net position	255,991
Plan fiduciary net position - beginning	<u>2,155,948</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,411,939</u>
 District's net OPEB liability - ending (a) - (b)	<u>\$ 55,798,316</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	4.14%
 Covered-employee payroll	\$ 113,483,293
 District's net OPEB liability as a percentage of covered-employee payroll	49.17%

I. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Pittsburgh Unified School District, as well as what the District's 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 discount rate:

	1% Decrease	Valuation Discount Rate	1% Increase
	(2.97%)	(3.97%)	(4.97%)
Net OPEB liability	\$ 62,830,960	\$ 55,798,316	\$ 49,857,184

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 10 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (continued)

J. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Pittsburg Unified School District, as well as what the District’s 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 healthcare cost trend rate:

	1% Decrease (4.50%)	Healthcare Cost Trend Rate (5.50%)	1% Increase (6.50%)
Net OPEB liability	\$ 47,185,331	\$ 55,798,316	\$ 66,600,571

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

For the fiscal year ended June 30, 2024, the Pittsburg Unified School District recognized OPEB expense of \$6,519,804. At June 30, 2024, the Pittsburg Unified School District reported deferred outflows of resources related to OPEB and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings on plan investments	\$ 252,214	\$ 269,614
Differences between expected and actual experience	40,290	4,010,049
Changes in assumptions	6,032,015	7,423,260
Total	\$ 6,324,519	\$ 11,702,923

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2025	\$ 2,837,192	\$ 3,272,276
2026	1,679,225	2,844,946
2027	1,054,423	2,806,596
2028	247,741	1,579,425
2029	158,107	362,049
Thereafter	347,831	837,631
Total	\$ 6,324,519	\$ 11,702,923

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 11 – PENSION PLANS

Qualified employees are covered under multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the California State Teachers' Retirement System (CalSTRS), and classified employees are members of the California Public Employees' Retirement System (CalPERS). The District reported its proportionate share of the net pension liabilities, pension expense, deferred outflow of resources, and deferred inflow of resources for each of the above plans as follows:

	<u>Net pension liability</u>	<u>Deferred outflows related to pensions</u>	<u>Deferred inflows related to pensions</u>	<u>Pension expense</u>
STRS Pension	\$ 82,721,342	\$ 34,350,925	\$ 7,904,666	\$ 14,216,073
PERS Pension	62,572,778	23,347,519	1,159,065	11,485,791
Total	<u>\$ 145,294,120</u>	<u>\$ 57,698,444</u>	<u>\$ 9,063,731</u>	<u>\$ 25,701,864</u>

A. California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the California State Teachers' Retirement System (CalSTRS); a cost-sharing multiple employer public employee retirement system defined benefit pension plan administered by CalSTRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 7919 Folsom Blvd., Sacramento, CA 95826.

Benefits Provided

The CalSTRS defined benefit plan has two benefit formulas:

1. CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.
2. CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS. CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Contributions

Active plan CalSTRS 2% at 60 and 2% at 62 members are required to contribute 10.25% and 10.205% of their salary for fiscal year 2024, respectively, and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by CalSTRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2024 was 19.10% of annual payroll. The contribution requirements of the plan members are established by state statute. Contributions to the plan from the District were \$13,816,738 for the year ended June 30, 2024.

On-Behalf Payments

The District was the recipient of on-behalf payments made by the State of California to CalSTRS for K-12 education. These payments consist of state general fund contributions of approximately \$7,366,904 to CalSTRS.

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

At June 30, 2024, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 82,721,342
State's proportionate share of the net pension liability associated with the District	<u>39,634,838</u>
Total	<u>\$ 122,356,180</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District’s proportion was 0.109 percent, which was an increase of 0.003 percent from its proportion measured as of June 30, 2022.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2024, the District recognized pension expense of \$14,216,073. In addition, the District recognized pension expense and revenue of \$(575,572) for support provided by the State. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ -	\$ 354,081
Differences between expected and actual experience	6,500,535	4,426,012
Changes in assumptions	478,987	-
Changes in proportion and differences between District contributions and proportionate share of contributions	13,554,665	3,124,573
District contributions subsequent to the measurement date	13,816,738	-
Total	<u>\$ 34,350,925</u>	<u>\$ 7,904,666</u>

The \$13,816,738 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 4,886,946	\$ 4,621,726
2026	4,281,938	6,077,151
2027	3,362,602	(4,993,852)
2028	3,287,529	1,940,054
2029	3,287,529	259,587
2030	1,427,643	-
Total	<u>\$ 20,534,187</u>	<u>\$ 7,904,666</u>

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Consumer Price Inflation	2.75%
Investment Rate of Return*	7.10%
Wage Inflation	3.50%

* Net of investment expenses, but gross of administrative expenses.

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on MP-2016 series tables adjusted to fit CalSTRS experience.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2018.

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. The best-estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance–PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2023 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS’ independent consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of expected 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class as of June 30, 2022, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return*
Public Equity	38%	5.25%
Real Estate	15%	4.05%
Private Equity	14%	6.75%
Fixed Income	14%	2.45%
Risk Mitigating Strategies	10%	2.25%
Inflation Sensitive	7%	3.65%
Cash/Liquidity	2%	0.05%
	100%	

*Real return is net of assumed 2.75% inflation.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

A. California State Teachers’ Retirement System (CalSTRS) (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increases per AB 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.10 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.10 percent) or 1-percentage-point higher (8.10 percent) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
District's proportionate share of the net pension liability	\$ 138,758,451	\$ 82,721,342	\$ 36,175,992

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalSTRS financial report.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees' Retirement System (CalPERS)

Plan Description

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS); a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Laws. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95811.

Benefits Provided

The benefits for the defined benefit plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Contributions

Active plan members who entered into the plan prior to January 1, 2013, are required to contribute 7.0% of their salary. The California Public Employees' Pension Reform Act (PEPRA) specifies that new members entering into the plan on or after January 1, 2013, shall pay the higher of fifty percent of normal costs or 8.0% of their salary. Additionally, for new members entering the plan on or after January 1, 2013, the employer is prohibited from paying any of the employee contribution to CalPERS unless the employer payment of the member's contribution is specified in an employment agreement or collective bargaining agreement that expires after January 1, 2013.

The District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2024 was 26.68% of annual payroll. Contributions to the plan from the District were \$8,799,976 for the year ended June 30, 2024.

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

At June 30, 2024, the District reported a liability of \$62,572,778 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022 and rolling forward the total pension liability to June 30, 2023. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2023, the District's proportion was 0.173 percent, which was an increase of 0.016 percent from its proportion measured as of June 30, 2022.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

For the year ended June 30, 2024, the District recognized pension expense of \$11,485,791. At June 30, 2024, the District reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between projected and actual earnings on plan investments	\$ 6,683,667	\$ -
Differences between expected and actual experience	2,283,458	961,026
Changes in assumptions	2,882,703	-
Changes in proportion and differences between District contributions and proportionate share of contributions	2,697,715	198,039
District contributions subsequent to the measurement date	8,799,976	-
Total	<u>\$ 23,347,519</u>	<u>\$ 1,159,065</u>

The \$8,799,976 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2025	\$ 4,522,007	\$ 678,441
2026	3,843,060	480,624
2027	5,974,473	-
2028	208,003	-
Total	<u>\$ 14,547,543</u>	<u>\$ 1,159,065</u>

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions

The total pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2022, and rolling forward the total pension liability to June 30, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Discount Rate	6.90%
Salary Increases	Varies by Entry Age and Service

CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are derived using CalPERS’ membership data for all funds. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 80% of scale MP 2020.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 2000 through 2019.

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. In determining the long-term expected rate of return, both short-term and long-term market return expectations as well as the expected pension fund cash flows were taken into account. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 11 – PENSION PLANS (continued)

B. California Public Employees’ Retirement System (CalPERS) (continued)

Actuarial Assumptions (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10*
Global Equity – cap-weighted	30.0%	4.54%
Global Equity – non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	(5.0)%	(0.59)%
	100.0%	

*An expected inflation of 2.30% used for this period. Figures are based on the 2021-22 CalPERS Asset Liability Management Study

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. 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 for the Schools Pool. The results of the crossover testing for the Schools Pool are presented in a detailed report that can be obtained at CalPERS’ website.

Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
District's proportionate share of the net pension liability	\$ 90,464,063	\$ 62,572,778	\$ 39,521,266

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024**

NOTE 12 – COMMITMENTS AND CONTINGENCIES

A. Grants

The District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2024.

B. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2024.

C. Construction Commitments

As of June 30, 2024, the District had commitments with respect to unfinished capital projects in the amount of \$12,851,276.

NOTE 13 – PARTICIPATION IN JOINT POWERS AUTHORITIES

The Pittsburg Unified School District participates in two joint powers agreement (JPA) entities, the Contra Costa County Schools Insurance Group (CCCSIG) for workers' compensation insurance, and the Schools' Self Insurance of Contra Costa County (SSICCC) for dental and vision insurance.

Each JPA is governed by a board consisting of a representative from each member district. Each governing board controls the operations of its JPA independent of any influence by the Pittsburg Unified School District beyond the District's representation on the governing boards.

Each JPA is independently accountable for its fiscal matters. Budgets are not subject to any approval other than that of the respective governing boards. Member districts share surpluses and deficits proportionately to their participation in the JPA. The relationship between the Pittsburg Unified School District and the JPAs are such that neither of the JPAs is a component unit of the District for financial reporting purposes. The audited financial statements are generally available from the respective entities.

PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
JUNE 30, 2024

NOTE 14 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

A. Refunded Debt

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognized deferred outflows or inflows of resources in the District-wide financial statements. The deferred outflow of resources pertains to the difference in the carrying value of the refunded debt and its reacquisition price (deferred amount on refunding). Previous financial reporting standards require this to be presented as part of the District's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the new debt, whichever is shorter. At June 30, 2024, the deferred amount on refunding was \$5,279,141.

B. Pension Plans

Pursuant to GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District recognized deferred outflows of resources related to pensions and deferred inflows of resources related to pensions in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 11. At June 30, 2024, total deferred outflows related to pensions was \$57,698,444 and total deferred inflows related to pensions was \$9,063,731.

C. Other Postemployment Benefits

Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District recognized deferred outflows of resources related to other postemployment benefits and deferred inflows of resources related to other postemployment benefits in the District-wide financial statements. Further information regarding the deferred outflows of resources and deferred inflows of resources can be found at Note 10. At June 30, 2024, total deferred outflows related to other postemployment benefits was \$6,324,519 and total deferred inflows related to other postemployment benefits was \$11,702,923.

REQUIRED SUPPLEMENTARY INFORMATION

**PITTSBURG UNIFIED SCHOOL DISTRICT
GENERAL FUND – BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual* (Budgetary Basis)	Variances - Final to Actual
	Original	Final		
REVENUES				
LCFF sources	\$ 155,596,867	\$ 156,409,816	\$ 156,805,662	\$ 395,846
Federal sources	20,844,411	21,788,618	19,407,089	(2,381,529)
Other state sources	27,524,718	28,848,291	31,669,043	2,820,752
Other local sources	7,720,562	9,421,921	15,257,762	5,835,841
Total Revenues	211,686,558	216,468,646	223,139,556	6,670,910
EXPENDITURES				
Certificated salaries	71,950,283	72,288,036	75,187,324	(2,899,288)
Classified salaries	29,854,763	29,928,742	31,092,172	(1,163,430)
Employee benefits	55,211,725	56,434,165	55,491,182	942,983
Books and supplies	7,183,175	14,902,921	5,552,919	9,350,002
Services and other operating expenditures	44,091,661	50,494,286	32,932,262	17,562,024
Capital outlay	3,468,377	5,593,954	3,207,927	2,386,027
Other outgo				
Excluding transfers of indirect costs	2,915,310	2,915,310	2,508,653	406,657
Transfers of indirect costs	(286,378)	(287,497)	(246,214)	(41,283)
Total Expenditures	214,388,916	232,269,917	205,726,225	26,543,692
Excess (Deficiency) of Revenues Over Expenditures	(2,702,358)	(15,801,271)	17,413,331	33,214,602
Other Financing Sources (Uses)				
Transfers out	(355,221)	(355,221)	(355,221)	-
Net Financing Sources (Uses)	(355,221)	(355,221)	(355,221)	-
NET CHANGE IN FUND BALANCE	(3,057,579)	(16,156,492)	17,058,110	33,214,602
Fund Balance - Beginning	79,629,269	79,629,269	79,629,269	-
Fund Balance - Ending	\$ 76,571,690	\$ 63,472,777	\$ 96,687,379	\$ 33,214,602

* The actual amounts reported on this schedule do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the following reason:

- The amounts on that schedule include the financial activity of the Private-Purpose Trust Fund in accordance with the fund type definitions promulgated by GASB Statement No. 84.
- Audit adjustments and reclassifications are not included in this schedule.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB Liability							
Service cost	\$ 4,728,892	\$ 4,723,652	\$ 4,628,105	\$ 4,004,468	\$ 3,016,007	\$ 2,530,473	\$ 1,542,463
Interest on total OPEB liability	2,217,031	1,962,075	1,172,526	1,290,922	1,409,573	1,417,522	1,602,307
Difference between expected and actual experience	-	(2,574,214)	-	(3,604,072)	-	(2,722,785)	604,371
Changes of assumptions	(715,517)	1,454,580	(12,448,310)	6,363,846	3,810,448	7,141,820	626,399
Benefits payments	(1,440,951)	(1,171,916)	(896,230)	(1,185,879)	(1,097,663)	(1,048,443)	(1,132,203)
Net change in total OPEB liability	4,789,455	4,394,177	(7,543,909)	6,869,285	7,138,365	7,318,587	3,243,337
Total OPEB liability - beginning	53,420,800	49,026,623	56,570,532	49,701,247	42,562,882	35,244,295	32,000,958
Total OPEB liability - ending (a)	<u>\$ 58,210,255</u>	<u>\$ 53,420,800</u>	<u>\$ 49,026,623</u>	<u>\$ 56,570,532</u>	<u>\$ 49,701,247</u>	<u>\$ 42,562,882</u>	<u>\$ 35,244,295</u>
Plan fiduciary net position							
Contributions - employer	\$ 1,440,951	\$ 1,171,916	\$ 896,230	\$ 1,185,879	\$ 1,097,663	\$ 1,048,443	\$ 1,132,203
Net investment income	281,923	178,817	(477,278)	536,813	79,078	91,243	128,681
Benefit payments	(1,440,951)	(1,171,916)	(896,230)	(1,185,879)	(1,097,663)	(1,048,443)	(1,132,203)
Administrative expenses	(25,932)	(23,813)	(27,946)	(26,097)	(22,805)	(21,912)	(21,729)
Net change in plan fiduciary net position	255,991	155,004	(505,224)	510,716	56,273	69,331	106,952
Plan fiduciary net position - beginning	2,155,948	2,000,944	2,506,168	1,995,452	1,939,179	1,869,848	1,762,896
Plan fiduciary net position - ending (b)	<u>\$ 2,411,939</u>	<u>\$ 2,155,948</u>	<u>\$ 2,000,944</u>	<u>\$ 2,506,168</u>	<u>\$ 1,995,452</u>	<u>\$ 1,939,179</u>	<u>\$ 1,869,848</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 55,798,316</u>	<u>\$ 51,264,852</u>	<u>\$ 47,025,679</u>	<u>\$ 54,064,364</u>	<u>\$ 47,705,795</u>	<u>\$ 40,623,703</u>	<u>\$ 33,374,447</u>
Plan fiduciary net position as a percentage of the total OPEB liability	4.14%	4.04%	4.08%	4.43%	4.01%	4.56%	5.31%
Covered-employee payroll	\$ 113,483,293	\$ 101,716,471	\$ 86,731,201	\$ 82,146,486	\$ 87,454,013	\$ 85,750,850	\$ 78,633,332
District's net OPEB liability as a percentage of covered-employee payroll	49.17%	50.40%	54.22%	65.81%	54.55%	47.37%	42.44%

See accompanying notes to required supplementary information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarially determined contribution	\$ 7,207,015	\$ 6,997,102	\$ 4,184,216	\$ 4,062,346	\$ 3,617,261	\$ 3,511,904	\$ 2,949,553
Contributions in relation to the actuarially determined contribution	<u>(1,440,951)</u>	<u>(1,171,916)</u>	<u>(896,230)</u>	<u>(1,185,879)</u>	<u>(1,097,663)</u>	<u>(1,048,443)</u>	<u>(1,132,203)</u>
Contribution deficiency (excess)	<u>\$ 5,766,064</u>	<u>\$ 5,825,186</u>	<u>\$ 3,287,986</u>	<u>\$ 2,876,467</u>	<u>\$ 2,519,598</u>	<u>\$ 2,463,461</u>	<u>\$ 1,817,350</u>
Covered-employee payroll	\$ 113,483,293	\$ 101,716,471	\$ 86,731,201	\$ 82,146,486	\$ 87,454,013	\$ 85,750,850	\$ 78,633,332
Contributions as a percentage of covered payroll	1.27%	1.15%	1.03%	1.44%	1.26%	1.22%	1.44%

See accompanying notes to required supplementary information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INVESTMENT RETURNS - OPEB
 FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Annual money-weighted rate of return, net of investment expense	13.29%	8.99%	-19.16%	27.07%	4.14%	4.97%	7.36%

See accompanying notes to required supplementary information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.109%	0.106%	0.101%	0.107%	0.107%	0.099%	0.094%	0.100%	0.095%	0.089%
District's proportionate share of the net pension liability	\$ 82,721,342	\$ 73,453,198	\$ 46,032,186	\$ 103,880,877	\$ 96,711,384	\$ 91,210,531	\$ 86,890,207	\$ 80,823,036	\$ 63,759,740	\$ 52,243,661
State's proportionate share of the net pension liability associated with the District	39,634,838	36,785,576	23,162,093	53,550,171	52,762,943	52,222,550	51,403,931	46,017,886	33,721,783	31,546,978
Total	<u>\$ 122,356,180</u>	<u>\$ 110,238,774</u>	<u>\$ 69,194,279</u>	<u>\$ 157,431,048</u>	<u>\$ 149,474,327</u>	<u>\$ 143,433,081</u>	<u>\$ 138,294,138</u>	<u>\$ 126,840,922</u>	<u>\$ 97,481,523</u>	<u>\$ 83,790,639</u>
District's covered payroll	\$ 69,019,502	\$ 60,616,335	\$ 58,690,306	\$ 58,980,994	\$ 57,755,936	\$ 53,081,648	\$ 52,131,630	\$ 48,714,874	\$ 44,778,768	\$ 39,819,758
District's proportionate share of the net pension liability as a percentage of its covered payroll	119.9%	121.2%	78.4%	176.1%	167.4%	171.8%	166.7%	165.9%	142.4%	131.2%
Plan fiduciary net position as a percentage of the total pension liability	80.6%	81.2%	87.2%	71.8%	72.6%	71.0%	69.5%	70.0%	74.0%	76.5%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.173%	0.157%	0.159%	0.161%	0.162%	0.158%	0.150%	0.150%	0.143%	0.136%
District's proportionate share of the net pension liability	\$ 62,572,778	\$ 54,157,344	\$ 32,305,775	\$ 49,415,096	\$ 47,128,091	\$ 42,122,315	\$ 35,723,661	\$ 29,634,168	\$ 21,130,945	\$ 15,493,491
District's covered payroll	\$ 31,131,853	\$ 24,217,126	\$ 23,456,180	\$ 23,932,799	\$ 22,854,676	\$ 21,149,888	\$ 19,654,591	\$ 18,415,589	\$ 15,861,278	\$ 14,326,709
District's proportionate share of the net pension liability as a percentage of its covered payroll	201.0%	223.6%	137.7%	206.5%	206.2%	199.2%	181.8%	160.9%	133.2%	108.1%
Plan fiduciary net position as a percentage of the total pension liability	70.0%	69.8%	81.0%	70.0%	70.0%	70.8%	71.9%	73.9%	79.4%	83.4%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALSTRS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 13,816,738	\$ 12,715,890	\$ 10,700,814	\$ 9,430,747	\$ 10,073,319	\$ 9,361,107	\$ 7,659,682	\$ 6,566,851	\$ 5,195,606	\$ 3,986,192
Contributions in relation to the contractually required contribution*	(13,816,738)	(12,715,890)	(10,700,814)	(9,430,747)	(10,073,319)	(9,361,107)	(7,659,682)	(6,566,851)	(5,195,606)	(3,986,192)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 72,492,084	\$ 69,019,502	\$ 60,616,335	\$ 58,690,306	\$ 58,980,994	\$ 57,755,936	\$ 53,081,648	\$ 52,131,630	\$ 48,714,874	\$ 44,778,768
Contributions as a percentage of covered payroll	19.06%	18.42%	17.65%	16.07%	17.08%	16.21%	14.43%	12.60%	10.67%	8.90%

*Amounts do not include on-behalf contributions

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - CALPERS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 8,799,976	\$ 7,550,211	\$ 5,767,907	\$ 4,830,783	\$ 4,663,475	\$ 4,115,286	\$ 3,284,789	\$ 2,729,240	\$ 2,148,122	\$ 1,920,480
Contributions in relation to the contractually required contribution*	(8,799,976)	(7,550,211)	(5,767,907)	(4,830,783)	(4,663,475)	(4,115,286)	(3,284,789)	(2,729,240)	(2,148,122)	(1,920,480)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 33,056,287	\$ 31,131,853	\$ 24,217,126	\$ 23,456,180	\$ 23,932,799	\$ 22,854,676	\$ 21,149,888	\$ 19,654,591	\$ 18,415,589	\$ 15,861,278
Contributions as a percentage of covered payroll	26.62%	24.25%	23.82%	20.59%	19.49%	18.01%	15.53%	13.89%	11.66%	12.11%

*Amounts do not include on-behalf contributions

**PITTSBURG UNIFIED SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

This schedule is required by GASB Statement No. 34 as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Changes in Net OPEB Liability and Related Ratios

This 10-year schedule is required by GASB Statement No. 75 for all sole and agent employers that provide other postemployment benefits (OPEB). Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 75 was applicable. The schedule presents the sources of change in the net OPEB liability, and the components of the net OPEB liability and related ratios, including the OPEB plan's fiduciary net position as a percentage of the net OPEB liability, and the net OPEB liability as a percentage of covered-employee payroll.

Changes in Benefit Terms

None.

Changes in Assumptions

The discount rate was changed from 3.86% to 3.97% since the previous measurement. The initial healthcare cost trend rate was changed from 6.00% to 5.50% since the previous measurement.

Schedule of District's Contributions for OPEB

This schedule presents information on the District's actuarially determined contribution, contributions in relation to the actuarially determined contribution, and any excess or deficiency related to the actuarially determined contribution. In the future, as data becomes available, ten years of information will be presented.

Schedule of OPEB Investment Returns

This schedule presents information on the annual money weighted rate of return on OPEB plan investments. In future years, as data becomes available, ten years of information will be presented.

Schedule of the District's Proportionate Share of the Net Pension Liability

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District's proportion (percentage) of the collective net pension liability, the District's proportionate share (amount) of the collective net pension liability, the District's covered payroll, the District's proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll, and the pension plan's fiduciary net position as a percentage of the total pension liability.

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuations for CalSTRS or CalPERS.

Changes in Assumptions

There were no changes in economic assumptions since the previous valuation for CalSTRS or CalPERS.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION, continued
 FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of District Contributions

This 10-year schedule is required by GASB Statement No. 68 for each cost-sharing pension plan. Until a full 10-year trend is compiled, the schedule will only show those years under which GASB Statement No. 68 was applicable. The schedule presents the District’s statutorily or contractually required employer contribution, the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the difference between the statutorily or contractually required employer contribution and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution, the District’s covered payroll, and the amount of contributions recognized by the pension plan in relation to the statutorily or contractually required employer contribution as a percentage of the District’s covered payroll.

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended June 30, 2024, the District incurred an excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedule by major object code as follows.

	Expenditures and Other Uses		
	Budget	Actual	Excess
General Fund			
Certificated salaries	\$ 72,288,036	\$ 75,187,324	\$ 2,899,288
Classified salaries	\$ 29,928,742	\$ 31,092,172	\$ 1,163,430

SUPPLEMENTARY INFORMATION

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster</u>	<u>AL Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF EDUCATION:			
<i>Passed through California Department of Education:</i>			
Title I, Part A			
Title I, Part A, Basic Grants Low-Income and Neglected	84.010	14329	\$ 3,240,682
Comprehensive Support and Improvement for LEAs	84.010	15438	300,905
Subtotal Title I, Part A			<u>3,541,587</u>
Adult Education: English Literacy and Civics Education	84.002A	14109	3,312
Title II, Part A, Supporting Effective Instruction Local Grants	84.367	14341	466,293
Title III, English Learner Student Program	84.365	14346	387,799
Special Education Cluster			
IDEA Basic Local Assistance Entitlement, Part B, Sec 611	84.027	13379	2,301,848
IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	84.027A	15197	122,576
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	34,970
Subtotal Special Education Cluster			<u>2,459,394</u>
Strengthening Career and Technical Education for the 21st Century (Perkins V)	84.048	14894	131,672
COVID-19 Emergency Acts Funding/Education Stabilization Fund Discretionary Grants:			
Elementary and Secondary School Emergency Relief III (ESSER III) Fund	84.425	15559	8,653,974
Elementary and Secondary School Emergency Relief III (ESSER III) Fund: Learning Loss	84.425U	10155	2,045,093
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Emergency Needs	84.425	15620	583,696
Expanded Learning Opportunities (ELO) Grant: ESSER III State Reserve, Learning Loss	84.425	15621	1,142,762
American Rescue Plan - Homeless Children and Youth II (ARP HYC II) Program	84.425	15566	57,399
Subtotal Education Stabilization Fund Discretionary Grants			<u>12,482,924</u>
Total U. S. Department of Education			<u>19,472,981</u>
U. S. DEPARTMENT OF AGRICULTURE:			
<i>Passed through California Department of Education:</i>			
Child Nutrition Cluster			
School Breakfast Program - Basic	10.553	13525	4,208
School Breakfast Program - Needy	10.553	13526	1,138,954
National School Lunch Program	10.555	13391	2,696,895
USDA Commodities	10.555	*	309,201
Summer Food Service Program for Children	10.559	13004	55,288
Supply Chain Assistance (SCA) Funds	10.555	15655	304,397
Subtotal Child Nutrition Cluster			<u>4,508,943</u>
Supplemental Nutrition Assistance Program	10.551	*	61,971
<i>Passed through California Department of Social Services:</i>			
CACFP Claims - Centers and Family Day Care	10.558	13393	1,177,193
Total U. S. Department of Agriculture			<u>5,748,107</u>
Total Federal Expenditures			<u>\$ 25,221,088</u>

* - Pass-Through Entity Identifying Number not available or not applicable

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF AVERAGE DAILY ATTENDANCE (ADA)
FOR THE YEAR ENDED JUNE 30, 2024**

	Second Period Report	Annual Report
SCHOOL DISTRICT		
TK/K through Third		
Regular ADA	2,791.92	2,790.04
Extended Year Special Education	5.66	5.66
Special Education - Nonpublic Schools	0.73	0.93
Extended Year Special Education - Nonpublic Schools	0.02	0.02
Total TK/K through Third	2,798.33	2,796.65
Fourth through Sixth		
Regular ADA	2,110.45	2,111.14
Extended Year Special Education	2.68	2.68
Special Education - Nonpublic Schools	4.78	6.41
Extended Year Special Education - Nonpublic Schools	0.11	0.11
Total Fourth through Sixth	2,118.02	2,120.34
Seventh through Eighth		
Regular ADA	1,498.90	1,492.70
Extended Year Special Education	1.09	1.09
Special Education - Nonpublic Schools	7.70	9.49
Extended Year Special Education - Nonpublic Schools	0.09	0.09
Total Seventh through Eighth	1,507.78	1,503.37
Ninth through Twelfth		
Regular ADA	3,310.34	3,274.29
Extended Year Special Education	4.33	4.33
Special Education - Nonpublic Schools	7.35	9.56
Extended Year Special Education - Nonpublic Schools	0.32	0.32
Total Ninth through Twelfth	3,322.34	3,288.50
TOTAL SCHOOL DISTRICT	9,746.47	9,708.86

**PITTSBURG UNIFIED SCHOOL DISTRICT
 SCHEDULE OF INSTRUCTIONAL TIME
 FOR THE YEAR ENDED JUNE 30, 2024**

Grade Level	Minutes Requirement	2023-24 Actual Minutes	Number of Days	Status
Kindergarten	36,000	49,045	180	Complied
Grade 1	50,400	53,450	180	Complied
Grade 2	50,400	53,450	180	Complied
Grade 3	50,400	53,450	180	Complied
Grade 4	54,000	55,250	180	Complied
Grade 5	54,000	55,250	180	Complied
Grade 6	54,000	58,691	180	Complied
Grade 7	54,000	58,691	180	Complied
Grade 8	54,000	58,691	180	Complied
Grade 9	64,800	65,154	180	Complied
Grade 10	64,800	65,154	180	Complied
Grade 11	64,800	65,154	180	Complied
Grade 12	64,800	65,154	180	Complied

**PITTSBURG UNIFIED SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2024**

	2025 (Budget)	2024	2023	2022
General Fund - Budgetary Basis**				
Revenues And Other Financing Sources	\$ 195,628,696	\$ 223,139,556	\$ 225,534,413	\$ 173,739,532
Expenditures And Other Financing Uses	221,262,049	206,081,446	188,359,039	162,428,658
Net change in Fund Balance	\$ (25,633,353)	\$ 17,058,110	\$ 37,175,374	\$ 11,310,874
Ending Fund Balance	\$ 71,054,026	\$ 96,687,379	\$ 79,629,269	\$ 42,453,895
Available Reserves*	\$ 8,345,834	\$ 26,384,576	\$ 16,591,840	\$ 7,380,376
Available Reserves As A Percentage Of Outgo	3.77%	12.80%	8.81%	4.54%
Long-term Liabilities	\$ 605,251,196	\$ 614,143,982	\$ 603,728,148	\$ 484,310,218
Average Daily Attendance At P-2	9,732	9,746	9,598	9,419

The General Fund ending fund balance has increased by \$54,233,484 over the past two years. However, the fiscal year 2024-25 budget projects a decrease of \$25,633,353. For a District this size, the State recommends available reserves of at least 3% of General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2024-25 fiscal year. Total long-term obligations have increased by \$129,833,764 over the past two years.

Average daily attendance has increased by 327 ADA over the past two years. However, a decrease of 14 ADA is anticipated during the 2024-25 fiscal year.

*Available reserves consist of all unassigned fund balance within the General Fund.

**The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Private-Purpose Trust Fund, in accordance with the fund type definitions promulgated by GASB Statement No. 84. Audit adjustments and reclassifications are also not included in this schedule.

**PITTSBURG UNIFIED SCHOOL DISTRICT
RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**

	General Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	Building Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Private-Purpose Trust Fund
June 30, 2024, annual financial and budget report fund balance	\$ 96,687,379	\$ 1,452,757	\$ 1,859,150	\$ 1,660,408	\$ 602,492	\$ 69,587,176	\$ 26,566,846	\$ 8,564,439	\$ 25,159,097	\$ 246,820
Adjustments and reclassifications:										
Increase (decrease) in total fund balances:										
Fair value adjustment - cash in county treasury	(970,587)	(16,774)	(26,954)	(670)	(10,803)	(730,006)	(276,029)	(89,725)	(261,320)	-
Fund balance transfer (GASB 54)	246,820	-	-	-	-	-	-	-	-	(246,820)
Net adjustments and reclassifications	(723,767)	(16,774)	(26,954)	(670)	(10,803)	(730,006)	(276,029)	(89,725)	(261,320)	(246,820)
June 30, 2024, audited financial statement fund balance	\$ 95,963,612	\$ 1,435,983	\$ 1,832,196	\$ 1,659,738	\$ 591,689	\$ 68,857,170	\$ 26,290,817	\$ 8,474,714	\$ 24,897,777	\$ -

See accompanying note to supplementary information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
COMBINING BALANCE SHEET
JUNE 30, 2024**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
ASSETS								
Cash and investments	\$ 541,191	\$ 1,603,217	\$ 2,568,076	\$ 66,357	\$ 1,029,294	\$ -	\$ 8,548,713	\$ 14,356,848
Accounts receivable	-	37,169	7,462	1,659,162	-	-	-	1,703,793
Stores inventory	-	-	-	108,055	-	-	-	108,055
Total Assets	\$ 541,191	\$ 1,640,386	\$ 2,575,538	\$ 1,833,574	\$ 1,029,294	\$ -	\$ 8,548,713	\$ 16,168,696
LIABILITIES								
Accrued liabilities	\$ -	\$ 204,403	\$ 224	\$ 92,836	\$ 437,605	\$ -	\$ 73,999	\$ 809,067
Unearned revenue	-	-	743,118	81,000	-	-	-	824,118
Total Liabilities	-	204,403	743,342	173,836	437,605	-	73,999	1,633,185
FUND BALANCES								
Non-spendable	-	5,000	-	108,055	-	-	-	113,055
Restricted	541,191	512,099	1,832,196	1,551,683	-	-	8,474,714	12,911,883
Committed	-	918,884	-	-	591,689	-	-	1,510,573
Total Fund Balances	541,191	1,435,983	1,832,196	1,659,738	591,689	-	8,474,714	14,535,511
Total Liabilities and Fund Balances	\$ 541,191	\$ 1,640,386	\$ 2,575,538	\$ 1,833,574	\$ 1,029,294	\$ -	\$ 8,548,713	\$ 16,168,696

See accompanying note to supplementary information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2024**

	Student Activity Fund	Adult Education Fund	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund	County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Non-Major Governmental Funds
REVENUES								
LCFF sources	\$ -	\$ -	\$ -	\$ -	\$ 355,221	\$ -	\$ -	\$ 355,221
Federal sources	-	13,293	-	5,807,136	-	-	-	5,820,429
Other state sources	-	3,453,266	3,554,124	2,895,082	-	2,218,458	-	12,120,930
Other local sources	879,788	227,132	74,393	83,958	18,469	9,346	230,957	1,524,043
Total Revenues	879,788	3,693,691	3,628,517	8,786,176	373,690	2,227,804	230,957	19,820,623
EXPENDITURES								
Current								
Instruction	-	2,344,774	1,706,977	-	-	-	-	4,051,751
Instruction-related services								
School site administration	-	992,757	303,993	-	-	-	-	1,296,750
Pupil services								
Food services	-	-	-	8,327,763	-	-	-	8,327,763
All other pupil services	-	200,872	-	-	-	-	-	200,872
General administration								
All other general administration	-	161,119	85,095	-	-	-	-	246,214
Plant services	-	316,047	-	-	686,590	-	-	1,002,637
Facilities acquisition and construction	-	357,856	-	-	-	-	458,933	816,789
Ancillary services	848,920	-	-	-	-	-	-	848,920
Total Expenditures	848,920	4,373,425	2,096,065	8,327,763	686,590	-	458,933	16,791,696
Excess (Deficiency) of Revenues Over Expenditures	30,868	(679,734)	1,532,452	458,413	(312,900)	2,227,804	(227,976)	3,028,927
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	-	2,227,804	2,227,804
Transfers out	-	-	-	-	-	(2,227,804)	-	(2,227,804)
Net Financing Sources (Uses)	-	-	-	-	-	(2,227,804)	2,227,804	-
NET CHANGE IN FUND BALANCE	30,868	(679,734)	1,532,452	458,413	(312,900)	-	1,999,828	3,028,927
Fund Balance - Beginning	510,323	2,115,717	299,744	1,201,325	904,589	-	6,474,886	11,506,584
Fund Balance - Ending	\$ 541,191	\$ 1,435,983	\$ 1,832,196	\$ 1,659,738	\$ 591,689	\$ -	\$ 8,474,714	\$ 14,535,511

See accompanying note to supplementary information.

**PITTSBURG UNIFIED SCHOOL DISTRICT
 NOTES TO SUPPLEMENTARY INFORMATION
 JUNE 30, 2024**

NOTE 1 – PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the 10 percent de minimis indirect cost rate.

The following schedule provides reconciliation between revenues reported on the Statement of Revenue, Expenditures, and Changes in Fund Balance, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts represent Federal funds that have been recorded as revenues in a prior year that have been expended by June 30, 2024 or Federal funds that have been recorded as revenues in the current year and were not expended by June 30, 2024.

	AL	
	Number	Amount
Total Federal Revenues reported in the Statement of Revenues, Expenditures, and Changes in Fund Balance		\$ 25,227,518
CCFP Cash in Lieu of Commodities	10.558	(59,029)
Title IV, Part A	84.424	<u>52,599</u>
Total Expenditures reported in the Schedule of Expenditures of Federal Awards		<u>\$ 25,221,088</u>

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

Schedule of Instructional Time

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with article 8 (commencing with section 46200) of chapter 2 of part 26 of the *Education Code*.

Schedule of Financial Trends and Analysis

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Annual Financial and Budget Report Unaudited Actuals to the audited financial statements.

Combining Statements – Non-Major Funds

These statements provide information on the District's non-major funds.

OTHER INFORMATION

**PITTSBURG UNIFIED SCHOOL DISTRICT
 LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
 JUNE 30, 2024**

The Pittsburg Unified School District was established in 1933 and is located in Contra Costa County. There were no changes in the boundaries of the District during the current year. The District is currently operating eight elementary schools, three middle schools, one high school and one continuation high school.

GOVERNING BOARD

Member	Office	Term Expires
Mr. Heliodoro Moreno	President	December 2026
Dr. De'Shawn Woolridge	Vice President	December 2026
Ms. Destiny Briscoe	Trustee	December 2026
Mr. George Miller	Trustee	December 2024
Ms. Taylor Sims	Trustee	December 2024

DISTRICT ADMINISTRATORS

Dr. Janet Schulze
Superintendent

Mr. Hitesh Haria
Associate Superintendent of Business Services

Ms. Nancie Castro*
Assistant Superintendent of Human Resources

Mr. Anthony Molina, M. Ed.
Assistant Superintendent of Educational Services

Dr. J.C. Farr
Executive Director of Equity, Access and Success

*Subsequent to June 30, 2024, Dr. Zachary Kahn was appointed as Assistant Superintendent of Human Resources

OTHER INDEPENDENT AUDITORS' REPORTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditors' Report

Governing Board
Pittsburg Unified School District
Pittsburg, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pittsburg Unified School District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Pittsburg Unified School District's basic financial statements, and have issued our report thereon dated December 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Christy White, Inc.

San Diego, California
December 12, 2024

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; AND REPORT ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**Independent Auditors' Report

Governing Board
Pittsburg Unified School District
Pittsburg, California

Report on Compliance for Each Major Federal Program***Opinion on Each Major Federal Program***

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit for Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

Report on Internal Control Over Compliance (continued)

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

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

Christy White, Inc.

San Diego, California
December 12, 2024

**REPORT ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER
COMPLIANCE FOR STATE PROGRAMS**Independent Auditors' Report

Governing Board
Pittsburg Unified School District
Pittsburg, California

Report on State Compliance***Opinion on State Compliance***

We have audited Pittsburg Unified School District's compliance with the requirements specified in the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to Pittsburg Unified School District's state program requirements as identified in the table in the Auditor's Responsibilities for the Audit of State Compliance section of our report for the year ended June 30, 2024.

In our opinion, Pittsburg Unified School District complied, in all material respects, with the laws and regulations of the applicable laws and regulations of the applicable state programs for the year ended June 30, 2024.

Basis for Opinion on State Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2023-2024 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* (the K-12 Audit Guide). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of State Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor’s Responsibilities for the Audit of State Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the state compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pittsburg Unified School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the K-12 Audit Guide will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pittsburg Unified School District's compliance with the requirements of the applicable state programs as a whole.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, and the K-12 Audit Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pittsburg Unified School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of Pittsburg Unified School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the K-12 Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of Pittsburg Unified School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Pittsburg Unified School District's compliance with the state laws and regulations applicable to the following items:

PROGRAM NAME	PROCEDURES PERFORMED
Local Education Agencies Other Than Charter Schools	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Not Applicable
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
Home to School Transportation Reimbursement	Yes

Auditor’s Responsibilities for the Audit of State Compliance (continued)

PROGRAM NAME	PROCEDURES PERFORMED
School Districts, County Offices of Education, and Charter Schools	
Proposition 28 Arts and Music in Schools	Yes
After/Before School Education and Safety Program	Yes
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	Not Applicable
Immunizations	Yes
Educator Effectiveness	Yes
Expanded Learning Opportunities Grant (ELO-G)	Yes
Career Technical Education Incentive Grant	Not Applicable
Expanded Learning Opportunities Program	Yes
Transitional Kindergarten	Yes
Charter Schools	
Attendance; for charter schools	Not Applicable
Mode of Instruction; for charter schools	Not Applicable
Nonclassroom-Based Instruction/Independent Study; for charter schools	Not Applicable
Determination of Funding for Nonclassroom-Based Instruction; for charter schools	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

The term “Not Applicable” is used above to mean either the District did not offer the program during the current fiscal year, the District did not participate in the program during the current fiscal year, or the program applies to a different type of local education agency.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are described in the accompanying schedule of findings and questioned costs as Findings #2024-001, #2024-002, #2024-003. Our opinion on state compliance is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Pittsburg Unified School District’s response to the noncompliance findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Pittsburg Unified School District’s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the K-12 Audit Guide. Accordingly, this report is not suitable for any other purpose.

Christy White, Inc.

San Diego, California
December 12, 2024

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

**PITTSBURG UNIFIED SCHOOL DISTRICT
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2024**

FINANCIAL STATEMENTS

Type of auditors' report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Non-compliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major program:	
Material weakness(es) identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Type of auditors' report issued:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?	<u>No</u>
Identification of major programs:	

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010	Title I, Part A
84.425, 84.425U	Education Specialization Fund Discretionary Grants

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 756,633</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

STATE AWARDS

Internal control over state programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiency(ies) identified?	<u>None Reported</u>
Any audit findings disclosed that are required to be reported in accordance with 2023-24 Guide for Annual Audits of California K-12 Local Education Agencies ?	<u>Yes</u>
Type of auditors' report issued on compliance for state programs:	<u>Unmodified</u>

**PITTSBURG UNIFIED SCHOOL DISTRICT
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

20000
30000

AB 3627 FINDING TYPE

Inventory of Equipment
Internal Control

There were no financial statement findings for the year ended June 30, 2024.

**PITTSBURG UNIFIED SCHOOL DISTRICT
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

50000

AB 3627 FINDING TYPE

Federal Compliance

There were no federal award findings or questioned costs for the year ended June 30, 2024.

**PITTSBURG UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

FIVE DIGIT CODE

10000
40000
42000
43000
60000
61000
62000
70000
71000
72000

AB 3627 FINDING TYPE

Attendance
State Compliance
Charter School Facilities Programs
Apprenticeship: Related and Supplemental Instruction
Miscellaneous
Classroom Teacher Salaries
Local Control Accountability Plan
Instructional Materials
Teacher Misassignments
School Accountability Report Card

FINDING #2024-001: AFTER SCHOOL EDUCATION & SAFETY (ASES) PROGRAM (40000)

Criteria: Education Code Section 8482.3 states that after school programs participating in the ASES program are required to submit student outcome data to the California Department of Education (CDE) which includes measurable student outcomes including attendance. As a result, ASES 2023-24 1st Half After School Base Attendance Report (covering the period of August to December 2023) was reviewed along with supporting documentation for each school site in order to determine whether the reported number of students served is supported by written records maintained.

Condition: During reconciliation of students served from the program’s attendance summaries to the 1st Half After School Base Attendance Report, the auditor calculated differences in the number of students served at Foothill Elementary, Parkside Elementary, Rancho Medanos Elementary, Hillview Junior High, and Martin Luther King Jr. Junior High, resulting in an understatement of 4,211 students served.

Total students served per summaries	Total students served reported to CDE	Over/(Under) reported students served
107,139	104,468	(4,211)

Cause: Clerical oversight due to turnover in position responsible for ASES reporting.

Effect: Errors were made calculating the number of students served.

Questioned Costs: The ASES program funding is not affected as long as the pupil participation level is maintained at 85% of the projected attendance or greater. Since the finding noted a net underreporting of 4,211 student served, program attendance did not fall below 85% of the projected attendance; therefore, there is no questioned cost associated with attendance.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the District implement a process to accurately calculate the attendance of the After-School Education & Safety (ASES) Program for reporting purposes to the California Department of Education.

Corrective Action Plan: The district will implement a plan to train and monitor staff members to oversee the ASES reporting process to ensure proper management of data and minimize risk of clerical errors. Additionally, the district will establish a secondary review process and schedule regular internal audits of attendance data. The program coordinator will conduct a monthly review of attendance data.

**PITTSBURG UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-002: EXPANDED LEARNING OPPORTUNITIES PROGRAM REGISTRATION FORMS (40000)

Criteria: Pursuant to California Education Code Section 46120 (g)(6), LEAs must demonstrate that students have been provided access to the Expanded Learning Opportunity Program (ELOP) by maintaining registration forms on file that have been signed by a parent or guardian.

Condition: Based on our review of ELOP registration procedures and related documentation, signed registration forms for were not obtained for two (2) students at Foothill Elementary School and one (1) student at Hillview Middle School.

Effect: The District was not in compliance with the related section of Education Code.

Cause: Administrative oversight.

Questioned Costs: There are no questioned costs associated with this finding as we found no evidence to indicate that the District failed to meet ELOP offering or access requirements.

Repeat Finding: This is not a repeat finding.

Recommendation: The District should obtain signed registration forms for all students enrolled in the program.

Corrective Action Plan: Current ELOP registration procedures will be updated to include a verification checklist to ensure that all necessary forms are collected prior to student participation in the program.

FINDING #2024-003 – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)

Criteria: Students classified as free or reduced-price meal eligible (FRPM) and who are not directly certified on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report must have supporting documentation that indicates the student was eligible for the determination. Auditors are required to verify compliance with Education Code Section 42238.02(b)(3)(b) in Section W of the 2018-19 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.

Condition: One (1) out of 18 Hillview Junior High students tested from the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report who was classified as FRPM had supporting documentation showing “Paid” status. The error rate of 1/18 or 5.56% was extrapolated to the entire population of students only classified as free or reduced at Hillview Junior High. The total extrapolated error rate indicated that a total of 14 students were incorrectly classified.

Effect: The District is not in compliance with applicable State requirements.

Cause: Clerical oversight.

Questioned Costs: \$38,721 as calculated on the next page.

**PITTSBURG UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

**FINDING #2024-003 – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)
(continued)**

Questioned Costs: (continued)

UPP Audit Adjustment			
Item Number	Calculating the Cost of LCFF Unduplicated Pupil Count Audit Finding	Instructions	Data Input and Calculated Fields
1	Total Adjusted Enrollment from the UPP exhibit as of P-2	Enter Adjusted Enrollment, Line A-5 for School Districts, or Line A-4 for Charter Schools from the P-2 UPP exhibit.	32,280
2	Total Adjusted Unduplicated Pupil Count from the UPP exhibit as of P-2	Enter Adjusted Unduplicated Pupil Count, Line B-5 for School Districts, or Line B-4 for Charter Schools from the P-2 UPP exhibit.	26,183
3	Audit Adjustment - Number of Enrollment	Enter total number of enrollment adjusted per audit, either (negative) or positive.	
4	Audit Adjustment - Number of Unduplicated Pupil Count	Enter total number of unduplicated pupil counts adjusted per audit, either (negative) or positive.	(14)
5	Revised Adjusted Enrollment	Calculated field.	32,280
6	Revised Adjusted Unduplicated Pupil Count	Calculated field.	26,169
7	UPP calculated as of P-2	Calculated field.	0.8111
8	Revised UPP for audit finding	Calculated field.	0.8107
9	Charter Schools Only: Determinative School District Concentration Cap	Charter Schools Only: Enter School District Unduplicated Pupil Percentage, Line D-3 from the P-2 UPP exhibit.	
10	Revised UPP adjusted for Concentration Cap	Calculated field.	0.8107
11	Supplemental and Concentration Grant TK/K-3 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-6 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-1 from the P-2 Charter School LCFF Calculation exhibit.	2,875.37
12	Supplemental and Concentration Grant 4-6 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-7 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-2 from the P-2 Charter School LCFF Calculation exhibit.	2,276.44
13	Supplemental and Concentration Grant 7-8 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-8 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-3 from the P-2 Charter School LCFF Calculation exhibit.	1,553.12
14	Supplemental and Concentration Grant 9-12 ADA	School Districts: Enter Supplemental and Concentration Grant ADA (includes NSS ADA) by grade level, Line B-9 from the P-2 School District LCFF Calculation exhibit. Charter Schools: Enter Base, Supplemental, and Concentration Grant Funded ADA by grade level, Line B-4 from the P-2 Charter School LCFF Calculation exhibit.	3,518.56
15	Adjusted Base Grant per TK/K-3 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-12 from the P-2 LCFF Calculation exhibit.	\$10,951
16	Adjusted Base Grant per 4-6 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-7 from the P-2 LCFF Calculation exhibit.	\$10,069
17	Adjusted Base Grant per 7-8 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-8 from the P-2 LCFF Calculation exhibit.	\$10,367
18	Adjusted Base Grant per 9-12 ADA	Enter Adjusted Base Grant per ADA by grade level, Line A-13 from the P-2 LCFF Calculation exhibit.	\$12,327
19	Supplemental Grant Funding calculated as of P-2	Calculated field.	\$18,474,285
20	Revised Supplemental Grant Funding for audit finding	Calculated field.	\$18,465,174
21	Supplemental Grant Funding audit adjustment	Calculated field.	(\$9,111)
22	Concentration Grant Funding calculated as of P-2	Calculated field.	\$19,327,846
23	Revised Concentration Grant Funding for audit finding	Calculated field.	\$19,298,236
24	Concentration Grant Funding audit adjustment	Calculated field.	(\$29,610)
25	Total Supplemental and Concentration audit adjustment	Calculated field.	(\$38,721)

**PITTSBURG UNIFIED SCHOOL DISTRICT
STATE AWARD FINDINGS AND QUESTIONED COSTS, continued
FOR THE YEAR ENDED JUNE 30, 2024**

FINDING #2024-003 – UNDUPLICATED LOCAL CONTROL FUNDING FORMULA PUPIL COUNTS (40000)
(continued)

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the District maintain supporting documentation to support student classification as free or reduced on the CALPADS 1.18 FRPM/English Learner/Foster Youth – Student List Report. Additionally, the CALPADS reporting should be revised for any students lacking supporting documentation to support their classification as free or reduced before the close of the Fall I Amendment Window.

Corrective Action Plan: The Child Nutrition Department will check the information in the Child Nutrition System against the information in the Student Information System. They will update the Student Information System if needed. Starting in the 2025-2026 school year, the Income Eligibility form will be part of the Data Confirmation and On-Line Enrollment processes in the Student Information System. The information from the Income Eligibility Form will go directly to the Student Information System. This will happen for families that choose to complete the form. After this change in process, the Child Nutrition Department will continue to check the data between the two systems and make changes as needed.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024**

There were no findings or questioned costs for the year ended June 30, 2023.