

PRELIMINARY OFFICIAL STATEMENT DATED MAY 14, 2025

TWO NEW ISSUES—BOOK-ENTRY ONLY

RATING:

Moody's: "A1"

See "RATINGS" herein.

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in section 59(k) of the Internal Revenue Code of 1986, as amended, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein.



\$45,000,000*
**PITTSBURG UNIFIED
SCHOOL DISTRICT**
(Contra Costa County, California)
General Obligation Bonds
Election of 2024, Series A (2025)

\$30,000,000*
**PITTSBURG UNIFIED
SCHOOL DISTRICT**
(Contra Costa County, California)
**2025 General Obligation
Refunding Bonds**

Dated: Date of Delivery

Due: August 1, as shown on the inside cover

The \$45,000,000* Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2024, Series A (2025) (the "New Money Bonds") are being issued by the Pittsburg Unified School District (the "District") pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code and a resolution of the Board of Trustees of the District (the "Board"). The New Money Bonds are being issued to (a) finance the acquisition and construction of educational facilities and projects which were described in the ballot measure approved by the electors of the District on November 5, 2024, which authorized the issuance of general obligation bonds in the maximum aggregate principal amount of \$140,000,000 (the "2024 Authorization"), and (b) pay for costs of issuance of the New Money Bonds. The New Money Bonds constitute the first issue of bonds under the 2024 Authorization. The New Money Bonds will be issued as current interest bonds.

The \$30,000,000* Pittsburg Unified School District (Contra Costa County, California) 2025 General Obligation Refunding Bonds (the "Refunding Bonds") are being issued by the District (pursuant to Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code and a resolution of the Board. The Refunding Bonds are being issued to (a) to refund (i) all or a portion of the outstanding Pittsburg Unified School District (Contra Costa County, California) 2014 General Obligation Refunding Bonds, (ii) all or a portion of the outstanding Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2014, Series A (2015), and (iii) all or a portion of the outstanding Pittsburg Unified School District (Contra Costa County, California) 2015 General Obligation Refunding Bonds, and (b) to pay the costs of issuance of the Refunding Bonds. The Refunding Bonds will be issued as current interest bonds.

The New Money Bonds and the Refunding Bonds (the "Bonds") constitute general obligations of the District payable solely from *ad valorem* property taxes levied and collected by Contra Costa County (the "County"). The Boards of Supervisors of the County is empowered and obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of interest on, and principal of, the Bonds upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates), all as more fully described herein under "THE BONDS" and "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS—Property Taxation System."

The Bonds are issuable in denominations of \$5,000 and any integral multiple thereof. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2025. See "THE BONDS" herein. The Bonds will be delivered in fully registered form only and, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as paying agent, to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "BOOK-ENTRY SYSTEM" herein.

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS—Redemption" herein.

The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due which, if purchased, will be issued concurrently with delivery of the Bonds.

MATURITY SCHEDULE

SEE INSIDE FRONT COVER

This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued, and received by the purchaser thereof, subject to the approval as to their validity by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Disclosure Counsel, and for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about June 5, 2025.

RAYMOND JAMES®

May __, 2025

*Preliminary, subject to change.

\$45,000,000*
PITTSBURG UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Bonds
Election of 2024, Series A (2025)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

\$ _____ Serial Bonds

CUSIP† Prefix: 724581

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix
------------------------	---------------------	------------------	-------	-------	------------------

\$ _____ % Term Bonds maturing August 1, ____, Price: ____, to Yield ____%—CUSIP† _____

\$30,000,000*
PITTSBURG UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
2025 General Obligation Refunding Bonds

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

\$ _____ Serial Bonds

CUSIP† Prefix: 724581

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix
------------------------	---------------------	------------------	-------	-------	------------------

\$ _____ % Term Bonds maturing August 1, ____, Price: ____, to Yield ____%—CUSIP† _____

*Preliminary, subject to change.

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For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), this Preliminary Official Statement constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond or note owner and the District or the Underwriter indicated in this Official Statement.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. Certain information set forth in this Official Statement has been furnished by sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Involvement of Underwriter. The Underwriter has provided the following statement for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Document Summaries. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the District, in any press release and in any oral statement made with the approval of an authorized officer of the District, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the District, the County, the other parties described in this Official Statement, or the condition of the property within the District since the date of this Official Statement.

Website. The District maintains a website. Unless specifically indicated otherwise, the information presented on such website is not incorporated by reference as part of this Official Statement.

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PITTSBURG UNIFIED SCHOOL DISTRICT

2000 Railroad Avenue
Pittsburg, California 94565
(925) 473-2300
<http://www.pittsburg.k12.ca.us/>*

BOARD OF TRUSTEES

Heliodoro Moreno, *President*
Taylor Sims, *Vice President*
Destiny Briscoe, *Trustee*
George Miller, *Trustee*
De'Shawn Woolridge, *Trustee*

DISTRICT ADMINISTRATION

Janet Schulze, Ed.D., *Superintendent*
Hitesh Haria, *Associate Superintendent of Business Services*
Sonya Maturano, *Finance Director*
Sean Vandermey, *Director of Facilities*
Matthew Belasco, *Director of Maintenance, Operations and Transportation*

PROFESSIONAL SERVICES

BOND COUNSEL and DISCLOSURE COUNSEL
Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

MUNICIPAL ADVISOR AND DISSEMINATION AGENT
KNN Public Finance, LLC
Berkeley, California

PAYING AGENT
The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

VERIFICATION AGENT
Causey Public Finance, LLC
Parker, Colorado

*Information therein is not incorporated by reference into this Official Statement.

\$45,000,000*
PITTSBURG UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
General Obligation Bonds
Election of 2024, Series A (2025)

\$30,000,000*
PITTSBURG UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
2025 General Obligation Refunding Bonds

INTRODUCTION

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto, provides information in connection with the sale of the \$45,000,000* Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds Election of 2024, Series A (2025) (the “New Money Bonds”), and the \$30,000,000* Pittsburg Unified School District (Contra Costa County, California) 2025 General Obligation Refunding Bonds (the “Refunding Bonds” and, with the New Money Bonds, the “Bonds”).

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover page and the appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The District

The District was established in 1933 and provides public education in kindergarten through grade 12 to the residents of the City of Pittsburg (the “City”) and environs in Contra Costa County, California (the “County”). The District operates eight elementary schools, three middle schools, one high school and one continuing education high school, serving approximately 10,800 students. The District additionally provides Adult Education, Independent Study and Preschool Services. The District is under the authority of the Contra Costa County Office of Education.

The District is governed by a five-member Board of Trustees (the “District Board”), whose members are elected at large to four-year terms. The members of the District Board elect a president each year. The management and policies of the District are administered by a Superintendent appointed by the District Board who is responsible for day-to-day District operations as well as the supervision of the District’s other personnel.

For more complete information concerning the District, including certain financial information, see “THE DISTRICT” and APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION. The District’s audited financial statements for the fiscal year ended June 30, 2024, are included as APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.

* Preliminary, subject to change.

Source of Payment for the Bonds

The Bonds constitute general obligations of the District payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the principal of and interest on the Bonds upon all property in the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). See “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS.”

Municipal Bond Insurance Policy

The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due which, if purchased, will be issued concurrently with delivery of the Bonds.

Authority for Issue; Purpose of Issue

The New Money Bonds are being issued by the District pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code and a resolution of the District Board on March 19, 2025 (the “New Money Bonds Resolution”). The Refunding Bonds are being issued by the District pursuant to the provisions of Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code and a resolution of the District Board on March 19, 2025 (the “Refunding Bonds Resolution” and, with the New Money Bonds Resolution, the “Resolutions”).

The New Money Bonds are being issued to (a) finance the acquisition and construction of educational facilities and projects which were described in the ballot measure approved by the electors of the District on November 5, 2024, which authorized the issuance of general obligation bonds in the maximum aggregate principal amount of \$140,000,000 (the “2024 Authorization”), and (b) pay for a portion of the costs of issuance of the New Money Bonds. The New Money Bonds constitute the first issue of bonds under the 2024 Authorization.

The Refunding Bonds are being issued to (a) to refund, on a current basis, (i) all or a portion of the outstanding Pittsburg Unified School District (Contra Costa County, California) 2014 General Obligation Refunding Bonds (the “2014 Refunding Bonds”), (ii) all or a portion of the outstanding Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2014, Series A (2015) (the “2015 Bonds”), and (iii) all or a portion of the outstanding Pittsburg Unified School District (Contra Costa County, California) 2015 General Obligation Refunding Bonds (the “2015 Refunding Bonds”), and (b) to pay the costs of issuance of the Refunding Bonds.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds will be dated as of their date of delivery, will be issued as fully registered bonds, without coupons, in the denominations of \$5,000 principal amount or any integral multiple thereof. Interest on the Bonds accrues from their date of delivery and is payable semiannually on each February 1 and August 1 (each an “Interest Payment Date”), commencing August 1, 2025.

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations set forth the inside cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See “BOOK-ENTRY ONLY SYSTEM” and APPENDIX G—BOOK-ENTRY SYSTEM. In event that the book-entry system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions as described herein. See “THE BONDS—Registration, Transfer and Exchange of Bonds.” Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of \$5,000 principal amount or any integral multiple thereof.

Certain of the Bonds are subject to redemption prior to maturity. See “THE BONDS—Redemption.”

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in section 59(k) of the Internal Revenue Code of 1986, as amended, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS.”

Offering and Delivery

The Bonds are offered when, as and if issued and received by the purchaser, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about June 5, 2025.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events in compliance with S.E.C. Rule 15c2-12(b)(5) (the “Rule”). The specific nature of the information to be made available and of the notices of enumerated events is summarized below under the caption “CONTINUING DISCLOSURE.” Also, see APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Professionals Involved in the Bond Offering

Several professional firms have provided services to the District with respect to the sale and delivery of the Bonds. Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, will deliver its legal opinion in substantially the form set forth in APPENDIX E—FORMS OF OPINION OF BOND COUNSEL. Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, is also serving

as Disclosure Counsel to the District with respect to the Bonds. KNN Public Finance, LLC, Berkeley, California, will act as Municipal Advisor to the District with respect to the Bonds. Norton Rose Fulbright US LLP, Los Angeles, California, will act as counsel to the Underwriter. The payment of fees and expenses of such firms with respect to the Bonds is contingent on the sale and delivery of the Bonds. The District's financial statements for the Fiscal Year ended June 30, 2024, have been audited by Christy White, Inc., San Diego, California. See APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information in this Official Statement.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available for inspection at the office of the Associate Superintendent of Business Services, Pittsburg Unified School District, 2000 Railroad Avenue, Pittsburg, CA 94565, telephone (925) 473-2300. The District may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive and are qualified in their entirety by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from official sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Exchange Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “project,” “budget,” or other similar words. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

All terms used in this Official Statement and not otherwise defined shall have the meanings given such terms in the Resolutions.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the Constitution and laws of the State and the Resolutions.

Purposes of Issuance

The Bonds are being issued to (a) finance the acquisition and construction of educational facilities and projects which were described in the 2024 Authorization, and (b) pay the costs of issuance of the Bonds. The Bonds constitute the first issue of bonds under the 2024 Authorization.

The Refunding Bonds are being issued to (a) refund, on a current basis, all or a portion of (i) the 2014 Refunding Bonds, the 2015 Bonds and the 2015 Refunding Bonds, and (b) pay for a portion of the costs of issuance of the Bonds.

See “—Estimated Sources and Uses of Funds.”

The District has authorized and issued certain other general obligation bonds. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION—District Debt Structure.

Security and Source of Payment

The Bonds constitute general obligations of the District payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County is empowered and are obligated to levy *ad valorem* taxes for the payment of the Bonds, and the interest thereon, upon all property in the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for a reserve, established to avoid fluctuations in tax levies. Such taxes, when collected, will be deposited, with respect to the Bonds, into the Interest and Sinking Fund and which is required by the California Education Code to be applied for the payment of principal of and interest on the Bonds when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, and the County Treasurer-Tax Collector (the “County Treasurer”) will maintain the Interest and Sinking Fund, the Bonds are a debt of the District, not of the County.

Moneys placed in the Interest and Sinking Fund of the District are irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due. The property taxes and amounts held in the Interest and Sinking Fund of the District shall immediately be subject to this pledge, and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the Owners of the Bonds in addition to the statutory lien in accordance with section 53515(a) of the California Government Code, and the Bonds are being issued to finance one or more projects and not to finance the general purposes of the District.

In accordance with section 53515(a) of the California Government Code, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for the Authorization. The lien shall automatically attach without further action or authorization by the District or the County. The lien shall be valid and binding from the time the Bonds are issued and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

The moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County, through its County Treasurer, to the Paying Agent (hereinafter defined) which, in turn, will pay such moneys to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payments of principal and interest on the Bonds to the DTC Participants who will thereupon make payments of principal and interest to the Beneficial Owners (as defined herein) of the Bonds.

The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemption for property owned by the State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

Description of the Bonds

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interests in the Bonds. See "Book-Entry Only System" and APPENDIX G—BOOK-ENTRY SYSTEM.

Interest on the Bonds accrues from their date of issuance and is payable semiannually on each Interest Payment Date. Interest on the Bonds accrues on the basis of a 360-day year comprised of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Payment Date to that Interest Payment Date, inclusive, in which event it will bear interest from such Interest Payment Date, or unless it is authenticated on or before January 15, 2026, in which event it will bear interest from its date of delivery.

The Bonds are issuable in denominations of \$5,000 principal amount or any integral multiple thereof. The Bonds mature on the dates, in the years and amounts set forth on the inside cover page hereof. The principal of and interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the

Owner's address as it appears on the registration books maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of the Bonds in the aggregate principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Paying Agent at least five (5) days before the applicable Record Date. See also "Book Entry Only System" below.

See the maturity schedule on the inside cover page hereof and "Debt Service Schedule."

Payment

The redemption price, if any, on the Bonds will be payable upon maturity or redemption upon surrender of such Bonds at the principal office of the Paying Agent. The interest, principal and redemption price, if any, on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute an obligation of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

Redemption

Optional Redemption.

New Money Bonds. The New Money Bonds maturing on and prior to August 1, ____, are not callable for redemption prior to their stated maturity date. The New Money Bonds maturing on and after August 1, ____, are callable for redemption prior to their stated maturity date at the option of the District, in whole or in part on any date on or after August 1, ____, from any source lawfully available therefor, at a redemption price equal to the principal amount of the New Money Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium.

Refunding Bonds. The Refunding Bonds maturing on and prior to August 1, ____, are not callable for redemption prior to their stated maturity date. The Refunding Bonds maturing on and after August 1, ____, are callable for redemption prior to their stated maturity date at the option of the District, in whole or in part on any date on or after August 1, ____, from any source lawfully available therefor, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption.

New Money Bonds. The New Money Bonds maturing on August 1, ____ (the "____ New Money Term Bonds") are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the ____ New Money Term Bonds have been optionally redeemed, the aggregate principal amount of ____ New Money Term Bonds to be redeemed shall be reduced on a *pro rata*

basis, or as otherwise directed by the District, in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent:

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	_____

†Maturity

The New Money Bonds maturing on August 1, ____ (the “____ New Money Term Bonds”) are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the ____ New Money Term Bonds have been optionally redeemed, the aggregate principal amount of ____ New Money Term Bonds to be redeemed shall be reduced on a *pro rata* basis, or as otherwise directed by the District, in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent:

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
_____	_____

†Maturity

Refunding Bonds. The Refunding Bonds maturing on August 1, ____ (the “____ Refunding Term Bonds”) are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the ____ Refunding Term Bonds have been optionally redeemed, the aggregate principal amount of ____ Refunding Term Bonds to be redeemed shall be reduced on a *pro rata* basis, or as otherwise directed by the District, in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent:

Sinking Fund
Redemption Date
(August 1)

Principal
Amount to be
Redeemed

†Maturity

The Refunding Bonds maturing on August 1, ____ (the “____ Refunding Term Bonds”) are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the ____ Refunding Term Bonds have been optionally redeemed, the aggregate principal amount of ____ Refunding Term Bonds to be redeemed shall be reduced on a *pro rata* basis, or as otherwise directed by the District, in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent:

Sinking Fund
Redemption Date
(August 1)

Principal
Amount to be
Redeemed

†Maturity

Selection of Bonds for Redemption. If less than all of the Bonds are called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such order as shall be directed by the District and, in lieu of such direction, in inverse order of their maturity. Within a maturity, the Paying Agent shall select the Bonds for redemption by lot; *provided, however*, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bonds as representing that number of Bonds which is obtained by dividing the principal amount of such Bonds by five thousand dollars.

Notice of Redemption. The Paying Agent is required to mail (by first class mail) notice of any redemption to: (i) the respective Owners of any Bonds designated for redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Bond Register, and (ii) the Securities Depositories and to one or more Information Services, at least thirty (30) but not more than sixty (60) days prior to the redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the

redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and will require that such Bonds be then surrendered for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption will state that the redemption is conditioned upon receipt by the Paying Agent of sufficient moneys to redeem the Bonds on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Paying Agent. If the Paying Agent does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, the Paying Agent will send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes.

Conditional Notice of Redemption. Any notice of optional redemption of the Bonds may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, (i) said notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds; (iii) the redemption shall be cancelled and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled. The actual receipt by the owner of any Bonds of notice of such cancellation shall not be a condition precedent to cancellation, and failure to receive such notice or any defect in such notice shall not affect the validity of the cancellation.

Rescission of Notice of Redemption. The District may rescind any optional redemption and notice thereof for any reason on any date on or prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Bonds so called for redemption. Any optional redemption and notice thereof will be rescinded if for any reason on the date fixed for redemption moneys are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Bonds called for redemption. Notice of rescission of redemption will be given in the same manner in which the notice of redemption was originally given. The actual receipt by the owner of any Bonds of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Partial Redemption of Bonds. In the event only a portion of any Bonds is called for redemption, then upon surrender of such Bonds the District will execute and the Paying Agent will authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Effect of Redemption. Notice having been given as described above, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for such purpose, the Bonds to be redeemed will become due and payable on such date of redemption. If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such

redemption date, will be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof will have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds will be held in trust for the account of the registered owners of the Bonds so to be redeemed. Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, and sufficient moneys are held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

Defeasance

Discharge of Resolution. Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Resolutions) to pay or redeem Bonds Outstanding; or

(iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding.

then and in that case, at the election of the District (evidenced by a certificate of a District Representative, filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and the Resolutions), and notwithstanding that any Bonds shall not have been surrendered for payment, the Resolutions and all covenants, agreements and other obligations of the District under the Resolutions shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Resolutions. In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to the Resolutions which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Resolutions to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Resolutions or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited in trust with an escrow holder as aforesaid for such payment, provided further, however, that the provisions of the Resolutions shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Deposit of Money or Securities with Paying Agent. Whenever in the Resolutions it is provided or permitted that there be deposited with or held in trust with an escrow holder money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to the Resolutions and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in the Resolutions or provision satisfactory to the Paying Agent will have been made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption will have been given provided in the Resolutions or provision satisfactory to the Paying Agent shall have been made for the giving of such notice;

provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of the Resolutions or by request of the District) to apply such money to the payment of such principal or redemption price and interest with respect to such Bonds.

Payment of Bonds After Discharge of Resolution. Notwithstanding any provisions of the Resolutions, any moneys held by an escrow holder in trust for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Resolutions), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by the Resolutions, and all liability of the escrow holder with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the registration books maintained by the Paying Agent a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Registration, Transfer and Exchange of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of

the Bonds as provided in the Resolutions (the "Bond Register"). Subject to the provisions of the Resolutions, the person in whose name a Bond is registered on the Bond Register will be regarded as the absolute owner of that Bond for all purposes of the Resolutions. Payment of or on account of the principal of any Bond will be made only to or upon the order of that person; neither the District, nor the Paying Agent will be affected by any notice to the contrary, but the registration may be changed as provided in the Resolutions. All such payments will be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

In the event that the book-entry system as described herein is no longer used with respect to the Bonds, the following provisions will govern the registration, transfer, and exchange of the Bonds.

Any Bond may be exchanged for Bonds of like tenor, maturity, and outstanding principal amount or maturity value (the "Transfer Amount") upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the principal office of the Paying Agent together with an assignment executed by the owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the owner equal to the Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date.

In all cases of exchanged or transferred Bonds, the District will sign, and the Paying Agent will authenticate and deliver Bonds in accordance with the provisions of the Resolutions. All fees and costs of transfer will be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer will be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under the Resolutions as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer will be canceled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds will be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Bonds will be made to the District by the Paying Agent. The canceled Bonds will be retained for a period of time, then returned to the District or destroyed by the Paying Agent as directed by the District.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 16th business day next preceding either any interest payment date or any date of selection of Bonds to be redeemed and ending with the close of business on the interest payment date or any day on which the applicable notice of redemption is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds in connection with the Bonds are as follows:

Sources of Funds:	New Money Bonds	Refunding Bonds
Principal Amount of Bonds		
Plus: Original Issue Premium		
Total Sources of Funds		
Uses of Funds:		
Deposit to Building Fund		
Deposit to Interest and Sinking Fund		
Deposit to 2014 Refunding Bonds Escrow Fund		
Deposit to 2015 Bonds Escrow Fund		
Deposit to 2015 Refunding Bonds Escrow Fund		
Costs of Issuance ⁽¹⁾		
Total Uses of Funds		

(1) Includes Underwriter’s discount, Bond Counsel fees, Disclosure Counsel fees, municipal advisory fees, printing costs, rating agency fees and other miscellaneous expenses.

Financing Plan

New Money Bonds. A portion of the proceeds of sale of the New Money Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury to the credit of the Building Fund of the District (the “Building Fund”). Any premium and accrued interest shall be deposited upon receipt in the Interest and Sinking Fund of the District within the County Treasury. All funds held in the Interest and Sinking Fund of the District (the “Interest and Sinking Fund”) shall be invested at the sole discretion of the County Treasurer. All funds held in the Building Fund by the County Treasurer hereunder shall be invested at the County Treasurer’s discretion, unless otherwise directed in writing by the District, pursuant to law and the investment policy of the County. In addition, at the written direction of the District, all or any portion of the Building Fund may be invested in the Local Agency Investment Fund in the treasury of the State of California. The County Treasurer’s Office neither monitors investments for arbitrage compliance, nor does it perform arbitrage calculations. The District shall maintain or cause to be maintained detailed records with respect to the applicable proceeds. See “COUNTY POOLED INVESTMENT FUND.”

A portion of the proceeds of the New Money Bonds will be retained by the Paying Agent in a costs of issuance fund (the “New Money Bonds Costs of Issuance Fund”) and used to pay costs associated with the issuance of the New Money Bonds. Any proceeds of sale of the New Money Bonds not needed to pay costs of issuance of the New Money Bonds will be transferred by the Paying Agent to the County Treasurer for deposit in the Building Fund to be used only for payment of principal of and interest on the New Money Bonds. Amounts deposited into the Interest and Sinking Fund, as well as proceeds of taxes held therein for payment of the New Money Bonds, will be invested on behalf of the District by the County Treasurer pursuant to law and the investment policy of the County. See “COUNTY INVESTMENT POOL” and APPENDIX D—EXCERPTS FROM THE COUNTY INVESTMENT REPORT AS OF DECEMBER 31, 2024.

Refunding Bonds. A portion of the proceeds of the Refunding Bonds will be deposited into an escrow fund (the “2014 Refunding Bonds Escrow Fund”) established under an escrow agreement by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Bank”). A portion of the amounts deposit in the 2014 Refunding Bonds Escrow Fund will be invested in direct obligations of the United States of America (the “2014 Refunding Bonds Escrowed Securities”). The maturing 2014 Refunding Bonds Escrowed Securities, the investment earnings thereon and the cash in the 2014 Refunding Bonds Escrow Fund will be applied to pay interest on the 2014 Refunding Bonds on August 1, 2025, and to redeem the 2014 Refunding Bonds on September 2, 2025*, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to such date.

Causey Public Finance, LLC, Parker, Colorado (the “Verification Agent”), will verify that the maturing 2014 Refunding Bonds Escrowed Securities, the investment earnings thereon and the cash in the 2014 Refunding Bonds Escrow Fund will be sufficient for the purposes described above. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

The 2014 Refunding Bonds to be refunded are as follows:

Issue Date	Maturity Date	Amount to be Redeemed*	Interest Rate	Redemption Price	CUSIP Number†
4/22/14	8/1/27	\$1,310,000	4.000%	100.000	724581 QC0
4/22/14	8/1/28	1,400,000	3.375	100.000	724581 QD8
4/22/14	8/1/29	1,500,000	3.500	100.000	724581 QE6

A portion of the proceeds of the Refunding Bonds will be deposited into an escrow fund (the “2015 Bonds Escrow Fund”) established under an escrow agreement by and between the District and the Escrow Bank. A portion of the amounts deposit in the 2015 Bonds Escrow Fund will be invested in direct obligations of the United States of America (the “2015 Bonds Escrowed Securities”). The maturing 2015 Bonds Escrowed Securities, the investment earnings thereon and the cash in the 2015 Bonds Escrow Fund will be applied to pay interest on the 2015 Bonds on August 1, 2025, and to redeem the 2015 Bonds on September 2, 2025*, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to such date.

The Verification Agent will verify that the maturing 2015 Bonds Escrowed Securities, the investment earnings thereon and the cash in the 2015 Bonds Escrow Fund will be sufficient for the purposes described above. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

* Preliminary, subject to change.

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The 2015 Bonds to be refunded are as follows:

Issue Date	Maturity Date	Amount to be Redeemed*	Interest Rate	Redemption Price	CUSIP Number†
6/23/15	8/1/26	\$ 315,000	5.000%	100.000	724581 QT3
6/23/15	8/1/27	385,000	5.000	100.000	724581 QU0
6/23/15	8/1/28	460,000	5.000	100.000	724581 QV8
6/23/15	8/1/29	540,000	5.000	100.000	724581 QW6
6/23/15	8/1/30	315,000	5.000	100.000	724581 QX4
6/23/15	8/1/31	335,000	5.000	100.000	724581 QY2
6/23/15	8/1/32	260,000	5.000	100.000	724581 QZ9
6/23/15	8/1/33	340,000	5.000	100.000	724581 RA3
6/23/15	8/1/34	425,000	5.000	100.000	724581 RB1
6/23/15	8/1/35	500,000	5.000	100.000	724581 RC9
6/23/15	8/1/40	11,290,000	4.100	100.000	724581 QK2
6/23/15	8/1/44	12,935,000	4.150	100.000	724581 QL0

A portion of the proceeds of the Refunding Bonds will be deposited into an escrow fund (the “2015 Refunding Bonds Escrow Fund”) established under an escrow agreement by and between the District and the Escrow Bank. A portion of the amounts deposit in the 2015 Refunding Bonds Escrow Fund will be invested in direct obligations of the United States of America (the “2015 Refunding Bonds Escrowed Securities”). The maturing 2015 Refunding Bonds Escrowed Securities, the investment earnings thereon and the cash in the 2015 Refunding Bonds Escrow Fund will be applied to pay interest on the 2015 Refunding Bonds on August 1, 2025, and to redeem the 2015 Refunding Bonds on September 2, 2025*, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to such date.

The Verification Agent will verify that the maturing 2015 Refunding Bonds Escrowed Securities, the investment earnings thereon and the cash in the 2015 Refunding Bonds Escrow Fund will be sufficient for the purposes described above. See “VERIFICATION OF MATHEMATICAL COMPUTATIONS.”

The 2015 Refunding Bonds to be refunded are as follows:

Issue Date	Maturity Date	Amount to be Redeemed*	Interest Rate	Redemption Price	CUSIP Number†
6/23/15	8/1/26	\$ 1,920,000	5.000%	100.000	724581 RQ8
6/23/15	8/1/27	2,060,000	5.000	100.000	724581 RR6
6/23/15	8/1/28	2,185,000	5.000	100.000	724581 RS4
6/23/15	8/1/29	2,335,000	5.000	100.000	724581 RT2
6/23/15	8/1/30	2,535,000	5.000	100.000	724581 RU9
6/23/15	8/1/31	1,340,000	4.000	100.000	724581 RV7
6/23/15	8/1/39	13,600,000	4.000	100.000	724581 SA2

* Preliminary, subject to change.

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Debt Service Schedule

The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions).

Bond Year August 1	New Money Bonds			Refunding Bonds		
	Principal ⁽¹⁾	Interest ⁽²⁾	Total	Principal ⁽¹⁾	Interest ⁽²⁾	Total
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
2051						
2052						
2053						
2054						
TOTAL						

(1) Includes mandatory sinking fund payments.

(2) Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2025.

MUNICIPAL BOND INSURANCE

The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due which, if purchased, will be issued concurrently with delivery of the Bonds.

PAYING AGENT

The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as the transfer agent, bond registrar, authenticating agent and paying agent for the Bonds (the “Paying Agent”). As long as DTC is the registered owner of the Bonds and DTC’s book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice.

The Paying Agent, the District, the County and the Underwriter have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests for the Bonds.

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. See APPENDIX G—BOOK-ENTRY SYSTEM.

THE DISTRICT

General Information

The District provides public education in kindergarten through grade 12 to the residents of the City of Pittsburg and environs, in Contra Costa County, California. The District operates eight elementary schools, three middle schools, one high school and one continuing education high school, serving approximately 10,800 students. The District additionally provides Adult Education, Independent Study and Preschool Services. The District is under the authority of the Contra Costa County Office of Education.

Unless otherwise indicated, the financial, statistical and demographic data in this Official Statement has been provided by the District. Additional information concerning the District and copies of subsequent audited financial reports of the District may be obtained by contacting: Pittsburg Unified School District, Attention: Associate Superintendent of Business Services.

Board of Trustees and Administration

The District is governed by the District Board, consisting of five members. Members are elected to four-year terms in staggered years. The day-to-day operations are managed by a board-appointed Superintendent of Schools. Janet Schulze, Ed.D. has served in this capacity since 2014.

District Board Member	Office	Current Term Expires (December)
Heliodoro Moreno	President	2026
Taylor Sims	Vice President	2028
Destiny Briscoe	Trustee	2026
George Miller	Trustee	2028
De' Shawn Woolridge	Trustee	2026

The administrative staff of the District includes Hitesh Haria, Associate Superintendent of Business Services, Sonya Maturano, Finance Director, Sean Vandermeij, Director of Facilities, and Matthew Belasco, Director of Maintenance, Operations and Transportation.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem taxes levied and collected by the County on taxable property in the District. The District's General Fund is not a source for the repayment of the Bonds.

General

To provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District, including the countywide tax of 1% of taxable value. When collected, the tax revenues will be deposited by the County in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

Property Taxation System

The collection of property taxes is significant to the District and the Owners of the Bonds in two respects. First, the Board of Supervisors of the County will levy and collect *ad valorem* taxes on all taxable parcels within the District, which are pledged specifically to the repayment of the Bonds. Second, the general *ad valorem* property tax levy levied in accordance with Article XIII A of the California Constitution and its implementing legislation is considered in connection with the State's Local Control Funding Formula ("LCFF") which determines the amount of funding received by the District from the State to operate the District's educational programs and operations. The LCFF replaces revenue limit and most categorical program funding previously used to determine the amount of funding received by the District from the State. LCFF consists primarily of base, supplemental and concentration funding formulas that focus resources based on a school district's student demographic. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION—Allocation of State Funding to

School Districts; Restructuring of the K-12 Funding System and APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION—State Funding; Recent State Budgets. As described below, the general *ad valorem* property tax levy, a portion of which is allocated to the District for operating purposes and the additional *ad valorem* property tax levy pledged to repay the Bonds will be collected on the annual tax bills distributed by the County to the owners of parcels within the boundaries of the District.

Local property taxation is the responsibility of various officers of the counties. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes according to the approved tax rolls. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds and invests school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a school district whose boundaries extend into more than one county are administered separately by the county in which the property is located. The State Board of Equalization (the “SBE”) also assesses certain special classes of property, as described later in this section.

Method of Property Taxation

Under Proposition 13, an amendment to the California Constitution adopted in 1978 that added Article XIII A of the California Constitution, the county assessor’s valuation of real property is established as shown on the fiscal year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. As a result of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION.

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

Local agencies and schools will share the growth of “base” sources from all of the tax rate areas in the District. Each year’s growth allocation becomes part of each local agency’s allocation in the following year. The availability of revenue from growth in the tax bases in such tax rate areas may be affected by the existence of redevelopment agencies (including their successor agencies) which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law

exempts \$7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

For assessment and tax collection purposes, property is classified either as “secured” or “unsecured,” and is listed accordingly on separate parts of the assessment roll. The “secured roll” is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is “unsecured,” and is assessed on the “unsecured roll.” Secured property assessed by the SBE is commonly identified for taxation purposes as “utility” property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to any delinquent payment. Property on the secured roll, with respect to which taxes are delinquent, becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5 p.m. on October 31, an additional penalty of one and one-half percent per month attaches to such taxes beginning the second month after the delinquent date, and on the first day of each month until paid. A county has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the delinquent taxpayer.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the SBE. Assessed valuations are reported at 100% of the “full value” of the property, as defined in Article XIII A of the California Constitution.

Certain classes of property, such as churches, colleges, not-for-profit hospitals and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions. Both the general *ad valorem* property tax levy and the additional *ad valorem* levy for the Bonds are based upon the assessed valuation of the parcels of taxable property in the District. Property taxes allocated to the District are collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. The assessed valuation of each parcel of property is the same for both District and County taxing purposes. The valuation of secured property by the County Assessor is established as of January 1 and is subsequently equalized in September of each year.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The following table shows recent history of taxable property assessed valuation in the District.

**PITTSBURG UNIFIED SCHOOL DISTRICT
HISTORIC ASSESSED VALUATIONS**

Fiscal Year Ending June 30,	Local Secured	Utility	Unsecured	Total Valuation	% Growth
2012	\$ 3,126,856,773	\$ 484,367,412	\$ 947,875,978	\$ 4,559,100,163	—
2013	3,039,565,829	450,503,649	1,017,650,212	4,507,719,690	(1.13%)
2014	3,220,808,398	388,428,500	1,004,604,067	4,613,840,965	2.35
2015	3,596,500,000	304,166,525	1,005,381,974	4,906,048,499	6.33
2016	3,875,159,327	356,576,060	879,502,253	5,111,237,640	4.18
2017	4,094,929,717	289,712,185	736,151,167	5,120,793,069	0.19
2018	4,389,409,162	204,029,185	765,395,967	5,358,834,314	4.65
2019	4,724,449,279	159,872,336	778,385,254	5,662,706,869	5.67
2020	4,862,658,116	145,095,836	841,648,187	5,849,402,139	3.30
2021	5,130,094,398	140,495,836	891,621,825	6,162,212,059	5.35
2022	5,247,084,205	133,095,836	914,928,776	6,295,108,817	2.16
2023	5,657,284,482	180,771,572	1,278,222,367	7,116,278,421	13.04
2024	5,961,618,936	195,771,572	1,350,551,815	7,507,942,323	5.50
2025	6,208,403,354	172,871,572	1,360,372,754	7,741,647,680	3.11

Source: California Municipal Statistics, Inc.

As indicated above, assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction activity occurs.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application, in the form prescribed by the SBE, with the appropriate

county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must apply to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (escalated to the inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

In addition, Article XIII A of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

Risk of Decline in Property Values; Fire; Earthquake Risk. Property values could be reduced by factors beyond the District's control, including fire, earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional bonds in the future might also cause the tax rate to increase.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property

taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

State-Assessed Property. Under the Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect, generally reducing the assessed value in the district as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

The following table shows the 2024-25 assessed valuation of each jurisdiction within the boundaries of the District:

**PITTSBURG UNIFIED SCHOOL DISTRICT
ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2024-25**

Jurisdiction	Assessed Value in District	% of District	Assessed Value of Jurisdiction	% of Jurisdiction In District
City of Pittsburg	\$ 7,646,792,543	98.77%	\$10,460,828,135	73.10%
Unincorporated Contra Costa County	94,855,137	1.23	\$54,724,499,420	0.17%
Total District	\$7,741,647,680	100.00		
Contra Costa County	\$7,741,647,680	100.00%	\$279,419,231,789	2.77%

Source: California Municipal Statistics, Inc.

The following table gives a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**PITTSBURG UNIFIED SCHOOL DISTRICT
ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2024-25**

	Fiscal Year 2024-25 Assessed Valuation ⁽¹⁾	% of Total	No. of Parcels	% of Total
<u>Non Residential:</u>				
Agricultural/Rural	\$ 8,315,424	0.13%	29	0.18%
Commercial	303,444,936	4.76	261	1.59
Vacant Commercial	59,332,038	0.93	55	0.34
Industrial	589,718,099	9.24	136	0.83
Vacant Industrial	70,085,847	1.10	58	0.35
Recreational	3,567,411	0.06	2	0.01
Government/Social/Institutional	8,496,510	0.13	359	2.19
Utility Roll/Power Plants	172,871,572	2.71	13	0.08
Miscellaneous	10,747,401	0.17	42	0.26
Subtotal Non-Residential	<u>\$1,226,579,238</u>	<u>19.22%</u>	<u>955</u>	<u>5.82%</u>
<u>Residential:</u>				
Single Family Residence	\$4,447,914,996	69.70%	13,653	83.28%
Condominium/Townhouse	188,963,148	2.96	925	5.64
Mobile Home	10,212,370	0.16	342	2.09
2-4 Residential Units	107,864,933	1.69	343	2.09
5+ Residential Units/Apartments	392,047,856	6.14	58	0.35
Vacant Residential	7,692,385	0.12	119	0.73
Subtotal Residential	<u>\$5,154,695,688</u>	<u>80.78%</u>	<u>15,440</u>	<u>94.18%</u>
Total	<u>\$6,381,274,926</u>	<u>100.00%</u>	<u>16,395</u>	<u>100.00%</u>

Source: California Municipal Statistics, Inc.

(1) Total Secured Assessed Valuation, excluding tax-exempt property.

The following table shows the assessed valuations of single-family homes for the District, including the average and median assessed value per single family homes.

**PITTSBURG UNIFIED SCHOOL DISTRICT
ASSESSED VALUATION OF SINGLE-FAMILY HOMES
Fiscal Year 2024-25**

	No. of Parcels	Fiscal Year 2024-25 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	13,653	\$4,447,914,996	\$325,783	\$299,142

Fiscal Year 2024-25 Assessed Valuation	No. of Parcels ⁽¹⁾	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
\$0 - \$24,999	8	0.059%	0.059%	\$ 144,375	0.003%	0.003%
\$25,000 - \$49,999	181	1.326	1.384	7,898,289	0.178	0.181
\$50,000 - \$74,999	422	3.091	4.475	26,475,640	0.595	0.776
\$75,000 - \$99,999	436	3.193	7.669	38,159,915	0.858	1.634
\$100,000 - \$124,999	523	3.831	11.499	58,994,072	1.326	2.960
\$125,000 - \$149,999	656	4.805	16.304	90,488,692	2.034	4.995
\$150,000 - \$174,999	795	5.823	22.127	129,563,317	2.913	7.908
\$175,000 - \$199,999	914	6.694	28.822	171,080,295	3.846	11.754
\$200,000 - \$224,999	819	5.999	34.820	173,980,478	3.912	15.665
\$225,000 - \$249,999	835	6.116	40.936	198,138,344	4.455	20.120
\$250,000 - \$274,999	709	5.193	46.129	185,447,720	4.169	24.289
\$275,000 - \$299,999	540	3.955	50.084	154,741,098	3.479	27.768
\$300,000 - \$324,999	525	3.845	53.930	163,708,649	3.681	31.449
\$325,000 - \$349,999	495	3.626	57.555	167,166,061	3.758	35.207
\$350,000 - \$374,999	472	3.457	61.012	171,316,917	3.852	39.059
\$375,000 - \$399,999	581	4.255	65.268	225,207,925	5.063	44.122
\$400,000 - \$424,999	569	4.168	69.435	234,705,624	5.277	49.399
\$425,000 - \$449,999	521	3.816	73.251	227,862,526	5.123	54.522
\$450,000 - \$474,999	618	4.526	77.778	285,743,487	6.424	60.946
\$475,000 - \$499,999	526	3.853	81.630	255,898,177	5.753	66.699
\$500,000 and greater	2,508	18.370	100.000	1,481,193,395	33.301	100.000
Total	13,653	100.000%		\$4,447,914,996	100.000%	

Source: California Municipal Statistics, Inc.

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.

Tax Rates

The State Constitution permits the levy of an *ad valorem* tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special *ad valorem* property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Bonds is the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a

class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in the principal Tax Rate Area (“TRA”) within the District for the most recent five fiscal years. TRA 7-004 comprises approximately 43.2% of the total assessed value of property in the District.

**PITTSBURG UNIFIED SCHOOL DISTRICT
TYPICAL *AD VALOREM* TAX RATES**

Total Tax Rates (TRA 7-004) – 2024-25

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025
General Tax Rate ⁽¹⁾	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Bay Area Rapid Transit District	0.0139	0.0060	0.0140	0.0134	0.0148
Contra Costa Community College District	0.0161	0.0176	0.0162	0.0146	0.0142
Pittsburg Unified School District	0.1487	0.1642	0.1224	0.0809	0.0811
East Bay Regional Park District	0.0014	0.0020	0.0058	0.0057	0.0013
Total All Property Tax Rate	1.1801	1.1898	1.1584	1.1146	1.1114
Contra Costa Water District	0.0025%	0.0023%	0.0021%	0.0020	0.0019
Total Land Only Tax Rate	0.0025%	0.0023%	0.0021%	0.0020	0.0019

Source: California Municipal Statistics, Inc.

(1) Maximum rate for purposes other than paying debt service in accordance with Article XIII A of the State Constitution.

Tax Levies and Delinquencies

Beginning in 1978-79, Article XIII A and its implementing legislation shifted the function of property taxation primarily to the counties, except for levies to support prior-voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The following tables reflect the historical secured tax levy and year-end delinquencies for the general fund apportionment and general obligation bonds of the District for the most recent fiscal years.

**PITTSBURG UNIFIED SCHOOL DISTRICT
SECURED TAX CHARGE AND DELINQUENCY**

1% General Fund Apportionment

Fiscal Year Ending June 30,	Secured Tax Charge ⁽¹⁾	Amount Delinquent June 30	% Delinquent June 30
2013	\$ 11,188,067	\$ 108,492	0.97%
2014	11,496,825	97,215	0.85
2015	12,265,066	93,700	0.76
2016	12,875,854	88,425	0.69
2017	12,860,452	88,420	0.69
2018	13,421,582	81,505	0.61
2019	14,161,718	91,121	0.64
2020	14,588,829	119,226	0.82
2021	15,373,979	109,385	0.71
2022	15,721,045	109,979	0.70
2023	18,067,216	146,986	0.81
2024	18,921,584	186,839	0.99

Debt Service Levy

Fiscal Year Ending June 30,	Secured Tax Charge ⁽²⁾	Amount Delinquent June 30	% Delinquent June 30
2013	\$ 5,102,094	\$ 54,743	1.07%
2014	4,940,816	57,049	1.05
2015	5,550,084	54,196	0.98
2016	6,872,275	53,807	0.78
2017	5,476,410	44,048	0.80
2018	7,020,280	56,954	0.81
2019	6,369,325	47,785	0.75
2020	6,709,303	49,431	0.74
2021	7,815,669	96,983	1.24
2022	8,831,425	65,807	0.75
2023	7,109,414	60,131	0.85
2024	5,018,132	48,913	0.97

Source: California Municipal Statistics, Inc.

(1) 1% General Fund Apportionment.

(2) District's debt service levy for outstanding general obligation bonds.

Teeter Plan

The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701 et seq. of the California Revenue and Taxation Code. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest penalties affixed upon delinquent properties and redemptions of

subsequent collections. Under the Teeter Plan, the County apportions secured property taxes on a cash basis to local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency. At the conclusion of each fiscal year, the County distributes 100% of any taxes delinquent as of June 30 to the respective taxing entities.

The Teeter Plan is applicable to secured property tax levies, including for the Bonds. The Teeter Plan is not applicable to unsecured property tax levies. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts, special assessment districts, and benefit assessment districts.

The County cash position is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus one percent of that year's tax levy. Amounts exceeding the amount required to be maintained in the tax loss reserve fund may be credited to the County's general fund. Amounts required to be maintained in the tax loss reserve fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the County Board is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County Board may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

The District is not aware of any petitions for the discontinuance of the Teeter Plan in the County.

Largest Property Owners

Concentration of Property Ownership. Based on fiscal year 2024-25 locally assessed taxable valuations, the top twenty taxable property owners in the District represent approximately 17.91% of the local secured assessed value.

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2024-25.

PITTSBURG UNIFIED SCHOOL DISTRICT LARGEST LOCAL SECURED TAXPAYERS Fiscal Year 2024-25

	Property Owner	Primary Land Use	Fiscal Year 2024-25 Assessed Valuation	% of Total ⁽¹⁾
1.	USS Posco Industries	Industrial	\$ 249,898,789	3.92%
2.	Delta Energy Center LLC	Power Plant	172,400,000	2.70
3.	KW Kirker Creek LLC	Apartments	116,326,177	1.82
4.	Centen AG LLC	Industrial	102,945,438	1.61
5.	Sierra Pacific Properties Inc.	Apartments	75,969,249	1.19
6.	Diamond Hillside Apts. Prop	Apartments	59,076,180	0.93
7.	RH Portofino Owner CA LLC	Apartments	44,368,432	0.70
8.	The Pittsburg Owner LPV LLC	Commercial	43,509,525	0.68
9.	Country Club Mosaic Apartments LLC	Apartments	43,258,595	0.68
10.	Woodside Mobile LLC	Apartments	38,875,523	0.61
11.	Empire Business Park LLC	Industrial	29,534,168	0.46
12.	Albert D. Seeno Construction Co.	Shopping Center	20,952,112	0.33
13.	Contra Costa Waste Service Inc.	Industrial	20,886,152	0.33
14.	Union Carbide Industrial Gases Inc.	Industrial	20,138,154	0.32
15.	Wal-Mart Real Estate Business	Shopping Center	19,482,286	0.31
16.	Public Storage Inc.	Industrial	19,308,040	0.30
17.	Sunnyside Pittsburg LLC	Apartments	17,522,977	0.27
18.	SWH 2017-1 Borrower LP	Residential Properties	17,446,560	0.27
19.	Pittsburg Land Holdings LLC	Commercial	17,114,912	0.27
20.	Seeno Enterprises	Shopping Center	13,688,915	0.21
	Total Top 20		<u>\$1,142,702,184</u>	<u>17.91%</u>

Source: California Municipal Statistics, Inc.

(1) Fiscal year 2024-25 Total secured assessed valuation: \$6,381,274,926.

Direct and Overlapping Debt. Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. The table is included for general information purposes only. Neither the District nor the Underwriter has reviewed this table for completeness or accuracy and makes no representations in connection therewith.

The table generally includes long-term obligations sold in the public credit markets by the public agencies listed. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-

term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The first column in the table names each public agency which has outstanding debt as of March 1, 2025, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

**PITTSBURG UNIFIED SCHOOL DISTRICT
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT**

PITTSBURG UNIFIED SCHOOL DISTRICT

2024-25 Assessed Valuation: \$7,741,647,680

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/25</u>
Bay Area Rapid Transit District	0.739%	\$ 17,671,411
Contra Costa Community College District	2.779	16,448,206
Pittsburg Unified School District	100.000	364,376,809 ⁽¹⁾
City of Pittsburg 1915 Act Bonds	23.606	617,362
East Bay Regional Park District	1.153	<u>1,702,693</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$400,816,481
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>		
Contra Costa County General Fund Obligations	2.771%	\$ 4,752,126
Pittsburg Unified School District Certificates of Participation	100.000	13,915,000
City of Pittsburg Pension Obligation Bonds	73.099	<u>17,713,660</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$36,380,786
Less: Contra Costa County General Fund Obligations supported by revenue funds		<u>(1,768,980)</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		\$35,254,726
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>		\$79,561,857
 GROSS COMBINED TOTAL DEBT		\$516,759,124 ⁽²⁾
NET COMBINED TOTAL DEBT		\$515,633,064

Ratios to 2024-25 Assessed Valuation:

Direct Debt (\$364,376,809)	4.71%
Total Direct and Overlapping Tax and Assessment Debt	5.18%
Combined Direct Debt (\$378,291,809)	4.89%
Gross Combined Total Debt	6.68%
Net Combined Total Debt.....	6.66%

Ratio to Redevelopment Incremental Valuation (\$5,200,095,089):

Total Overlapping Tax Increment Debt	1.53%
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Source: California Municipal Statistics, Inc.

(1) Excludes Bonds to be sold.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Bonding Capacity

As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. However, the District has received approval from the State Board of Education to issue bonds in an amount up to 5.15% of the assessed valuation of taxable property within its boundaries. Based on the District's fiscal year 2024-25 assessed value of \$8,026,402,371 (including State assessed tangible taxable property), the District's gross bonding capacity is approximately \$413,359,722.11, and its net bonding capacity is \$48,982,912.99 (considering current outstanding debt but not the Bonds of this issue). Refunding bonds may be issued without regard to this limitation, however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

Cybersecurity Risks

The District and the County may each face various cyber security threats, including, but not limited to, hacking, viruses, malware, ransomware and other attacks on their computers and their networks. No assurance can be given that the District's or County's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the District or the County. The District is reliant on the County in connection with the administration of the Bonds, including without limitation the County Treasurer for the levy and collection of *ad valorem* taxes, the Paying Agent, and the dissemination agent. No assurance can be given that the District, the County, and these other entities will not be adversely affected by cyber threats and attacks in a manner that may affect owners of the Bonds. The District experienced a cyber-attack in December of 2019 without any loss of District data. The District has imposed several measures to protect against future attacks.

Bankruptcy Risks

In bankruptcy, the voluntary application of pledged special revenues to indebtedness secured by such revenues is not subject to the automatic stay. A recent decision by the United States Court of Appeals for the First Circuit in a case involving revenue bonds of the Puerto Rico Highways & Transportation Authority, however, concludes that an action by bondholders to compel the application of pledged special revenues is not exempt from the automatic stay. See "LEGAL MATTERS."

Risk of Changing Economic Conditions

Property values could be reduced by factors beyond the District's control or a depressed real estate market due to general economic conditions in the County, the region, and the State.

Natural Calamities

General. From time to time, property within the District has been and could be subject to natural calamities, including, but not limited to, earthquake, flood or wildfire, that may adversely affect economic activity in the District, and which could have a negative impact on District's property tax collections.

Seismic. Like most regions in California, the District is in an area of significant seismic activity. There are numerous earthquake faults near the District, including particularly the Hayward fault. The Hayward fault covers the hills on the east side of the San Francisco Bay and into San Pablo Bay. Numerous other faults are capable of producing damaging earthquakes similar in magnitude to the 1989 Loma Prieta

earthquake. Soils in lowland areas away from major faults may also be unable to support buildings during major earthquakes. Landslides are likely on hillsides during major earthquakes. Coastal areas are also at risk of tsunamis, generated from earthquakes on local faults or across the Pacific. In addition to potential declines in property tax revenues, damage resulting from such an event could have a material adverse effect on the District's financial condition as well, through unexpected recovery costs.

Flood. Like most of the State, the property within the District is subject to unpredictable seasonal rainfall, with periods of intense and sustained precipitation occurring every few years. The primary water courses in the County have the potential to flood at irregular intervals, generally in response to a succession of intense winter rainstorms. The worst-case scenario is a series of storms that flood numerous drainage basins in a short time. This could overwhelm the response and floodplain management capability. Major roads could be blocked, preventing critical access for many residents and critical functions. High in-channel flows could cause water courses to scour, possibly washing out roads and creating more isolation problems.

The City has had two resolutions declaring a local disaster. On January 22, 1997, a severe winter storm front impacted the City causing widespread flooding which impacted both public and private structures and facilities. During the storm, substantial localized flooding was experienced in many areas of the City. On February 3, 1998, a winter storm impacted the City and led to significant and catastrophic public and private losses due to storm-related flooding closing Highway 4 for days.

While major flooding is not likely to occur in the City, minor street flooding is possible during any severe winter storm, which can ensue on an annual basis. In addition, the City's Marina has experienced flooding during winter storms coinciding with king tides and winds. During a 100-year flooding event, the Kirker Creek Flood Control Channel (KCFCC) along the Pittsburg-Antioch Highway will be at capacity with strong water currents creating pressure beyond the KCFCC potentially undermining of roads and levees in the Los Medanos Wasteway into the Delta. Mudslides have occurred and can occur along the hillside areas.

Drought. The City experienced severe drought from April 2007 through December 2009 and severe to exceptional drought February 2013 through January 2017. A severe to exceptional drought began in 2020 and continued until 2023. On March 1, 2023, the East Bay Municipal Utility District ("EBMUD"), the potable water provider to the City and to the District, ended its drought surcharges due to the improvement of drought conditions after a period of significant rainfall. EBMUD has also committed to reducing or terminating its emergency drought regulations within 30 days of a State action that would lessen or end the State's emergency drought regulations. Future severe droughts in the District could result in water rationing resulting in loss of public and private landscaping. Region-wide, drought results in large-scale tree die-off which increases the likelihood and severity of wildland fires.

Climate Change/Sea Level Rise. Certain areas of the District directly abut the San Francisco Bay, and certain parcels of property within the District may still be vulnerable to property damage or reductions in assessed value as a result of future sea level rise in the San Francisco Bay or other negative impacts resulting from climate change.

The predictions for sea level rise in the San Francisco Bay vary. A report released by the San Francisco Bay Conservation Development Commission ("BCDC") predicts sea levels in the Bay to rise 16 inches by 2050 and 55 inches by 2100. The State's Fourth Climate Change Assessment, released in 2017, estimates sea level rise for the year 2100 in the range of 14 inches to 94 inches (36 cm to 239 cm) with an additional very low probability, worst case estimate that exceeds 108 inches (274 cm). A draft paper from

the California Climate Change Center posits that increases in sea level will be a significant consequence of climate change over the next century.

Local impacts of climate change are not definitive, but parcels within the District could experience changes to local and regional weather patterns, rising bay water levels, increased risk of flooding, changes in salinity and tidal patterns of San Francisco Bay, coastal erosion, water restrictions and vegetation changes.

Wildfire. In recent years, wildfires have caused extensive damage to cities throughout the State. In some instances, entire neighborhoods have been destroyed. Areas affected by wildfires may be more prone to flooding and mudslides. In addition to the direct impact of wildfires on health and safety and property damage, the smoke from wildfires has negatively impacted the quality of life in the San Francisco Bay Area and the District and may have short-term and future impacts on residential and commercial activity in the District.

In 2020 the SCU (Santa Clara Unit) Lightning Complex fires burned in the Diablo Range in California in August and September 2020 as part of the 2020 California wildfire season. The fire complex consisted of fires in Santa Clara, Alameda, Contra Costa, San Joaquin, Merced, and Stanislaus counties. The SCU Complex fire burned a total of 393,624 acres from August 16 to October 1, 2020. 222 structures were destroyed and six (6) injuries were reported. No property within the District was affected by the 2020 SCU Lightning Complex fire. There have also been numerous small fires within the County that did not result in disaster declarations. Typically, the County experiences several fires a year, predominantly in the Diablo Range/East Bay Hills.

Recent wildfires in the State have been driven in large measure by drought conditions and low humidity. Experts expect that California will continue to be subject to wildfire conditions as a result of changing weather patterns due to climate change. There can be no assurances that wildfires will not occur within the District or that the District will not be negatively impacted by sustained smoky conditions caused by wildfires.

Hazardous Materials Release. The northern section of Contra Costa County is home to a large number of industrial sites including refineries and other chemical processing plants. U.S. Steel Company's steel production plant is located in Pittsburg as is Corteva's chemical plant. This plant is the largest integrated chemical manufacturing complex of its kind on the west coast. The plant has the capacity to produce several million pounds of the highly toxic pesticide, sulfuryl fluoride. All the facilities have the potential to produce hazardous releases. The details of the type and extent of the potential releases are maintained by the plant operators and the State Department of Toxic Substances Control (DTSC).

While safety programs aim to prevent hazardous material releases, accidents occur due to equipment failures or human error. Additionally, a large earthquake could rupture piping and other containment systems and derange controls, causing releases, fires, and public health incidents. There is a high probability of future hazardous releases from refineries and chemical plants that could affect the City and the District.

COUNTY POOLED INVESTMENT FUND

The following information has been provided by the County, and the District and Underwriter take no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.

This section provides a general description of the County's investment policy, current portfolio holdings, and valuation procedures. The information has been adapted from material prepared by the County for inclusion in this Official Statement. The District makes no representation as to the accuracy or completeness of such information. Further information may be obtained from the office of the County Treasurer, 625 Court Street, Room 100, Martinez, CA 94553-1282, telephone: 925-957-2888.

Funds held by the County in the Investment Pool (the "County Pool") are invested in accordance with the County's Statement of Investment Policy prepared by the County Treasurer as authorized by section 53601 of the Government Code of California. The Investment Policy is submitted to the County Board of Supervisors annually.

The County Pool represents moneys entrusted to the County Treasurer by the County and schools and special districts within the County. State law requires that all moneys of the County, school districts, and certain special districts be held by the County Treasurer.

Moneys deposited in the County Pool by the participants represent an individual interest in all assets and investments in the County Pool based upon the amount deposited. All income is distributed to participants based on the average daily balance.

The County Treasurer's Investment Policy allows for the purchase of a variety of securities and provides for limitations as to exposure, maturity and rating which vary with each security type. The composition of the portfolio will change over time as old investments mature, or are sold, and as new investments are made.

Funds on deposit with the County Treasurer are managed to ensure preservation of capital through high quality investments, maintenance of liquidity and then yield. Further, no single investment of operating funds can exceed five years.

Excerpts from the County Treasurer's Quarterly Investment Report as of December 31, 2024, is attached hereto as APPENDIX D—EXCERPTS FROM THE COUNTY TREASURER'S QUARTERLY INVESTMENT REPORT AS OF DECEMBER 31, 2024.

LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations relating to potential bankruptcies of school districts in California. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. State law contains a number of safeguards to protect the financial solvency of school districts. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the “State Superintendent”), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the “Bankruptcy Code”) on behalf of a district for the adjustment of its debts, assuming that such district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts under current State law are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the District (including *ad valorem* tax revenues) or to enforce any obligation of the District, without the bankruptcy court’s permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, if the bankruptcy court were to determine that the alterations were fair and equitable. In addition, in such a proceeding, as part of such a plan, the District may be able to eliminate the obligation of the County to raise taxes if necessary, to pay the Bonds. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if a school district were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of the language of Chapter 9, a school district is a municipality. State law provides that the *ad valorem* taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the District’s general obligation bonds and for no other purpose. If this restriction on the expenditure of such *ad valorem* taxes is respected in a bankruptcy case, then the *ad valorem* tax revenue could not be used by the District for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Senate Bill 222 (2015) (“SB 222”) that became effective on January 1, 2016, all general obligation bonds issued by local agencies in California, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board and will be valid and binding from the time the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by

the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed unless the Bonds are determined to be secured by a pledge of “special revenues” within the meaning of the Bankruptcy Code and the pledged *ad valorem* taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues. If the *ad valorem* tax revenues that are pledged to the payment of the Bonds (see “THE BONDS – Security”) are determined to be “special revenues” within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. “Special revenues” are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the *ad valorem* taxes for payment of the Bonds. Additionally, the *ad valorem* taxes levied for payment of the Bonds are permitted under the State Constitution only where either (i) the applicable bond proposition is approved by 55% of the voters and such proposition contains a specific list of school facilities projects, or (ii) if the applicable bond proposition is approved by two-thirds of voters and such bonds must be issued for the acquisition or improvement of real property. Because State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the *ad valorem* tax revenues are determined to be “special revenues,” the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the *ad valorem* tax revenues to pay necessary operating expenses of the District and its schools before the remaining revenues are paid to the owners of the Bonds.

Possession of Tax Revenues; Remedies. If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would take or how effective they would be in obtaining possession of such tax revenues.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor’s Rights. The proposed form of opinion of Bond Counsel, attached hereto as APPENDIX E—FORMS OF OPINIONS OF BOND COUNSEL, are qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor’s rights.

Legal Opinions

All legal matters in connection with the execution and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel. Certain legal matters will also be passed on for the District by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel. Certain matters will be passed upon for the Underwriter by Norton Rose Fulbright US LLP, Los

Angeles, California, as Underwriter's Counsel. The fees of Bond Counsel, Disclosure Counsel, and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner a Bond is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest on the Bonds (including any original issue discount) is based upon certain representations of fact and certifications made by the District, the Underwriter and others and is subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest on the Bonds (including any original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest on the Bonds (including any original issue discount) to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District will covenant to comply with all such requirements.

The amount by which a Beneficial Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under section 171 of the Code; such amortizable bond premium reduces the Beneficial Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Beneficial Owner realizing a taxable gain when a Bond is sold by the Beneficial Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Beneficial Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The Internal Revenue Service (the “IRS”) has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel’s opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Bond Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel will render an opinion that interest on the Bonds (including any original issue discount) is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the accrual or receipt of interest on the Bonds (including any original issue discount) may otherwise affect the tax liability of the recipient. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX E—FORMS OF OPINIONS OF BOND COUNSEL.

MUNICIPAL ADVISOR

KNN Public Finance, LLC, Berkeley, California (the “Municipal Advisor”), is an independent financial advisory firm registered as a “Municipal Advisor” with the Securities Exchange Commission and

Municipal Securities Rulemaking Board. The Municipal Advisor does not underwrite, trade or distribute municipal or other public securities. The Municipal Advisor has assisted the District in connection with the planning, structuring, sale, and issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness, or fairness of the information contained in this Official Statement not provided by the Municipal Advisor. The fees of the Municipal Advisor in respect to the Bonds are contingent upon their sale and delivery.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the “Annual Report”) by not later than March 31 after the end of the District’s fiscal year (the current end of the District’s fiscal year is on June 30), commencing with the report for the 2024-25 fiscal year, and to provide notices of the occurrence of certain events listed in the District’s Continuing Disclosure Certificate, the form of which is in APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE. The Annual Report and notices of listed events will be filed by the District with the Municipal Securities Rulemaking Board (the “MSRB”), by posting on the MSRB’s Electronic Municipal Market Access or “EMMA” system (website: www.emma.msrb.org). These continuing disclosure covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

With respect to the District’s 2017 Certificates of participation, for the last five years, the District failed to report its employees’ contributions to PERS but did report the District’s contributions. The employees’ contributions to PERS have been posted. The District’s 2021 annual report failed to include tax levies, collections and delinquencies for the prior fiscal year and the District failed to link notice of the Moody’s rating downgrade for its general fund debt from A2 to A3 for all CUSIP numbers. These filings have been made. Otherwise, within the past five years, the District has not materially failed to file in a timely manner the annual reports required in connection with its prior continuing disclosure undertakings.

LEGALITY FOR INVESTMENT IN CALIFORNIA

Under provisions of the California Financial Code, the Bonds are legal investments for commercial banks in California to the extent that the Bonds, in the informed opinion of the bank, are prudent for the investment of funds of depositors, and under provisions of the California Government Code, are eligible for security for deposits of public moneys in California.

ABSENCE OF MATERIAL LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished by the District to the Underwriter at the time of the original delivery of the Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the County’s ability to receive *ad valorem* taxes or contesting the District’s ability to issue and retire the Bonds.

RATING

Moody's Investors Service ("Moody's") has assigned the rating of "A1" to the Bonds. Such rating reflect only the views of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period or that such rating will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price for the Bonds.

The District has applied for municipal bond insurance for the scheduled payment of principal of and interest on the Bonds when due which, if purchased, will be issued concurrently with delivery of the Bonds and the Bonds will be assigned an insured rating.

The District has covenanted in the Continuing Disclosure Certificate to file on the EMMA website notices of any rating changes on the Bonds. See APPENDIX E—FORMS OF CONTINUING DISCLOSURE CERTIFICATES. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from Moody's prior to such information being provided to the District and prior to the date the District is obligated to file a notice of a rating change on EMMA. Purchasers of the Bonds are directed to Moody's, its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The New Money Bonds are being purchased by Raymond James & Associates., Inc. (the "Underwriter"). The Underwriter has agreed to purchase the New Money Bonds at a purchase price of \$ _____ (being equal to the aggregate principal amount of the New Money Bonds (\$45,000,000*), plus an original issue premium of \$ _____, less an Underwriter's discount of \$ _____). The purchase agreement relating to the New Money Bonds provides that the Underwriter will purchase all of the New Money Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell the New Money Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

The Refunding Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Refunding Bonds at a purchase price of \$ _____ (being equal to the aggregate principal amount of the Refunding Bonds (\$30,000,000*), less an Underwriter's discount of \$ _____). The purchase agreement relating to the Refunding Bonds provides that the Underwriter will purchase all of the Refunding Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell the Refunding Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

* Preliminary, subject to change.

ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Bonds, the Resolutions, the Continuing Disclosure Certificate of the District and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District Board.

EXECUTION

Execution and delivery of this Official Statement have been duly authorized by the District.

PITTSBURG UNIFIED SCHOOL DISTRICT

By _____
Janet Schulze, Ed.,
Superintendent

APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY AND THE COUNTY

While the economics of the City and the County and surrounding region influence the economics within the District, only property within the District is subject to an unlimited ad valorem tax levy to pay debt service on the Bonds.

Although reasonable efforts have been made to include up-to-date information in this Appendix A, some of the information is not current due to delays in reporting of information by various sources. It should not be assumed that the trends indicated by the following data would continue beyond the specific periods reflected herein.

Introduction

The City. The City of Pittsburg (the “City”) was incorporated in 1903 and is located in Contra Costa County (the “County”), a growing region in the eastern portion of the San Francisco Bay Area. The City occupies a land area of 15.38 square miles. The City is located 37 miles northeast from San Francisco, 29 miles northeast from Oakland, California, 60 miles north of San Jose and 65 miles south of Sacramento, California. The City shares a border with the unincorporated community of Bay Point to the west, the city of Concord to the southwest and Antioch to the east. The Suisun Bay is directly north of the City and connects the San Francisco Bay to the Sacramento and San Joaquin rivers.

The City has two BART stations, the Pittsburg/Bay Point Station located on Bailey Road and Highway 4 near Bay Point and the Pittsburg Center Station located on Railroad Avenue and Highway 4. Tri Delta Transit provides bus service in the area. California State Route 4 bisects the City from west to east.

The County. Contra Costa County was incorporated in 1850 as one of the original 27 counties of the state. It is one of nine counties in the San Francisco-Oakland Bay Area. The County occupies the northern portion of the East Bay region and is primarily suburban. The County covers about 733 square miles: the western and northern shorelines are highly industrialized, while the interior sections are suburban/residential, commercial, and light industrial.

The County’s physical geography is dominated by the bayside alluvial plain, the Oakland Hills-Berkeley Hills, several inland valleys, and Mount Diablo, an isolated 3,849-foot (1,173m) up-thrust peak at the north end of the Diablo Range of hills.

The Hayward Fault Zone runs through the western portion of the county, from Kensington to Richmond. The Calaveras Fault runs in the south-central portion of the county, from Alamo to San Ramon. The Concord Fault runs through part of Concord and Pacheco, and the Clayton-Marsh Creek-Greenville Fault runs from Clayton at its north end to near Livermore.

The establishment of BART, the modernization of Highway 24, and the addition of a fourth Caldecott Tunnel bore all served to reinforce the demographic and economic trends in the Diablo area of the County, with cities such as Pittsburg becoming edge cities.

The central County cities have in turn spawned their own suburbs within the County, extending east along the County’s estuarine north shore; with the older development areas of Bay Point and Pittsburg being augmented by extensive development in Antioch, Oakley, and Brentwood.

Population

The table below summarizes population of the City, the County, and the State of California for the last five years.

PITTSBURG, CONTRA COSTA COUNTY, and CALIFORNIA Population

<u>Year</u>	<u>City of Pittsburg</u>	<u>Contra Costa County</u>	<u>State of California</u>
2020	76,246	1,165,927	39,538,223
2021	75,925	1,164,050	39,369,530
2022	94,951	1,154,254	39,179,680
2023	75,098	1,150,306	39,228,444
2024	75,887	1,158,249	39,420,663
2025	76,374	1,158,225	39,529,101

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2010-22, with 2010 Census Benchmark.

Employment

The following table summarizes historical employment and unemployment for the County, the State of California and the United States:

CONTRA COSTA COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate ⁽¹⁾
2020	Contra Costa County	541,300	493,200	48,000	8.9
	California	18,821,200	16,913,100	1,908,100	10.1
	United States	160,742,000	147,795,000	12,947,000	8.1
2021	Contra Costa County	542,400	507,900	34,500	6.4
	California	18,923,200	17,541,900	1,381,200	7.3
	United States	161,204,000	152,581,000	8,623,000	5.3
2022	Contra Costa County	575,400	555,700	19,700	3.4
	California	19,218,300	18,393,900	824,400	4.3
	United States	164,287,000	158,291,000	5,996,000	3.6
2023	Contra Costa County	582,200	559,600	22,600	3.9
	California	19,471,000	18,551,800	919,200	4.7
	United States	167,116,000	161,037,000	6,080,000	3.6
2024 ⁽²⁾	Contra Costa County	582,300	556,000	26,300	4.5
	California	19,644,100	18,600,900	1,043,100	5.3
	United States	168,106,000	161,346,000	6,761,000	4.0

Source: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Average 2020-24, and US Department of Labor.

(1) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures available in this table.

(2) Latest available full-year data.

Major Employers

The table below sets forth the principal employers by employment in the City of Pittsburg and Contra Costa County as reported in their most recent respective Annual Comprehensive Financial Reports.

CITY OF PITTSBURG Top Employers as of June 30, 2024

Employer	Employees	% of Total City Employment
Pittsburg Unified School District	1,286	3.4%
Los Medanos Community College	932	2.4
City of Pittsburg	324	0.90
Dow Chemical Company	285	0.70
Walmart	217	0.60
Ramar Foods	255	0.70
Home Depot	168	0.40
WinCo Foods	168	0.40
Safeway	120	0.30
Redwood Painting	50	0.10
Total Top 10	3,805	10.00%
All Others	34,258	90.00
Total	38,063	100.00%

Source: City of Pittsburg 2023-24 Annual Comprehensive Financial Report.

CONTRA COSTA COUNTY Top Employers as of June 30, 2024

Employer	Employees	% of Total County Employment
Chevron Corporation	10,000+	1.89%
Kaiser Permanente	10,000+	1.89
Bio-Rad Laboratories, Inc.	1,000-4,999	0.57
John Muir Medical Center	1,000-4,999	0.57
La Raza Market	1,000-4,999	0.57
USS-POSCO Industries	1,000-4,999	0.57
All Others	500,100	93.94
Total	532,100	100.00

Source: Contra Costa County 2023-24 Annual Comprehensive Financial Report.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City and the County:

CITY OF PITTSBURG Building Permits and Valuation (Dollars in Thousands)

	2018	2019	2020	2021	2022 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 14,297	\$ 21,447	\$ 19,937	\$ 39,886	\$ 16,745
New Multi-family	6,600	—	15,253	67,002	3,320
Res. Alterations/Additions	5,080	3,628	2,235	1,079	5,437
Total Residential	25,978	25,075	37,426	107,968	25,503
Total Nonresidential	14,322	5,153	57,571	3,117	10,000
Total All Building	40,300	30,229	94,998	111,086	35,503
<u>New Dwelling Units:</u>					
Single Family	70	103	101	198	84
Multiple Family	65	—	84	434	16
Total	135	103	185	632	110

CONTRA COSTA COUNTY Building Permits and Valuation (Dollars in Thousands)

	2018	2019	2020	2021	2022 ⁽¹⁾
<u>Permit Valuation:</u>					
New Single-family	\$ 576,115	\$ 502,567	\$ 458,503	\$ 605,008	\$ 492,220
New Multi-family	169,461	213,697	203,966	273,036	180,264
Res. Alterations/Additions	337,089	300,066	213,069	264,419	330,704
Total Residential	1,082,666	1,016,331	875,540	1,142,464	1,003,188
Total Nonresidential	729,897	472,955	424,072	381,827	506,996
Total All Building	1,812,564	1,489,287	1,299,613	1,524,292	1,510,184
<u>New Dwelling Units:</u>					
Single Family	1,647	1,573	1,525	2,229	1,646
Multiple Family	1,161	1,229	1,243	1,695	924
Total	2,808	2,802	2,768	3,924	2,570

Source: Construction Industry Research Board: "Building Permit Summary."

Note: Columns may not sum to totals due to independent rounding.

(1) Latest available full year data.

Median Household Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds),

proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the median household effective buying income for the City, the County, the State, and the nation for the past five years.

**CITY OF PITTSBURG, CONTRA COSTA COUNTY,
STATE OF CALIFORNIA AND UNITED STATES
Median Household Effective Buying Income**

	2018	2019	2020	2021	2022 ⁽¹⁾
City of Pittsburg	\$ 63,778	\$ 65,488	\$ 69,688	\$ 75,695	\$ 81,787
Contra Costa County	79,603	83,242	87,804	98,409	98,536
California	62,637	65,870	67,956	77,058	77,175
United States	52,841	55,303	56,790	64,448	65,326

Source: Nielsen, Inc.

(1) Latest available full-year data.

APPENDIX B

DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION

The information in this appendix concerning the operations of the District, the District's finances, and State funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District or from State revenues. The Bonds are payable solely from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements and required to be levied by the County on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the Official Statement.

Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System

Most California school districts receive a significant portion of their funding from State appropriations. As a result, changes in State revenues may affect appropriations made by the Legislature to school districts. Commencing with the fiscal year 2013-14, the State budget restructured the manner in which the State allocates funding for K-12 education. In fiscal year 2013-14, State legislation replaced the majority of revenue limit and categorical funding formulas with a new set of funding formulas. The new formula for school funding is known as the "Local Control Funding Formula" (the "Local Control Funding Formula" or "LCFF"). The State budget provided funding in fiscal year 2013-14 to begin implementing the new formulas. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The new system provides a base rate per student multiplied by the school district's average daily attendance ("ADA") for each of several grade levels. The base rates are augmented by several funding supplements such as for (1) students needing additional services, defined as English learners, students from lower income families, and foster youth; and (2) school districts with high concentrations of English learners and lower income families. The new funding system requires school districts to develop local control and accountability plans describing how the school district intends to educate its students and achieve annual education goals to be achieved in state-mandated areas of priority.

Under the prior system, California Education Code Section 42238 and following, each school district was determined to have a target funding level: a "base revenue limit" per student multiplied by the school district's ADA. The base revenue limit was calculated from the school district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after considering certain other revenues, in particular, locally generated property taxes. This was referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution. A school district whose local property tax revenues exceed its base revenue limit is entitled to receive no State equalization aid, and receives only its special categorical aid, which is deemed to include the "basic aid" of \$120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some equalization aid were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts." The District is a LCFF district.

The Local Control Funding Formula is also based on ADA. ADA can fluctuate due to factors such as population growth or decline, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in ADA will cause a school district to lose operating revenues, without necessarily permitting the school district to make adjustments in fixed operating costs.

Average Daily Attendance

In the past, annual State apportionments of basic and equalization aid to school districts were computed based on a revenue limit per unit of ADA. Prior to fiscal year 1998-99, daily attendance numbers included students who were absent from school for an excused absence, such as illness. Effective in fiscal year 1998-99, only actual attendance is counted in the calculation of ADA. This change was essentially fiscally neutral for school districts which maintain the same excused absence rate. The rate per student was recalculated to provide the same total funding to school districts in the base year as would have been received under the old system. After fiscal year 1998-99, school districts that improved their actual attendance rate received additional funding.

As indicated above, commencing with the fiscal year 2013-14, the State budget restructured the manner in which the State allocates funding for K-12 education using the Local Control Funding Formula. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The following table shows the District's enrollment, ADA and LCFF Revenues for the most recent fiscal years.

AVERAGE DAILY ATTENDANCE, LCFF AND ENROLLMENT

Fiscal Year Ending June 30,	Average Daily Attendance ⁽¹⁾	LCFF Revenues ⁽²⁾	Enrollment ⁽³⁾
2015	10,423	\$ 85,276,734	10,971
2016	10,561	100,281,539	11,072
2017	10,868	109,340,551	11,489
2018	10,907	112,174,964	11,581
2019	10,747	119,412,719	11,389
2020	10,770	121,285,159	11,365
2021	10,770	121,410,715	11,015
2022	9,417	131,542,636	10,792
2023	9,641	146,228,227	10,755
2024	9,709	156,805,662	10,743
2025 ⁽⁴⁾	9,807	154,747,664	10,676

Source: Pittsburg Unified School District

- (1) Except for fiscal year 2022-23, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year.
- (2) Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in Fiscal Year 2008-09 and discontinued following the implementation of the LCFF.
- (3) Enrollment as of October report submitted to the California Basic Educational Data System ("CBEDS") in each school year.
- (4) Projections from the District's 2024-25 2nd Interim Report, adopted March 12, 2025.

Effect of Changes in ADA. Changes in local property tax income and student enrollment (or ADA) affect community funded districts and revenue limit districts, now known as “LCFF districts,” differently. In a LCFF district, such as the District, increasing enrollment increases the amount allocated under LCFF and thus generally increases a district’s entitlement to State aid, while increases in property taxes do nothing to increase district revenues, but only offset the State aid funding requirement. Operating costs typically increase disproportionately slower than enrollment growth until the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State aid, while operating costs typically decrease slowly until the district decides to lay off teachers, close schools, or initiate other cost-saving measures.

In community funded districts the opposite is generally true: increasing enrollment does increase the amount allocated under LCFF, but since all LCFF income (and more) is already generated by local property taxes, there is typically no increase in State income. New students impose increased operating costs, but typically at a slower pace than enrollment growth, and the effect on the financial condition of a community funded district would depend on whether property tax growth keeps pace with enrollment growth. Declining enrollment typically does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

For LCFF districts, any loss of local property taxes is made up by an increase in State aid. For community funded districts, the loss of tax revenues is not reimbursed by the State.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in and out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the district to make adjustments in fixed operating costs.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State’s ability to meet the revenue and spending assumptions in the State’s adopted budget, and the effect of these changes on school finance. The District’s 2nd Interim Report and projected ADA are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District’s actual funding level for fiscal year 2019-20 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Impact of Coronavirus on Attendance. As described herein, the short-term and long-term impact of the Coronavirus on the District’s attendance, revenues and local property values, and the impacts of Federal and State legislation resulting from the Coronavirus emergency, cannot be predicted. The Bonds described in this Official Statement are secured by *ad valorem* property taxes, and not the District’s general fund. See “SECURITY FOR THE BONDS – The Coronavirus Global Pandemic.”

District Budget and County Review

Budgeting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the County's Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the State Superintendent may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If at any time during the fiscal year the county superintendent determines that a school district may be unable to meet its financial obligations for the current or two subsequent fiscal years or if a school district has a qualified or negative certification (as describe below), the county superintendent will notify the governing board of the school district and the State Superintendent of that determination and report to the State Superintendent the financial condition of the school district. The county superintendent will also report proposed remedial actions and take at least one of the following and all actions that are necessary to ensure that the school district meets its financial obligations: (a) assign a fiscal expert, (b) conduct a study of the financial and budgetary conditions of the school district that includes, but is not limited to, a review of internal controls, (c) direct the school district to submit a financial projection of all fund and cash balances of the school district as of June 30 of the current year and subsequent fiscal years, (d) require the school district to encumber all contracts and other obligations, to prepare appropriate cashflow analyses and monthly or quarterly budget revisions, and to appropriately record all receivables and payables, (e) direct the school district to submit a proposal for addressing the fiscal conditions that resulted in the determination that the school district may not be able to meet its financial obligations, (f) withhold compensation of the members of the governing board of the school district and the school district superintendent for failure to provide requested financial information, and (g) assign the County Office of Education and Fiscal Crisis and Management Assistance Team to review and provide recommendations related to teacher hiring practices, teacher retention rate, percentage of provision of highly qualified teachers, and the extent of teacher misassignment in the school district.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. However, the county superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the county superintendent assumed District.

Interim Reporting. A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200 and the Education Code (Section 42100 et seq.), each school district is required to file two interim certifications with the county superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The county superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. The District received a qualified certification on its fiscal year 2021-22 first interim report in December of 2021. The District's subsequent interim reports have all received positive certifications.

Emergency Appropriation from the State. For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve

any diversion of revenue from *ad valorem* property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to section 41010 of the California Education Code, is to be followed by all California school districts.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

The District's accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Financial Statements

The District's general fund finances the basic operating activities of the District. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2024, and for prior fiscal years are on file with the District and available for public inspection at the office of the Superintendent of the District, 2000 Railroad Avenue, Pittsburg, California 94565, telephone number (925) 473-2300. Copies of such financial statements will be mailed to prospective investors and their representatives upon request directed to the District at such address. For further information, see also APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024.

General Fund Revenues, Expenditures, and Changes in Fund Balances. The following table shows the District's audited revenues, expenditures and changes in fund balances for the past four fiscal years and budgeted projections for fiscal year 2024-25 based on the District's 2nd Interim Report.

The budgeted projections for Fiscal Year 2024-25 set forth below reflect the District's assumptions concerning the state of California's 2024-25 State Budget and concerning local property tax collections from property located within the District. While the District believes it has made reasonable assumptions, the District's fiscal year 2024-25 Budget will be revised as new information becomes available.

**PITTSBURG UNIFIED SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

	Fiscal Year Ending June 30,				
	2021	2022	2023	2024	2025 ⁽¹⁾
	Audited	Audited	Audited	Audited	Budgeted
REVENUES					
LCFF Sources	\$121,410,715	\$131,542,636	\$148,577,593	\$156,805,662	\$154,747,664
Federal Sources	19,231,004	12,044,871	16,226,098	19,407,089	9,604,685
Other State Sources	22,002,199	22,801,680	49,515,329	31,669,043	41,717,826
Other Local Sources	5,459,396	7,350,345	11,215,393	15,257,762	9,261,452
Total Revenues	168,103,314	173,739,532	225,534,413	223,139,556	215,331,627
EXPENDITURES					
Certificated Salaries	59,569,562	65,648,708	69,393,408	75,187,324	78,568,286
Classified Salaries	20,613,426	22,831,296	27,482,130	31,092,172	33,633,175
Employee Benefits	39,021,867	42,428,323	48,870,726	55,491,182	63,945,993
Books and Supplies	7,677,272	4,650,820	6,530,517	5,552,919	14,430,316
Contract Services	19,235,584	23,299,159	31,536,790	32,932,262	45,793,767
Capital Outlay	818,305	662,511	1,081,730	3,207,927	2,213,906
Other Outgo	2,373,734	2,152,620	-	-	2,915,310
Excluding transfers of indirect costs	-	-	2,509,582	2,508,653	-
Transfers of indirect costs	-	-	(420,097)	(246,214)	(286,378)
Debt Service - Principal	-	-	-	-	-
Debt Service - Interest	-	-	-	-	-
Total Expenditures	149,309,750	161,673,437	186,984,786	205,726,225	241,214,377
Revenues over Expenditures	18,793,564	12,066,095	38,549,627	17,413,331	(25,882,749)
OTHER FINANCING SOURCES					
Operating transfers in	-	-	-	-	-
Operating transfers out	(779,020)	(755,221)	(1,374,253)	(355,221)	(355,221)
Other sources	-	-	-	-	-
Total financing sources (uses)	(779,020)	(755,221)	(1,374,253)	(355,221)	(355,221)
Net change in fund balances	18,014,544	11,310,874	37,175,374	17,058,110	(26,237,970)
Beginning Fund Balance, July 1 ⁽²⁾	16,457,279	31,143,021	42,453,895	79,629,269	95,716,792
Ending Fund Balance, June 30	34,471,823	42,453,895	79,629,269	96,687,379	69,478,821

Sources: Pittsburg Unified School District 2021-24 Audited Financial Statements and 2024-25 2nd Interim Report.

(1) From the District's 2024-25 2nd Interim Report, adopted March 12, 2025.

(2) With respect to the 2022 and 2025 beginning fund balances, audit reclassifications are not included.

Budget to Actuals Comparison. The following table shows a comparison of the District’s General Fund revenues, expenditures and changes in fund balances for fiscal year 2022-23 and 2023-24, as projected in the District’s original budget, final budget, and audited actuals for each year.

**PITTSBURG UNIFIED SCHOOL DISTRICT
GENERAL FUND
BUDGET TO ACTUALS COMPARISON
Fiscal Years 2022-23 and 2023-24**

	Fiscal Year Ending June 30, 2023			Fiscal Year Ending June 30, 2024		
	Original Budget	Final Budget	Audited Actuals	Original Budget	Final Budget	Audited Actuals
REVENUES						
LCFF Sources	\$138,931,984	\$146,228,227	\$148,577,593	\$155,596,867	\$156,409,816	\$156,805,662
Federal Sources	28,944,265	31,031,852	16,226,098	20,844,411	21,788,618	19,407,089
Other State Sources	15,904,734	49,805,362	49,515,329	27,524,718	28,848,291	31,669,043
Other Local Sources	6,528,777	7,613,721	11,215,393	7,720,562	9,421,921	15,257,762
Total Revenues	190,309,760	234,679,162	225,534,413	211,686,558	216,468,646	223,139,556
EXPENDITURES						
Certificated Salaries	66,555,686	72,679,418	69,393,408	71,950,283	72,288,036	75,187,324
Classified Salaries	25,129,403	28,042,936	27,482,130	29,854,763	29,928,742	31,092,172
Employee Benefits	49,319,156	52,230,539	48,870,726	55,211,725	56,434,165	55,491,182
Books and Supplies	9,266,676	12,490,743	6,530,517	7,183,175	14,902,921	5,552,919
Contract Services and Op. Ex.	28,059,859	44,189,920	31,536,790	44,091,661	50,494,286	32,932,262
Capital Outlay	506,848	1,417,928	1,081,730	3,468,377	5,593,954	3,207,927
Other Outgo						
Excluding transfers of indirect costs	2,915,310	2,915,310	2,509,582	2,915,310	2,915,310	2,508,653
Transfers of indirect costs	(276,378)	(306,378)	(420,097)	(286,378)	(287,497)	(246,214)
Total Expenditures	181,476,560	213,660,416	186,984,786	214,388,916	232,269,917	205,726,225
Revenues over Expenditures	8,833,200	21,018,746	38,549,627	(2,702,358)	(15,801,271)	17,413,331
Other Sources/(Uses)	(355,221)	(355,221)	(1,374,253)	(355,221)	(355,221)	(355,221)
Net change in fund balances	8,477,979	20,663,525	37,175,374	(3,057,579)	(16,156,492)	17,058,110
Fund Balance, July 1	42,453,895	42,453,895	42,453,895	79,629,269	79,629,269	79,629,269
Fund Balance, June 30	50,931,874	63,117,420	79,629,269	76,571,690	63,472,777	96,687,379

Source: Pittsburg Unified School District 2022-23 and 2023-24 Audited Financial Statements.

Summary of District Revenues and Expenditures

The District’s audited financial statements for the year ending June 30, 2024, are reproduced in Appendix C. The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the District Board by September 15, and the audit report must be filed with the County Superintendent of Schools and State officials by December 15 of each year.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain a reserve for economic uncertainties in the amount of 3% of its total general fund expenditures, based on total student attendance below 30,000. Substantially all funds of the District are required by law to be deposited with and invested by the County Treasurer on behalf of the District, pursuant to law and the investment policy of the County. See “INVESTMENT OF DISTRICT FUNDS” in the front portion of this Official Statement.

Local Control Funding Formula. The State Constitution requires that from all State revenues there will be funds set aside to be allocated by the State for support of the public school system and public institutions of higher education. As discussed below, school districts in the State receive a significant portion of their funding from these State allocations. The general operating income of school districts in California is comprised of two major components: (i) a State portion funded from the State's general fund, and (ii) a local portion derived from the school district's share of the 1% local *ad valorem* tax authorized by the State Constitution. School districts may also be eligible for special categorical and grant funding from State and federal government programs.

As part of the State Budget for fiscal year 2013-14 (the "2013-14 State Budget"), State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97") was enacted to establish a new system for funding State school districts, charter schools and county offices of education by the implementation of the Local Control Funding Formula or LCFF. This formula replaced the 40-year revenue limit funding system for determining State apportionments and the majority of categorical programs. Subsequently, AB 97 was amended and clarified by Senate Bill 91 (Stats. 2013 Chapter 49). The LCFF consists primarily of base, supplemental and concentration funding formulas that focus resources based on a school district's student demographic. Each school district and charter school receive a base grant per its ADA used to support the basic costs of instruction and operations. The implementation of the LCFF began in fiscal year 2013-14 and was fully implemented during fiscal year 2018-19.

The LCFF includes the following components:

- An average base grant for each local education agency per unit of ADA as detailed in the CALIFORNIA SCHOOL DISTRICTS AND CHARTER SCHOOLS GRADE SPAN FUNDING AT FULL LCFF IMPLEMENTATION LOCAL CONTROL TARGET FUNDING FORMULA 2024-25 summary table herein.
- A 20% supplemental grant for students classified as English learners ("EL"), those eligible to receive a free or reduced-price meal ("FRPM") and foster youth, to reflect increased costs associated with educating those students. These supplemental grants are only attributed to each eligible student once, and the total student population eligible for the additional funding is known as an "unduplicated count."
- An additional concentration grant equal to 50% of a local education agency's base grant, based on the number of unduplicated EL, FRPM and foster youth served by the local agency that comprise more than 55% of the school district's or charter school's total enrollment.

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of unduplicated student enrollment, for fiscal years 2014-15 through 2024-25.

**PITTSBURG UNIFIED SCHOOL DISTRICT
ADA, ENROLLMENT AND UNDUPLICATED ENROLLMENT PERCENTAGE**

Fiscal Year Ending June 30,	Average Daily Attendance				Total District ADA ⁽¹⁾	Total District Enrollment ⁽²⁾	% of EL/LI Enrollment ⁽³⁾
	K-3	4-6	7-8	9-12			
2015	3,346	2,409	1,582	3,038	10,375	11,009	84.3%
2016	3,200	2,506	1,674	3,137	10,517	11,113	81.4%
2017	3,310	2,452	1,680	3,424	10,866	11,533	78.4%
2018	3,307	2,474	1,646	3,478	10,905	11,581	79.5%
2019	3,145	2,358	1,704	3,540	10,747	11,389	77.5%
2020	3,128	2,380	1,648	3,614	10,770	11,412	76.6%
2021	3,127	2,370	1,641	3,595	10,770	11,062	76.5%
2022	2,590	2,096	1,409	3,301	9,396	10,834	77.7%
2023	2,679	2,167	1,461	3,307	9,614	10,702	79.7%
2024	2,797	2,120	1,503	3,289	9,709	10,743	81.1%
2025 ⁽⁴⁾	2,972	2,135	1,479	3,182	9,768	10,676	82.6%

Source: Pittsburg Unified School District

(1) Reflects P-2 ADA.

(2) Reflects CBEDS enrollment.

(3) For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students is based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.

(4) From the District's 2024-25 2nd Interim Report, adopted March 12, 2025.

Of the more than \$25 billion in funding to be invested through the LCFF through full implementation of the LCFF, the vast majority of new funding is provided for base grants. Specifically, of every dollar invested through the LCFF, 84 cents will go to base grants, 10 cents will go to supplemental grants, and 6 cents will go to concentration grants. Under the 2013-14 State Budget, the target average base grant was \$7,643, which was an increase of \$2,375 from the prior year's average revenue limit. Base grants are adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. As the LCFF has been fully implemented, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget on an ongoing basis. The differences among base grants are linked to differentials in Statewide average revenue limit rates by district type and are intended to recognize the generally higher costs of education at higher grade levels. For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding and restoration of categorical funding to pre-recession levels. The sum of a school district's adjusted base, supplemental and concentration grants will be multiplied by such district's Second Principal Apportionment (P-2) ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with categorical block grant add-ons, will yield a school district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and the individual school district's share of applicable local property

taxes allocations. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues in a particular year may significantly affect appropriations made by the State Legislature to school districts.

The legislation includes a “hold harmless” provision which provides that a school district or charter school will maintain total revenue limit and categorical funding at its fiscal year 2012-13 level, unadjusted for changes in ADA, or cost of living adjustments.

A summary of the target LCFF funding amounts for California school districts and charter schools based on grade levels and targeted students classified as English learners, those eligible to receive a free or reduced price meal, foster youth, or any combination of these factors (“unduplicated” count) is shown below:

**CALIFORNIA SCHOOL DISTRICTS AND CHARTER SCHOOLS
GRADE SPAN FUNDING AT FULL LCFF IMPLEMENTATION
LOCAL CONTROL TARGET FUNDING FORMULA
2023-24**

	A	B	C	D	E
Grade Span	2023-24 Base Grant per ADA	2024-25 COLA (A*1.07%)	2024-25 Base Grant per ADA before Grade Span Adjustments (A+B)	Grade Span Adjustments (TK-3: C*10.4% 9-12: C*2.6%)	2024-25 Base Grant/Adjusted Base Grant per ADA (C+D)
K-3	\$9,919	\$106	\$10,025	1,043	\$11,068
4-6	10,069	108	10,177	N/A	10,177
7-8	10,367	111	10,478	N/A	10,478
9-12	12,015	129	12,144	316	12,460

Source: California Department of Education

Since July 1, 2015, school districts have been required to develop a three-year Local Control and Accountability Plan (each, a “LCAP”). County Superintendents of Schools and the State Superintendent review and provide support to school districts and county offices of education under their jurisdictions. In addition, the 2013-14 State budget created the California Collaborative for Education Excellence (the “Collaborative”) to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. The State Superintendent may direct the Collaborative to provide additional assistance to any district, county office, or charter school. For those entities that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent has authority to make changes to school district or county office’s local plan. For charter schools, the charter authorizer will be required to consider revocation of a charter if the Collaborative finds that the inadequate performance is so persistent and acute as to warrant revocation. The State will continue to measure student achievement through statewide assessments, maintain a dashboard system for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Federal Sources. The federal government provides funding for several District programs, including the Every Student Succeeds Act, special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Education for Economic Security, and the free and reduced lunch program.

Other State Sources. In addition to LCFF revenues, the District receives substantial other State revenues. As described above, the LCFF replaced most of the State categorical program funding that existed prior to fiscal year 2013-14. Categorical funding for certain programs was excluded from the LCFF, and school districts continue to receive restricted State revenues to fund these programs. These other State revenues are primarily restricted revenue funding items such as the Special Education Master Plan, Economic Impact Aid, and Tier 3 Funding.

Other State revenues include the California State Lottery (the “Lottery”), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research.

Other Local Sources. In addition to property taxes, the District receives additional local revenues from the District receives additional revenues from two parcel taxes (as discussed below) and from items such as leases and rentals, interest earnings, transportation fees, interagency services, and other local sources.

Effect of State Budget on District Revenues

Most public school districts in California, including the District, are dependent on revenues from the State for a large portion of their operating budgets, because the primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes as previously described herein (see “—Education Funding Generally” above). School districts which are Community Funded however are an exception to this and derive most of their revenues from local property taxes.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS”), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding generally. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

District Expenditures

The largest part of each school district’s general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits.

Labor Relations. In Fiscal Year 2023-24, the District had 1,261.3 full-time-equivalent (“FTE”) employees including 640.8 certificated (credentialed teaching) staff, 519.5 classified (non-teaching) staff,

and 101.0 management, confidential and administrative personnel. There are two formal bargaining units operating in the District which are described in the table below.

**PITTSBURG UNIFIED SCHOOL DISTRICT
LABOR ORGANIZATIONS**

Labor Organization	FTE	
	Members	Contract Expiration
Pittsburg Teachers Association	640.8	6/30/2026
California School Employees Association	519.5	6/30/2026

Source: Pittsburg Unified School District

District Retirement Programs

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not be construed as a representation by either the District or the Underwriter.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Contributions by employers to STRS are based upon rates determined annually in the State's budgets. The District is currently required to contribute to STRS at an actuarially determined rate, which was 19.10% of eligible salary expenditures for fiscal year 2022-23 and is 19.10% for fiscal year 2023-24.

The District's contributions to STRS were \$9,430,747 in fiscal year 2020-21, \$10,700,814 in fiscal year 2021-22, \$12,715,890 in fiscal year 2022-23, \$13,816,738 in fiscal year 2023-24, and (estimated) \$22,526,731 in fiscal year 2024-25.

The State also contributes to STRS on behalf of the District. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual COLA's, and death benefits to plan members and beneficiaries. Benefit provisions are established by the

State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund (“PERF”). PERF is a multiple employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2014, included 1,580 public agencies and 1,513 K-14 school districts. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for “classified employees,” which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the “Schools Pool”).

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which was 25.37% of eligible salary expenditures for fiscal year 2022-23 and is 26.68% for fiscal year 2023-24.

The District’s contributions to PERS were \$4,830,783 in fiscal year 2020-21, \$5,767,907 in fiscal year 2021-22, \$7,550,211 in fiscal year 2022-23, \$8,799,976 in fiscal year 2023-24, and (estimated) \$9,306,942 in fiscal year 2024-25.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are “forward-looking” information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) ⁽¹⁾
Fiscal Years 2012-13 through 2022-23

<u>STRS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA) ⁽²⁾</u>	<u>Unfunded Liability (MVA) ⁽²⁾</u>	<u>Value of Trust Assets (AVA) ⁽³⁾</u>	<u>Unfunded Liability (AVA) ⁽³⁾</u>
2012-13	\$222,281	\$157,176	\$74,374	\$148,614	\$73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152
2018-19	310,719	225,466	102,636	205,016	105,703
2019-20	322,127	233,253	107,999	216,252	105,875
2020-21	332,082	292,980	60,136	242,363	89,719
2021-22	346,089	283,340	85,803	257,537	88,552
2022-23	359,741	299,148	85,571	273,155	86,586

<u>PERS</u>					
<u>Fiscal Year</u>	<u>Accrued Liability</u>	<u>Value of Trust Assets (MVA) ⁽²⁾</u>	<u>Unfunded Liability (MVA) ⁽²⁾</u>	<u>Value of Trust Assets (AVA) ⁽³⁾</u>	<u>Unfunded Liability (AVA) ⁽³⁾</u>
2012-13	\$61,487	\$49,482	\$12,005	\$56,250	\$5,237
2013-14	65,600	56,838	8,761	-- ⁽⁴⁾	-- ⁽⁴⁾
2014-15	73,325	56,814	16,511	-- ⁽⁴⁾	-- ⁽⁴⁾
2015-16	77,544	55,785	21,759	-- ⁽⁴⁾	-- ⁽⁴⁾
2016-17	84,416	60,865	23,551	-- ⁽⁴⁾	-- ⁽⁴⁾
2017-18	92,071	64,846	27,225	-- ⁽⁴⁾	-- ⁽⁴⁾
2018-19 ⁽⁵⁾	99,528	68,177	31,351	-- ⁽⁴⁾	-- ⁽⁴⁾
2019-20 ⁽⁶⁾	104,062	71,400	32,662	-- ⁽⁴⁾	-- ⁽⁴⁾
2020-21	110,507	86,519	23,988	-- ⁽⁴⁾	-- ⁽⁴⁾
2021-22	116,982	79,386	37,596	-- ⁽⁴⁾	-- ⁽⁴⁾
2022-23	124,924	84,292	40,632	-- ⁽⁴⁾	-- ⁽⁴⁾

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

⁽¹⁾ Amounts may not add due to rounding.

⁽²⁾ Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.

⁽³⁾ Reflects actuarial value of assets.

⁽⁴⁾ Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

⁽⁵⁾ For the fiscal year 2020-21 actuarially determined contribution, the additional \$430 million State contribution made pursuant to AB 84 did not directly impact the actuarially determined contribution as it was not yet in the Schools Pool by the June 30, 2019 actuarial valuation date. The additional State contribution was treated as an advance payment toward the unfunded accrued liability contribution with required employer contribution rate correspondingly reduced.

⁽⁶⁾ For the fiscal year 2021-22 actuarially required contribution, the impact of the additional \$330 million State contribution made pursuant to AB 84 is directly reflected in the actuarially determined contribution, because the additional payment was in the

Schools Pool as of the June 30, 2020 actuarial valuation date, which served to reduce the required employer contribution rate by 2.16% of payroll.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015) (the “2017 Experience Analysis”), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member’s increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the “2016 STRS Actuarial Valuation”). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation, and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%.

Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2007, through June 30, 2022) (the “2024 Experience Analysis”), on January 10, 2024, the STRS Board adopted a new set of actuarial assumptions that will be first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2023. The payroll growth assumption was decreased to 3.25% from 3.50% due to the projected need for fewer teachers due to projected declining enrollment in the State over the next 20 years, while the following actuarial assumptions remained unchanged since the CalSTRS Experience Analysis (spanning July 1, 2015 through July 1, 2018) (the “2020 Experience Analysis”): long-term investment return (7.0%), (ii) price inflation (2.75%), and (iii) wage growth (3.50%). Certain demographic assumptions were also updated, including changing the assumed life expectancy of STRS retirees to more closely reflect recent trends. The 2023 STRS Actuarial Valuation (defined below) continues using the Entry Age Normal Actuarial Cost Method.

The STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2023 (the “2023 STRS Actuarial Valuation”) reports that, based on an actuarial value of assets, the unfunded actuarial obligation decreased by approximately \$1.966 billion since the 2022 STRS Actuarial Valuation and the funded ratio increased by 1.50% to 75.9% over such time period. The main reason for the increase in the funded ratio were the expected year-to-year change due to contributions received to pay down the unfunded actuarial accrued liability and the new actuarial assumptions (primarily the mortality assumption change) that were adopted for use in the 2023 STRS Actuarial Valuation. The STRS Board has no authority to adjust rates to pay down the portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990 (the “Unallocated UAO”). There was a small decrease in the surplus (a negative unfunded actuarial obligation) for the Unallocated UAO from \$359 million as of June 30, 2022 to \$356 million as of June 30, 2023.

According to the 2023 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2044 of 100.7%. This finding assumes adjustments to contribution rates in line with the funding plan and STRS Board policies, the future recognition of the currently deferred asset gains, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

On November 7, 2024, STRS released its 2024 Review of Funding Levels and Risks (the “STRS 2024 Review of Funding Levels and Risks”), which is based on the 2023 STRS Actuarial Valuation. The

STRS 2024 Review of Funding Levels and Risks notes that funding projections have improved slightly since the completion of the June 30, 2023 actuarial valuation that was presented to the Board in May 2024 in part due to the 8.4% investment return earned by STRS in fiscal year 2023-24 and an increase of 9,000 active members, which contributed to an 8% increase in the payroll of active members.

The key results and findings noted in the STRS 2024 Review of Funding Levels and Risks were that (i) current contribution rates for the State and employers are still projected to be sufficient to allow both the State and the employers to eliminate their share of the STRS unfunded actuarial obligation by 2046; contribution rate increases are not expected to be needed for fiscal year 2025-26, (ii) The State remains well ahead of schedule to eliminate its share of the STRS unfunded actuarial obligation (currently projected to be eliminated in 2027), (iii) the largest risk facing STRS' ability to reach full funding remains investment-related risk, especially considering the Defined Benefit Program continues to mature, which will increase the system's sensitivity to investment experience, (iv) the risk that a negative investment return might impact STRS ability to reach full funding is expected to increase once the State fully eliminates its share of STRS unfunded actuarial obligation because of a trigger that will require the State contribution rate to immediately drop to 2.017% potentially limiting STRS ability to react to changing conditions, because once this occurs, the STRS Board would only be able to raise the State contribution rate by 0.5% each year, taking 12 years to simply return to the State contribution rate in place in the prior fiscal year potentially resulting in a situation where the State can no longer eliminate its share of the unfunded liability by 2046, and (v) the ability of the funding plan to allow STRS to reach full funding is dependent on STRS meeting its current actuarial assumptions over the long term; uncertain investment markets and a potential decline in the number of teachers could put pressure on STRS ability to meet some of its long-term assumptions and impact its ability to reach full funding.

The STRS 2024 Review of Funding Levels and Risks notes highlighted risks associated with longevity, the size of active membership and investments. The STRS 2024 review of Funding Levels and Risks notes that, overall, STRS experienced greater mortality than projected under previous assumptions, but it remains uncertain whether the pandemic will continue to impact mortality in the long term. In January 2024 the STRS Board adopted new mortality assumptions that were slightly lower than the data indicated, essentially not fully reflecting the impact of the pandemic. In January of 2024, the STRS Board also adopted a change to the rate at which the payroll is assumed to increase, from 3.5% to 3.25%, which reflects STRS assumption that the population of active teachers will decline slowly over time (approximately 5% through 2046). The STRS 2024 Review of Funding Levels and Risks notes that if the active membership declines and the payroll fails to grow as assumed, STRS ability to make progress toward full funding could be at risk. Retirements from active teachers are expected to increase significantly over the next 10 years. Although an increase in retirements does not necessarily impact long term funding, if school districts do not replace teachers who retire in the future, that could result in a reduction in the overall number of teachers and impact STRS ability to reach full funding by 2046. With the anticipated decline in the number of children enrolled in K-12 public schools, the risk that the number of teachers may go down in the future is real and was one of the considerations when the STRS Board lowered the payroll growth assumption. California experienced a significant decline in enrollment in both K-12 public schools and community colleges starting in 2020-21. Total enrollment in K-12 public schools dropped by approximately 310,000, or a 5% reduction, between 2019-20 and 2022-23, while the number of students enrolled at community colleges dropped by 310,000, or a 20% reduction, before increasing by approximately 30,000 in the fall of 2022. In October 2023, the State updated its projection of K-12 enrollments, with the most recent projection anticipating a decline of approximately 11% over the next 10 years and 15% over the next 20 years. If the anticipated reduction in enrollment results in a need for fewer teachers in California, it would impact the number of active teachers who participate in the STRS Defined Benefit Program and ultimately the growth in payroll. One countervailing force that could potentially offset some of the factors listed above would be the reduction of

class sizes. The STRS 2024 Review of Funding Levels and Risks notes that investment volatility and the risk that STRS may not be able to meet its assumed investment return over the long-term remains the greatest risk facing STRS today. The combination of a maturing system and the decreasing timeframe of the funding plan only serves to increase this risk. STRS 2024 Review of Funding Levels and Risks notes that (i) when investment returns are below expectations, the unfunded actuarial obligation increases, requiring additional contributions to bridge the gap, however, the funding plan provides the board limited authority to increase contribution rates for both the State and employers; (ii) the State bears the greatest risk when it comes to investment volatility due to rules set in the funding plan that allocate the largest share of the assets to the state which results in its share of the unfunded actuarial obligation being the most sensitive to investment volatility; (iii) the STRS Board has authority to increase the State's contribution by a maximum of 0.5% of payroll each year with no limit on the maximum rate; however the State contribution rate will be reduced to 2.017% of payroll once the State has eliminated its share of the unfunded liability, and (iv) since the funding plan expires in 2046, after which the STRS Board's authority to adjust contribution rates terminates, the time period over which to fund an existing and new unfunded actuarial obligation is declining each year.

On July 30, 2024, STRS reported a net return on investments of 8.4% for fiscal year 2023-24, ending with the total fund value of \$341.4 billion as of June 30, 2024. The 2023-24 return keeps STRS on track long term, as the 5-, 10-, 20-, and 30-year returns, all surpass the actuarial assumption of 7.0%, during a period of inflation, rising interest rates and geopolitical uncertainty. In its news release reporting the fiscal year 2023-24 investment return, STRS noted that it is ahead of schedule in reaching full funding by 2046.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points (revised to two percentage points in 2017). On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The PERS Funding Risk Mitigation Policy recently triggered an automatic decrease of 0.2% in the PERS Discount Rate due to the investment return in fiscal year 2020-21, lowering such rate to 6.8%. On April 15, 2024, the PERS Board removed the automatic mechanism to reduce the discount rate and added a provision to the Funding Risk Mitigation Policy to bring an agenda item to the PERS Board for discussion if a funding risk mitigation event occurs.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully funded status within 30 years. The policies included a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including

the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on November 17, 2021 (the “2021 Experience Study”), the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.30% per year, (ii) increasing the assumed real wage inflation assumption to 0.5%, which results in a total wage inflation of 2.80%, (iii) increasing the payroll growth rate to 2.80%, and (iv) certain changes to demographic assumptions relating to modifications to the mortality rates, retirement rates, and disability rates (both work and non-work related), and rates of salary increases due to seniority and promotion. These actuarial assumptions were incorporated into the actuarial valuation for fiscal year ending June 30, 2021 and first impacted contribution rates for school districts in fiscal year 2022-23. Based on the timing of the study, the member data used in the analysis, which runs through June 30, 2019, does not include the impacts of COVID-19. Preliminary analysis of the system experience since the beginning of the pandemic has shown demographic experience (e.g. retirements, deaths, etc.) did differ from the current actuarial assumptions in some areas, which will be more precisely quantified in future actuarial valuations.

On November 15, 2021, the PERS Board selected a new asset allocation mix through its periodic Asset Liability Management Study that will guide the fund’s investment portfolio for the next four years, retained the current 6.8% discount rate and approved adding 5% leverage to increase diversification. The new asset allocation took effect July 1, 2022 and impacted contribution rates for employers and PEPPRA employees beginning in fiscal year 2022-23.

2023 PERS Actuarial Valuation reported that from June 30, 2022 to June 30, 2023 the funded ratio of the Schools Pool decreased by 0.4% (from 67.9% to 67.5%), which was primarily due to salary increases in

fiscal year 2022-23 being higher than expected. The 2023 PERS Actuarial Valuation notes that during the time period between the valuation date and the publication of the 2023 PERS Actuarial Valuation, inflation was higher than the expected inflation rate of 2.3% per annum, and since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The average salary increase was 9.8% for members actively employed during the entire year ending June 30, 2023. Total reported payroll in 2022-23 increased by 13.9% over the prior year, compared with 2.8% expected. This change, driven by a combination of active headcount growth and the salary increases, served to reduce the employer contribution rate for 2024-25 by 1.74% of pay as the dollar amount of the unfunded liability contribution is divided by a larger payroll. Based on final June 30, 2023 assets, the money-weighted investment return for 2022-23 was 6.1%, generating an actuarial investment loss of \$0.6 billion. This loss will be amortized over 20 years with a five-year ramp, increasing the employer contribution rate in 2024-25 by 0.07% of pay. Due to the five-year ramp, this impact will increase each year until it reaches an estimated 0.33% of pay in 2028-29.

On July 15, 2024, PERS reported a preliminary net return on investment of 9.3% for PERF in fiscal year 2023-24. When using the preliminary net return of 9.3% to assess long-term obligations, the overall estimated funded status of the PERF stands at 75%. As of June 30, 2024, assets were valued at \$502.9 billion. The ending value of the PERF for fiscal year 2023-24 will be based on additional factors beyond investment returns, including employer and employee contributions, monthly payments to retirees, and various investment fees. PERS will review the portfolio's performance in the next few months to determine the final fiscal year returns for 2023-24. The final investment return for fiscal year 2023-24 will be reflected in contribution levels for the State and school district employers in fiscal year 2025-26.

A circular letter published on August 30, 2024 reports that the contribution rate for fiscal year 2025-26 is projected to be 27.4%, the contribution rate for fiscal year 2026-27 is projected to be 27.5%, the contribution rate for fiscal year 2027-28 is projected to be 28.5%, the contribution rate for fiscal year 2028-29 is projected to be 28.2%, and the contribution rate for fiscal year 2029-30 is projected to be 27.8%. The projected contribution rates reflect a preliminary investment return for fiscal year 2023-24 of 9.3% (without reduction for administrative expenses). Further, projected rates reflect the anticipated decrease in normal cost due to new hires entering lower cost benefit tiers. The projections assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits or funding will occur during the projection period. Future contribution requirements may differ significantly. The actual long-term cost of the plan will depend on the actual benefits and expenses paid and the actual investment experience of the fund.

In November 2024, PERS released its 2024 Annual Review of Funding Levels and Risk (the "2024 PERS Funding Levels and Risk Report"), which provided a summary of the current funding levels of the system, the near-term outlook for required contributions and risks faced by the system in the near and long-term. The 2024 PERS Funding Levels and Risk Report notes that over the next several years there is the potential for various factors to either further increase required contributions or add additional financial strain on employers and their ability to make required contributions, including inflation and near-term economic turmoil. The 2024 PERS Funding Levels and Risk Report notes that over the last few years, price inflation has been significantly higher than the PERS long-term assumption of 2.3%, which can affect liability measures and investment returns in several ways and which can be difficult to quantify. The most direct impact of high inflation is that retirees can receive higher than expected cost-of-living adjustments and active employees can receive higher than expected salary increases, which could increase actuarial losses in the future. The 2024 PERS Funding Levels and Risk report concludes that, as of June 30, 2023, the PERS Retirement System had experienced a couple of years of investment returns below the expected return of

6.8%, and actuarial losses primarily due to high inflation which resulted in unexpected cost of living adjustments for retirees and higher than expected member pay increases, which resulted in increased employer contributions along with further increases forecasted for the near future. Despite the strong investment return for the fiscal year ending June 30, 2024, the 2024 PERS Funding Levels and Risk Report notes that employer contributions are currently at relatively high levels due to large amounts of unfunded accrued liability and uncertainty within the economy suggests possible economic turmoil in the near future. The 2024 PERS Funding Levels and Risk Report concludes that the ability of employers to continue making required contributions to the system is the area of greatest concern.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For PEPPRA Members, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, GASB approved Statements Nos. 67 and 68 ("Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (previously, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68

means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

Post-Employment Health Care Plan and Other Postemployment Benefits (OPEB) Obligation. The District administers a single employer defined benefit other postemployment benefit plan (the “Plan”) that provides medical, dental and vision insurance benefits to eligible retirees and their spouses.

Membership of the plan consisted of 237 inactive employees receiving benefits and 949 participating active employees as of June 30, 2024.

Contribution Information. The contribution requirements of plan members and the District are established and may be amended by the District and applicable groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2023-24, the District contributed \$1,440,951 to the Plan, all of which was used for current premiums.

Section 115 OPEB Trust. The District has established an Investment Trust account under IRS Section 115 for the benefit of the Plan. 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 Plan.

Annual OPEB Cost and Net OPEB Obligation. The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Cod. Sec. P50.108-.109. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation:

**PITTSBURG UNIFIED SCHOOL DISTRICT
OPEB OBLIGATIONS
Fiscal Year 2023-24**

Service cost	\$4,728,892
Interest on net OPEB obligation	2,217,031
Changes of assumptions	(715,517)
Benefits payments	(1,440,951)
Net change in net OPEB obligation	4,789,455
Net OPEB obligation, beginning of the year	53,420,800
Net OPEB obligation, end of the year	<u>\$58,210,255</u>

Source: Pittsburgh Unified School District 2023-24 Audited Financial Statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, investment returns, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

See also APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024, Note 11.

Charter Schools

The State Legislature enacted the Charter Schools Act of 1992 (California Education Code Sections 47600-47616.5) to permit teachers, parents, students, and community members to establish schools that would be free from most state and district regulations. Revised in 1998, California's charter school law states that local boards are the primary charter approving agency and that county panels can appeal a denied charter. State education standards apply, and charter schools are required to use the same student assessment instruments. The charter school is exempt from state and local education rules and regulations, except as specified in the legislation.

School districts have certain fiscal oversight and other responsibilities with respect to both affiliated independent and district operated charter schools established within its boundaries. However, independent charter schools receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. District operated charter schools receive their funding from the District and would be reflected in the District's audited financial statements.

The are no charter schools currently operating within the District's boundaries.

The District makes no representations regarding how many District students will transfer to charter schools, back to the District from charter schools, or will transfer between the District and other school districts due to the presence of charter schools in the future, and the District cannot predict the corresponding financial impacts of such transfers on the District.

Assembly Bill 1505 was recently enacted (the "AB 1505"), which aims to slow the growth of charter schools. AB 1505 will give school districts increased leverage to deny applications for new charter schools by providing school districts additional discretion when authorizing charter schools to consider the number and enrollment in proposed charter schools, academic outcomes and offerings and a statement of need for the school. The District cannot predict the impact such legislation will have on its operations and finances.

District Debt Structure

Short Term Bonds. The District has no short term debt outstanding.

General Obligation Bonds. The following table shows all outstanding District general obligation bonds:

**PITTSBURG UNIFIED SCHOOL DISTRICT
OUTSTANDING GENERAL OBLIGATION BONDS
As of May 1, 2025**

Issue	Issue Date	Original Par Amount	Final Maturity	Outstanding Par Amount
2011 General Obligation Revenue Bonds	7/14/11	\$ 59,999,952	9/1/42	\$4,056,000
Taxable General Obligation Bonds, Election of 2010, Series B (QSCBs)	8/7/12	25,000,000	8/1/34	25,000,000
General Obligation Bonds, Election of 2010, Series C	8/21/12	18,003,211	8/1/20	451,731
2014 General Obligation Refunding Bonds	4/22/14	9,985,000	8/1/29	4,210,000
General Obligation Bonds, Election of 2014, Series A	6/23/15	30,000,000	8/1/44	28,100,000
2015 General Obligation Refunding Bonds	6/23/15	37,625,000	8/1/39	27,775,000
2016 General Obligation Refunding Bonds	7/13/16	69,700,000	8/1/44	68,620,000
General Obligation Bonds, Election of 2014, Series B	8/2/17	18,000,000	8/1/46	15,205,000
2017 General Obligation Refunding Bonds	8/2/17	20,305,000	8/1/34	14,720,000
General Obligation Bonds, Election of 2014, Series C	10/11/18	20,000,000	8/1/47	18,525,000
2019 Taxable General Obligation Refunding Bonds ⁽¹⁾	12/12/19	27,165,000	8/1/42	24,695,000
2019 General Obligation Revenue Bonds	12/12/19	32,000,000	9/1/47	22,049,078
2021 General Obligation Refunding Bonds (Taxable)	8/10/21	17,870,000	8/1/43	15,315,000
2021 General Obligation Bonds (Series 2014D and Series 2018C)	8/10/21	32,000,000	8/1/51	24,860,000
General Obligation Bonds, Election of 2018, Series D	6/13/23	72,495,000	8/1/49	70,795,000
Total		<u>\$502,648,163</u>		<u>\$364,376,809</u>

(1) Outstanding par reflects the amount owed by the District.

The following table shows the aggregate annual debt service obligations for all outstanding bonds of the District, as of May 1, 2025:

Year	Total
2025	\$22,897,347
2026	23,055,866
2027	23,605,110
2028	24,213,533
2029	23,734,105
2030	22,873,574
2031	22,245,163
2032	22,808,748
2033	23,007,225
2034	23,615,715
2035	24,066,873
2036	24,883,702
2037	25,704,151
2038	26,576,736
2039	27,469,661
2040	28,487,238
2041	29,700,638
2042	30,490,869
2043	31,627,443
2044	32,475,925
2045	25,053,501
2046	25,885,063
2047	26,347,188
2048	9,958,388
2049	7,516,600
2050	1,397,400
2051	1,450,800
Total	\$611,148,560

Source: The Municipal Advisor.

Certificates of Participation. In May 1994, the District issued \$10,295,000 of 1994 Certificates of Participation, which were refunded in October 1998 with \$11,720,000 Certificates of Participation, 1998 Refinancing Project (the “1998 COPs”).

In February 2001, the District issued \$3,000,000 of Certificates of Participation, 2001 Capital Improvements Projects (the “2001 COPs”) to finance renovation to existing buildings.

In December 2009, the District issued \$33,895,000 of 2009 Certificates of Participation, 2009 Capital Projects to finance the costs of construction of various capital improvements.

In July 2010, the District issued \$20,510,000 of 2010 Certificates of Participation (2010 Financing Project) (the “2010 COPs”) to finance solar energy projects.

In June 2012, the outstanding 1998 COPs and 2001 COPs were refunded by a lease financing.

In August 2017, the District issued \$18,270,000 of Certificates of Participation (2017 Financing and Refinancing Projects) to refund the 2010 COPs and to finance energy projects.

Payments made by the District for the certificates of participation are made from the District's general fund and are not paid from the same source of funds as the outstanding bonds.

STATE FUNDING; RECENT STATE BUDGETS

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information.

General Overview

Financial Stress on State Budget. For the first several fiscal years after the onset of the COVID-19 pandemic the State experienced a series of budget surpluses; however, in the 2024-25 State Budget (defined below), the State projects that it will operate at a deficit for the next several fiscal years. According to the State, there remain a number of other major risks and pressures that threaten the State's financial condition, including potential changes to federal fiscal policies and large unfunded liabilities for PERS and STRS, rising health care costs and trade policy. The State's revenues (particularly the personal income tax) can be volatile and correlate to overall economic conditions. The District is unable to predict the degree to which the COVID-19 pandemic or other factors will materially adversely affect the financial condition of the State.

Cash Management by State and Impact on Schools. To conserve cash in light of declining revenues resulting from the last recession, the State enacted several statutes deferring the payment of amounts owed to public schools, until a later date in the current, or in a subsequent, fiscal year. This technique was used in all of the State's budget bills from fiscal year 2008-09 through fiscal year 2012-13. Some of these statutory deferrals were made permanent, and others were implemented only for one fiscal year. These deferrals reduced amounts paid to K-12 districts and resulted in deferred payments that at one point totaled more than \$10 billion. These deferrals also created cash flow shortages for certain K-12 districts which required an increased level of cash flow borrowings. In fiscal years 2013-14 and 2014-15, the State repaid the majority of these deferrals and the remaining \$992 million was repaid in fiscal year 2015-16. The State included LCFF apportionment deferrals in its budget for fiscal year 2020-21 but repaid these deferrals in fiscal year 2021-22. The 2024-25 State Budget includes LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 and from fiscal year 2024-25 to fiscal year 2025-26. See "—2024-25 State Budget."

School Reserves – Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there

are certain extraordinary fiscal circumstances. See also “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Proposition 2.”

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its General Fund expenditures and other financing uses.

Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total General Fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those funds. SB 751 excludes from the requirements of those provisions community funded districts and small school districts having fewer than 2,501 units of average daily attendance.

The Series A Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Series A Bonds as and when due.

2024-25 State Budget

On June 26, 2024, the Governor signed the State budget for fiscal year 2024-25 (the “2024-25 State Budget”). The following information is drawn from the DOF summary of the 2024-25 State Budget.

The 2024-25 State Budget reports that, emerging from the COVID-19 pandemic, the State has experienced significant revenue volatility occasioned by unprecedented revenue growth that was quickly followed by a sharp correction back towards to historical trends, as well as federal and state income tax deadline delays which significantly clouded the State’s revenue forecast. The 2024-25 State Budget estimates that the State is facing a budget shortfall in fiscal year 2024-25 of approximately \$46.8 billion. The 2024-25 State Budget solves the projected deficit through a mix of broad-based measures, including:

- *Reductions* – \$16 billion of reductions to various State programs and operations, including (i) a reduction to State operations of approximately 7.95% beginning in fiscal year 2024-25 to nearly all department budgets, (ii) a permanent reduction of \$1.5 billion by reducing departmental budgets for vacant positions, (iii) an additional reduction of \$358 million (for a total of \$750 million) to the Department of Corrections and Rehabilitation in fiscal years 2022-23 through 2024-25, and (iv) various one-time and ongoing reductions to State programs, including the California Student Housing Loan Program, the Learning-Aligned Employment Program, the Middle Class Scholarship Program, affordable housing programs, healthcare workforce programs and State and local public health efforts.
- *Revenue and Internal Borrowing* – \$13.6 billion in additional revenue sources and internal borrowings from special funds, including (i) suspension of the Net Operating Loss tax deduction for companies with over \$1 million in taxable income and limits on business tax credits to \$5 million in fiscal years 2024-25 through 2026-27, and (ii) an increase to the managed care organization tax of \$5.1 billion in fiscal year 2024-25, \$4.6 billion in fiscal year 2025-26 and \$4.0 million in fiscal year 2026-27.

- *Reserves* – The 2024-25 State Budget withdraws \$12.2 billion from the BSA over the next two fiscal years (\$5.1 billion in fiscal year 2024-25 and \$7.1 billion in fiscal year 2025-26), and \$900 million from the Safety Net Reserve in fiscal year 2024-25. The 2024-25 State Budget also withdraws the full balance in the PSSSA (\$5.3 billion) to support LCFF costs in fiscal year 2023-24. The 2024-25 State Budget also authorizes a discretionary payment to the PSSSA in fiscal year 2024-25 of \$1.1 billion. As a result, school reserve caps are not projected to be triggered in fiscal year 2024-25 and 2025-26. See “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Proposition 2.”
- *Fund Shifts* – The 2024-25 State Budget shifts \$6.0 billion of expenditures from the State general fund to other funds, including (i) applying a prior CalPERS supplemental pension payment to the State’s overall pension liability, reducing required employer contributions in fiscal year 2024-25 by \$1.7 billion, and (ii) \$3.9 billion from the State general fund to the Greenhouse Gas Reduction Fund to support the Transit and Intercity Rail Capital Program as well as clean energy and other climate programs.
- *Delays and Pauses* – \$3.1 billion of delays to avoid increases in future obligations and potential shortfalls, including (i) delaying for two years the expansion of the California Food Assistance Program, (ii) delaying for two years the implementation of increased pay to providers of assistance to individuals with developmental disabilities, (iii) delaying for two years the expansion of child care slots, and (iv) delaying funding to the Broadband Last Mile program, which provides funding for projects that increase internet access in low income communities, to fiscal year 2027-28.
- *Deferrals* – \$2.1 billion of deferrals in certain State payments, including (i) a deferral of \$3.2 billion (including \$1.6 billion from the State general fund) for one month of State employees’ payroll costs, and (ii) a multi-year deferral of \$524 million for the University of California/California State University compact which advances several shared student goals. The 2024-25 State Budget also authorizes LCFF apportionment deferrals of \$246 million from 2024-25 to 2025-26 (as further described herein).

For fiscal year 2023-24, the 2024-25 State Budget projects total general fund revenues and transfers of \$189.4 billion and authorizes expenditures of \$223.1 billion. The State is projected to end the 2023-24 fiscal year with total reserves of \$26.4 billion, including \$22.6 billion in the BSA, \$2.9 billion in the traditional general fund reserve, and \$900 million in the Safety Net Reserve Fund. The 2024-25 State Budget also authorizes the withdrawal of the full amount on deposit in the PSSSA, leaving a zero balance. For fiscal year 2024-25, the 2024-25 State Budget projects total general fund revenues and transfers of \$212.1 billion and authorizes expenditures of \$211.5 billion. The State is projected to end the 2024-25 fiscal year with total reserves of \$22.2 billion, including \$3.5 billion in the traditional general fund reserve, \$17.6 billion in the BSA and \$1.1 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance.

The 2024-25 State Budget sets total funding for all K-12 education programs at \$133.8 billion, including \$81.5 billion from the State general fund and \$52.3 billion from other sources. The minimum funding guarantee in fiscal year 2024-25 is set at \$115.3 billion. The 2024-25 State Budget also makes retroactive changes to the minimum funding guarantee in fiscal years 2022-23 and 2023-24, setting them at \$103.7 billion and \$98.5 billion, respectively. The 2024-25 State Budget suspends the minimum funding guarantee in fiscal year 2023-24, creating a maintenance factor obligation of approximately \$8.3 billion in

fiscal year 2023-24, and is projected to create a maintenance factor obligation of approximately \$4.1 billion in fiscal year 2024-25, which will be paid in addition to the guarantee for fiscal year 2024-25. The 2024-25 State Budget projects Test 1 of the guarantee to be in effect in fiscal year 2024-25. To accommodate enrollment increases related to the expansion of Transitional Kindergarten, the 2024-25 State Budget rebenchs the Test 1 percentage, from approximately 38.6% to 39.2%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

Other significant features relating to K-12 education funding include the following:

- *LCFF* – The 2024-25 State Budget includes an LCFF COLA of 1.07%. When combined with population growth adjustments, this would result in an increase of roughly \$983 million in discretionary funds for local educational agencies, as compared to the level set in the prior State budget. To fully fund the LCFF, the 2024-25 State Budget authorizes the withdrawal of the full balance in the PSSSA to support ongoing LCFF costs in fiscal year 2023-24, and uses available reappropriation and reversion funding totaling \$253.9 million to support ongoing LCFF costs in 2024-25. The 2024-25 State Budget also provides \$89.2 million in ongoing Proposition 98 funding to reflect a 1.07% COLA for specified categorical programs.
- *Deferrals* – The 2024-25 State Budget reflects LCFF apportionment deferrals from fiscal year 2023-24 to fiscal year 2024-25 of approximately \$3.6 billion, and from fiscal year 2024-25 to fiscal year 2025-26 of approximately \$246 million. Additionally, the 2024-25 State Budget reflects approximately \$2.3 billion in categorical program deferrals from fiscal year 2022-23 to fiscal year 2023-24, with the deferral amount being repaid using funds on deposit in the PSSSA.
- *Teacher Preparation and Professional Development* – \$25 million in one-time Proposition 98 funding to support training for educators to administer literacy screenings. The 2024-25 State Budget also provides \$20 million in one-time Proposition 98 funding for county offices of education to develop and provide training for mathematics coaches and leaders to support the delivery of high-quality math instruction.
- *Transitional Kindergarten* – \$988.7 million in Proposition 98 funding to support the second year (the 2023-24 school year) of expanded eligibility for TK, shifting age eligibility from all children turning five years old between September 2 and February 2 to all children turning such age between September 2 to April 2 (approximately 36,000 additional children). In connection with this expansion, the 2024-25 State Budget provides \$390.2 million in Proposition 98 funding to support one additional certificated or classified staff person for every TK class. Additionally, the 2024-25 State Budget provides \$1.5 billion in ongoing Proposition 98 funding to support the third year (the 2024-25 school year) of expanded eligibility for TK, shifting age eligibility for all children turning five years old between September 2 and April 2 to all children turning such age between September 2 and June 2 (approximately 38,000 additional children). In connection with this expansion, the 2024-25 State Budget provides \$515.5 million in ongoing Proposition 98 funding to support one additional certificated or classified staff person for every TK class.
- *Facilities* – The 2024-25 State Budget delays \$550 million of funds approved as part of previous State budgets to support the construction of new school facilities or the retrofit of

existing facilities for the purpose of providing TK, full-day kindergarten or preschool classrooms. The 2024-25 State Budget also forgoes a previously planned investment of \$875 million in the State School Facilities Program.

- *Home-to-School Transportation* – The 2024-25 State Budget eliminates \$500 million in previously planned one-time Proposition 98 funding to support the greening of school bus fleets.
- *Nutrition* – An increase of \$179.4 million in ongoing Proposition 98 funding, and an additional \$120.8 million in one-time Proposition 98 funding, to fully fund the universal school meals program in 2023-24 and 2024-25.
- *Employee Assistance* – \$9 million in one-time Proposition 98 funding to provide supplemental pay for classified school staff during intersessional months when they are not employed.
- *Instruction* – \$907.1 million to support Proposition 28, the Arts and Music in Schools Funding Guarantee and Accountability Act, in fiscal year 2024-25. The 2024-25 State Budget also provides \$7 million in one-time Proposition funding to support inquiry-based science instruction and assessment through the development of a bank of curriculum-embedded performance tasks. Finally, the 2024-25 State Budget provides \$5 million in one-time Proposition 98 funding to support the California Teachers Collaborative for Holocaust and Genocide Education.
- *After School Programs* - \$5 million in one-time State general fund support for after school programs in rural school districts.
- *Technology Support* – \$3.4 million, of which \$380,000 is ongoing, to support the replacement of critical computer servers, maintain warranty coverage for network infrastructure and refresh laptops, tablets and workstations for students and staff at State special schools and diagnostic centers. The 2024-25 State Budget also provides \$3.2 million in ongoing Proposition 98 funding to support the K-12 High Speed Network program.

For additional information regarding the 2024-25 State Budget, see the DOF and LAO websites at www.dof.ca.gov and www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by any reference.

Proposed 2025-26 State Budget

On January 10, 2025, the Governor released the proposed State budget for fiscal year 2025-26 (the “Proposed 2025-26 Budget”). The following is drawn from the DOF and LAO summaries of the Proposed 2025-26 Budget.

The Proposed 2025-26 Budget reports that the State begins 2025 in a stronger fiscal position than it has in recent years. The State experienced significant budget shortfalls in recent years due to the combination of extreme revenue volatility and an unprecedented federal tax filing delay. The economy performed better than projected in the 2024-25 Budget leading to an upgrade to the forecast in the near term and modest upward revisions in the long term. The stronger-than-anticipated performance of the

economy, stock market, and cash receipts, combined with an improved economic outlook, have all contributed to the upgraded revenue forecast, with general fund revenues before accounting to transfers and tax policy proposals projected to be higher by approximately \$16.5 billion (or \$9 billion, as calculated by the LAO) in the three-year budget window. The Proposed 2025-26 Budget recognizes several risk factors that could affect the economy and State revenues, including stock market and asset price volatility and declines, as well as geopolitical instability. Although the Proposed 2025-26 Budget anticipates shortfalls in subsequent fiscal years that are driven by expenditures exceeding revenues, additional decisions may be necessary at the May revision to maintain a balanced budget, not only in the coming year, but also on an ongoing basis.

The 2024-25 State Budget assumed withdrawals from the BSA of approximately \$5.1 billion in 2024-25 and \$7.1 billion in 2025-26 in order to provide for a balanced budget. The Proposed 2025-26 Budget maintains the \$7.1 billion withdrawal from the BSA for 2025-26. In order to address revenue volatility and increase budget resiliency, the Proposed 2025-26 Budget proposes statutory changes to allow the State to save even more during economic upswings. Under current law, a deposit to the BSA is counted as an expenditure and is therefore not exempt from Proposition 4's State Appropriations Limit. The Proposed 2025-26 Budget proposes to increase the mandatory deposit level in the BSA from the current 10 percent to 20 percent of general fund revenues and exempt deposits into the BSA from the State Appropriations limit. The increased reserves would allow the State to weather future revenue volatility and avoid needing to make reductions, deferrals and funding delays during revenue downswings or other emergencies.

For fiscal year 2024-25, the Proposed 2025-26 Budget projects total general fund revenues and transfers of \$222.5 billion and authorizes expenditures of \$232.1 billion. The State is projected to end the 2024-25 fiscal year with total reserves of \$27.4 billion, including \$18.0 billion in the BSA, \$8.3 billion in traditional general fund reserves and \$1.2 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance. For fiscal year 2025-26, the Proposed 2025-26 Budget projects total general fund revenues and transfers of \$225.1 billion and authorizes expenditures of \$228.9 billion. The State is projected to end the 2025-26 fiscal year with total reserves of \$16.9 billion, including \$4.5 billion in the traditional general fund reserve, \$10.9 billion in the BSA and \$1.5 billion in the PSSSA. The Safety Net Reserve is projected to have a zero balance.

The Proposed 2025-26 Budget sets total funding for all TK-12 education programs at \$137.1 billion, including \$83.3 billion from the State general fund and \$53.8 billion from other sources. TK-12 per-pupil funding totals \$24,764, including \$18,918 from Proposition 98 sources. The minimum funding guarantee in fiscal year 2025-26 is set at \$118.9 billion. The Proposed 2025-26 Budget also makes retroactive changes to the minimum funding guarantee in fiscal years 2023-24 and 2024-25, setting them at \$98.5 billion and \$119.2 billion, respectively. The revisions to the minimum funding guarantee represent an increase of approximately \$7.5 billion of the three-year period relative to the 2024-25 State Budget. Due to the inherent risk in revenue projections, the Proposed 2025-26 Budget appropriates \$117.6 billion, instead of the currently calculated level of \$119.2 billion in 2024-25 in order to mitigate the risk of potentially appropriating more resources to the minimum funding guarantee than are available in the final calculation for 2024-25. Potential adjustments will be evaluated at the May Revision for fiscal year 2024-25 and will not be final until the certification of the fiscal year 2024-25 minimum funding guarantee. The Proposed 2025-26 Budget projects Test 1 of the guarantee to be in effect in for fiscal years 2024-25 and 2025-26. To accommodate enrollment increases related to the expansion of Universal Transitional Kindergarten (further described below), the Proposed 2025-26 State Budget rebenchs the Test 1 percentage, from approximately 39.2% to 39.6%, to increase the percentage of State general fund revenues that count towards the minimum funding guarantee.

Other significant features relating to TK-12 education funding include the following:

- *LCFF* – The Proposed 2024-25 Budget includes an LCFF COLA of 2.43%. When combined with population growth adjustments, this would result in an increase of roughly \$2.5 billion in discretionary funds for local educational agencies. Budgetary deferrals of \$246.6 million are fully repaid in 2025-26. To fully fund the LCFF and maintain the level of past year principal apportionments, the Proposed 2025-26 Budget uses available reappropriation and reversion funding totaling \$25.9 million to support ongoing LCFF costs in fiscal year 2023-24 and deferring LCFF funding totaling \$35.1 million from fiscal year 2023-24 to fiscal year 2024-25. This one-time deferral is fully repaid in fiscal year 2024-25. The Proposed 2025-26 Budget provides a revised fiscal year 2024-25 mandatory payment of roughly a \$1.2 billion into the PSSSA and a \$376 million mandatory payment into the PSSSA for fiscal year 2025-26, which provides a revised \$1.5 billion balance in the PSSSA at the end of fiscal year 2025-26. The Proposed 2025-26 Budget also provides \$204 million in ongoing Proposition 98 funding to reflect a 2.43% COLA for specific categorical programs and the LCFF Equity Multiplier. Finally, the Proposed 2025-26 Budget reflects \$12.2 million in ongoing Proposition 98 funding to reflect ADA changes applicable to county offices of education LCFF, and a 2.43% COLA.
- *Universal Transitional Kindergarten* – \$2.4 billion in ongoing Proposition 98 funding to support the full implementation of universal transitional kindergarten so that all children who turn 4 years old by September 1 of the school year can enroll (providing access to roughly 60,000 additional children). The Proposed 2025-26 Budget also provides an additional \$1.5 billion in ongoing Proposition 98 funding to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every transitional kindergarten classroom, and \$10 million in one-time Proposition 98 funding for statewide use of English language proficiency screeners to support multilingual learnings in transitional kindergarten.
- *Before School, After School and Summer School* – \$435 million in additional ongoing Proposition 98 funding to cover the costs of increasing the number of TK-6 grade local educational agencies that offer universal access to students, from those with an unduplicated pupil percentage of 75 percent to those with 55 percent unduplicated students as part of the full implementation of the Expanded Learning Opportunities Program, which increases the total ongoing funding for the program to \$4.4 billion.
- *Literacy Instruction* – The Proposed 2025-26 Budget provides one-time Proposition 98 funding of \$500 million for TK-12 literacy and mathematics coaches and \$40 million to support necessary costs, including purchasing screening materials and training for educators, to administer literacy examinations. The one-time funds augment funds provided in previous budgets in support of implementing the State’s English Language Arts/English Language (“ELA/ELD”) Framework. The Proposed 2025-26 Budget also provides \$5 million annually through 2029-30 to launch a Literacy Network within the State System of Support and directs the Quality Commission to initiate follow-up adoption for instructional materials and to develop a curriculum guide and resources in personal finance.

- *Teacher Preparation and Professional Development* – \$150 million in one-time Proposition 98 funding to provide financial assistance for teacher candidates through the new Teacher Recruitment Incentive Program to address staffing shortages. The Proposed 2025-26 Budget also provides an additional \$100 million in one-time Proposition 98 funding to extend the timeline of the existing National Board Certification Program to support National Board Certified teachers to teach and mentor other instructional staff in high poverty schools.
- *Student Support and Professional Development Discretionary Block Grant* – \$1.8 billion in one-time Proposition 98 funds for a discretionary block grant. The funds will provide local educational agencies with additional fiscal support to address rising costs, as well as fund statewide priorities including: (i) professional development for teachers ELA/ELD Framework and the Literacy Roadmap; (ii) professional development for teachers on the Mathematics Framework; (iii) teacher recruitment and retention strategies; and (iv) career pathways and dual enrollment expansion efforts.
- *Learning Recovery Emergency Block Grant* – \$378.6 million one-time Proposition 98 funding to support the Learning Recovery Emergency Block Grant, which supports local educational agencies in establishing learning recovery initiatives through the 2027-28 school year.
- *Nutrition* – An increase of \$106.3 million in ongoing Proposition 98 funding to fully fund the universal school meals program in fiscal year 2025-26.
- *Kitchen Infrastructure and Training* – \$150 million in one-time Proposition 98 funding for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.
- *Local Property Tax Adjustments* – \$150 million in one-time Proposition 98 funding for school districts and county offices of education in fiscal year 2024-25, and a decrease of \$1.5 billion ongoing Proposition 98 funding for school districts and county offices of education in fiscal year 2025-26, resulting from increased offsetting property taxes.
- *TK-12 High Speed Network Support* – \$5 million in one-time State general fund support for after school programs in rural school districts.

May Revision to the Proposed 2025-26 Budget

On May 14, 2025, the Governor released the May Revision to the Proposed 2025-26 Budget which provides an update of revenues, expenditures, and reserve estimates based upon the latest economic forecast and changes in population, caseload, or enrollment estimates. The entire revised budget summary document in a printable format (pdf), click here can be accessed at <https://ebudget.ca.gov/2025-26/pdf/Revised/BudgetSummary/FullBudgetSummary.pdf>

Future Actions and Events

The District cannot predict what additional actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot

predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, a resurgence of the COVID-19 pandemic, or the outbreak of a new pandemic, could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See "DISTRICT FINANCIAL MATTERS—Considerations Regarding COVID-19." State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy *ad valorem* property taxes upon all taxable property within the District for the payment of principal of and interest on the Series A Bonds would not be directly impaired by the events described above.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "THE BONDS—Security and Source of Payment.") Articles XIII A, XIII B, XIII C and XIII D of the California Constitution, Propositions 98, 111, 218 and 39, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes and of the District to spend tax proceeds and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A, Article XIII C, and all applicable laws.

Article XIII A of the California Constitution

Article XIII A limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIII A defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The full cash value is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See

“THE BONDS – Security and Sources of Payment” and “TAX BASE FOR REPAYMENT OF BONDS” herein.

Article XIII A requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIII A exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b), as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds of the votes cast by State voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) on bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by fifty-five percent or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIII A requires the approval of two-thirds or more of all members of the legislature of the State (the “State Legislature”) to change any state taxes for the purpose of increasing tax revenues.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (“Proposition 19”), which amends Article XIII A to: (i) expand special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home; (ii) narrow existing special rules for inherited properties; and (iii) dedicate most of the potential new State revenue generated from Proposition 19 toward fire protection. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on District revenues or the assessed valuation of real property in the District. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on the Bonds.

Legislation Implementing Article XIII A

Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the relevant county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the \$1 per \$100 of taxable value.

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIII A.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIII A to allow owners of property that was “substantially damaged or destroyed” by a disaster, as declared by the Governor (the “Damaged Property”), to transfer their existing base year value (the “Original Base Year Value”) to a comparable replacement property within the same county, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the “Original Cash Value”); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the “Replacement Base Year Value”) depends on the relation of the full cash value of the replacement property (the “Replacement Cash Value”) to the Original Cash Value: if the Replacement Cash Value exceeds 120 percent of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does not exceed 120 percent of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value is less than the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIII A to allow owners of Damaged Property to transfer their Original Base Year Value to a “comparable replacement property” located within another county in the State, which is acquired or newly constructed within three years after the disaster.

Inter-county transfers under Proposition 171 are more restrictive than intra-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a “reasonable size that is used as a site for a residence;” (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of “equal or lesser value” than the Original Cash Value.

Within the context of Proposition 171, “equal or lesser value” means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

The District cannot provide make any representation regarding the effect Propositions 50 and 171 may have on District revenues or the assessed valuation of real property in the District. However, any reduction of assessed valuation would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service on the Bonds.

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the SBE as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year. So long as the District is not a community funded district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State’s school financing formula. See also “DISTRICT FINANCIAL INFORMATION.”

Article XIII B of the California Constitution

Article XIII B (“Article XIII B”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIII B defines:

- (a) “change in the cost of living” with respect to school districts to mean the percentage change in State per capita income from the preceding year, and
- (b) “change in population” with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain State subventions to that entity. “Proceeds of taxes” include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for bonded debt service, such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIII B includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIII B also includes a requirement that fifty percent of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See “— Propositions 98 and 111” herein.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution (“Article XIII C”) to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the State Constitution Articles XIII C and XIII D (respectively, “Article XIII C” and “Article XIII D”), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the “Title and Summary” of Proposition 218 prepared by the State Attorney General, Proposition 218 limits “the authority of local governments to impose taxes and property-related assessments, fees and charges.” Among other things, Article XIII C establishes that every tax is either a “general tax” (imposed for general governmental purposes) or a “special tax” (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be

limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIII C further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the State Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIII A. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Propositions 98 and 111

On November 8, 1988, voters of the State approved Proposition 98, a combined initiative constitutional amendment and statute called the “Classroom Instructional Improvement and Accountability Act” (the “Accountability Act”). Certain provisions of the Accountability Act have, however, been modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed State funding of public education below the university level and the operation of the State’s appropriations limit. The Accountability Act guarantees State funding for K-12 school districts and community college districts (hereinafter referred to collectively as “K-14 school districts”) at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (b) the amount actually appropriated to such districts from the State general fund in the previous fiscal year, adjusted for increases in enrollment and changes in the cost of living. The Accountability Act permits the State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIII B surplus. The maximum amount of excess tax revenues which can be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State’s budgets in a different way than is proposed in the State budget.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the “Traffic Congestion Relief and Spending Limitation Act of 1990”

(“Proposition 111”) which further modified Article XIII B and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

The most significant provisions of Proposition 111 are summarized as follows:

- a. *Annual Adjustments to Spending Limit.* The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the “change in the cost of living” is now measured by the change in State per capita personal income. The definition of “change in population” specifies that a portion of the State’s spending limit is to be adjusted to reflect changes in school attendance.
- b. *Treatment of Excess Tax Revenues.* “Excess” tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of such districts’ minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts’ base expenditures for calculating their entitlement for State aid in the next year, and the State’s appropriations limit is not to be increased by this amount.
- c. *Exclusions from Spending Limit.* Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit” (i) for “qualified capital outlay projects” as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the State Legislature and the Governor, which was expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.
- d. *Recalculation of Appropriations Limit.* The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.
- e. *School Funding Guarantee.* There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) approximately 40% of State general fund revenues (“Test 1”) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (“Test 2”). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test (“Test 3”), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in

State per capita personal income. Under Test 3, K-14 school district will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a “credit” (also referred to as a “maintenance factor”) to K-14 school districts which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as “Proposition 39”) to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that such bonds may be issued only if the tax rate per \$100,000 of taxable property value projected to be levied as the result of any single election would not exceed \$60 (for a unified school district), \$30 (for a high school district, such as the District, or an elementary school district), or \$25 (for a community college district), when assessed valuation is projected to increase in accordance with Article XIII A. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See “—Article XIII A of the California Constitution” herein.

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State’s authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary

exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by State voters on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on State transportation bonds, to borrow or change the distribution of State fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for State-mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately \$1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately \$1 billion annually for several decades.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over \$250,000 but less than \$300,001 for single filers (over \$500,000 but less than \$600,001 for joint filers and over \$340,000 but less than \$408,001 for head-of-household filers), (ii) 2% for taxable income over \$300,000 but less than \$500,001 for single filers (over \$600,000 but less than \$1,000,001 for joint filers and over \$408,000 but less than \$680,001 for head-of-household filers), and (iii) 3% for taxable income over \$500,000 for single filers (over \$1,000,000 for joint filers and over \$680,000 for head-of-household filers).

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "- Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public

meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Jarvis vs. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as State Controller). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to State statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the State Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 2

On November 4, 2014, State voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as "Proposition 58").

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a “budget emergency,” defined as an emergency within the meaning of Article XIII B or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the “PSSSA”) into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is “Test 1,” (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year’s funding level, as adjusted for ADA growth and cost of living.

SB 858. Senate Bill 858 (“SB 858”) became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the Education Code, or (b) for school districts with an ADA that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

SB 751. Senate Bill 751 (“SB 751”), enacted on October 11, 2017, alters the reserve requirements imposed by SB 858. Under SB 751, in a fiscal year immediately after a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total general fund revenues appropriated for school districts and allocated local proceeds of taxes for that fiscal year, a school district budget that is adopted or revised cannot have an assigned or unassigned ending fund balance that exceeds 10% of those

funds. SB 751 excludes from the requirements of those provisions community funded school districts (previously known as basic aid districts) and small school districts having fewer than 2,501 units of ADA.

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of or interest on the Bonds as and when due.

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D and Propositions 98, 39, 22, 26, 30 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX C

**AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR
THE FISCAL YEAR ENDED JUNE 30, 2024**

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PITTSBURG UNIFIED SCHOOL DISTRICT

AUDIT REPORT
JUNE 30, 2024



PITTSBURG UNIFIED SCHOOL DISTRICT
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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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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

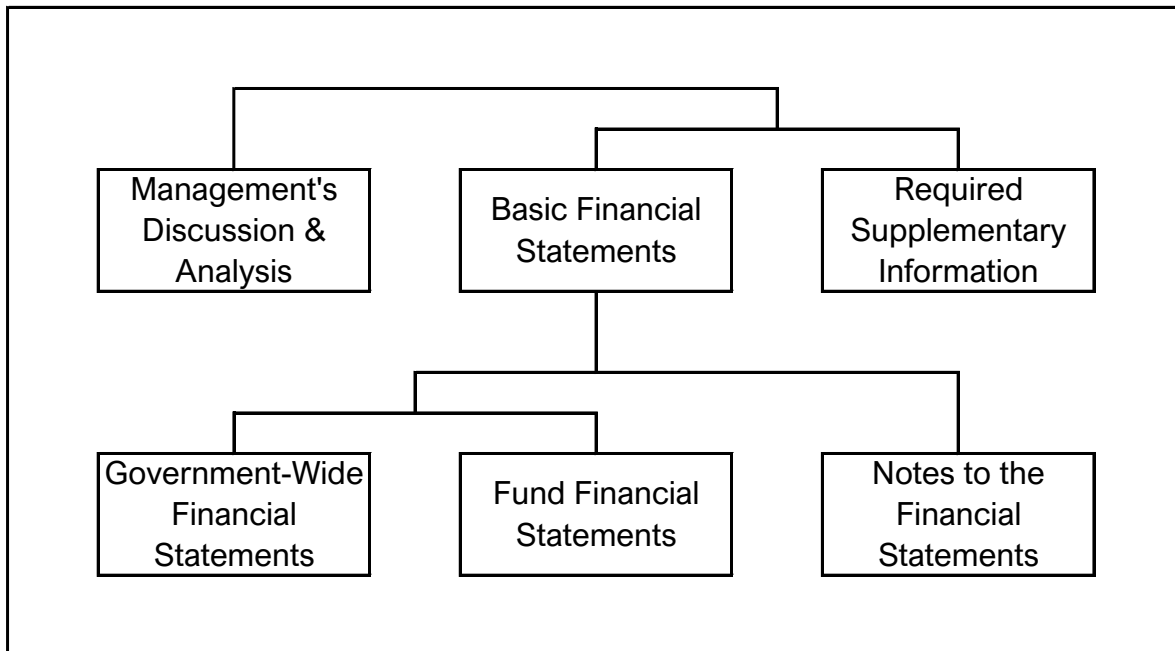
Our discussion and analysis of Pittsburgh Unified School District’s (District) financial performance provides an overview of the District’s financial activities for the fiscal year ended June 30, 2024. It should be read in conjunction with the District’s financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

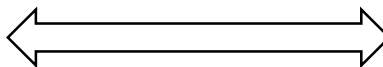
- The District’s net position was \$9,514,275 at June 30, 2024. This was an increase of \$7,943,084 from the prior year.
- Overall revenues were \$263,238,216 which exceeded expenses of \$255,295,132.

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	<u>\$ 9,514,275</u>
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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	1,595,425	-	-	-	-	1,595,425
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)

PITTSBURGH 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

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	2,411,939
NET POSITION	
Restricted	2,411,939
Total Net Position	\$ 2,411,939

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.

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

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.

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.

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.

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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 Outstanding July 01, 2023	Additions	Deductions	Bonds Outstanding June 30, 2024
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	<u>\$ 4,471,000</u>	<u>\$ 13,529,000</u>	<u>\$ 18,000,000</u>

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	<u>\$ 25,000,000</u>	<u>\$ 8,541,882</u>	<u>\$ 33,541,882</u>

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	<u>\$ 24,970,000</u>	<u>\$ 15,124,971</u>	<u>\$ 40,094,971</u>

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	<u>\$ 22,311,633</u>	<u>\$ 31,237,042</u>	<u>\$ 53,548,675</u>

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 Outstanding July 01, 2023	Additions	Deductions	Bonds Outstanding June 30, 2024
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 Pittsburgh 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 Pittsburgh 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:

Year Ended June 30,	Principal	Interest	Total
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:

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

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.

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:

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

*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	(2,411,939)
District's net OPEB liability	\$ 55,798,316

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	1% Increase
	(2.97%)	Discount Rate	(4.97%)
	<u></u>	<u>(3.97%)</u>	<u></u>
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 Pittsburgh 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	Healthcare Cost Trend Rate	1% Increase
	(4.50%)	(5.50%)	(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 Pittsburgh Unified School District recognized OPEB expense of \$6,519,804. At June 30, 2024, the Pittsburgh 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:

	Net pension liability	Deferred outflows related to pensions	Deferred inflows related to pensions	Pension expense
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	\$ 145,294,120	\$ 57,698,444	\$ 9,063,731	\$ 25,701,864

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	39,634,838
Total	\$ 122,356,180

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%
	<hr/> 100% <hr/>	

*Real return is net of assumed 2.75% inflation.

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>

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)%
	<u>100.0%</u>	

*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*	Variances -
	Original	Final	(Budgetary Basis)	Final to Actual
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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
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)	\$ 58,210,255	\$ 53,420,800	\$ 49,026,623	\$ 56,570,532	\$ 49,701,247	\$ 42,562,882	\$ 35,244,295
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)	\$ 2,411,939	\$ 2,155,948	\$ 2,000,944	\$ 2,506,168	\$ 1,995,452	\$ 1,939,179	\$ 1,869,848
District's net OPEB liability - ending (a) - (b)	\$ 55,798,316	\$ 51,264,852	\$ 47,025,679	\$ 54,064,364	\$ 47,705,795	\$ 40,623,703	\$ 33,374,447
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	(1,440,951)	(1,171,916)	(896,230)	(1,185,879)	(1,097,663)	(1,048,443)	(1,132,203)
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

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
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	\$ 122,356,180	\$ 110,238,774	\$ 69,194,279	\$ 157,431,048	\$ 149,474,327	\$ 143,433,081	\$ 138,294,138	\$ 126,840,922	\$ 97,481,523	\$ 83,790,639
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**

Federal Grantor/Pass-Through Grantor/Program or Cluster	AL Number	Pass-Through Entity Identifying Number	Federal Expenditures
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	52,599
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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh 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 Pittsburgh Unified School District's internal control over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine Pittsburgh 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: \$9,111, 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.	\$0
23	Revised Concentration Grant Funding for audit finding	Calculated field.	\$0
24	Concentration Grant Funding audit adjustment	Calculated field.	\$0
25	Total Supplemental and Concentration audit adjustment	Calculated field.	(\$9,111)

**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**

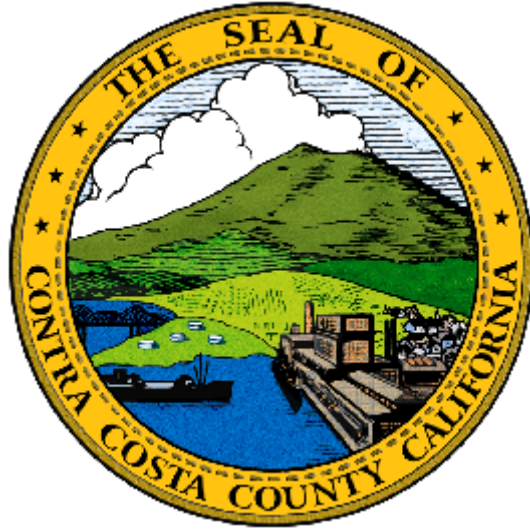
There were no findings or questioned costs for the year ended June 30, 2023.

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APPENDIX D

EXCERPTS FROM THE COUNTY TREASURER'S QUARTERLY INVESTMENT REPORT AS OF DECEMBER 31, 2024

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CONTRA COSTA COUNTY
TREASURER'S QUARTERLY INVESTMENT REPORT
AS OF DECEMBER 31, 2024

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EXECUTIVE SUMMARY

- The Treasurer's investment portfolio is in compliance with Government Code 53600 et. seq..
- The Treasurer's investment portfolio is in compliance with the Treasurer's current investment policy.
- The Treasurer's investment portfolio has no securities lending, reverse repurchase agreements or derivatives.
- As of 12/31/24, the fair value of the Treasurer's investment portfolio was 99.66% of the cost. More than 79 percent of the portfolio or over \$5.6 billion will mature in less than a year. Historical activities combined with future cash flow projections indicate that the County should be able to meet its cash flow needs for the next six months.
- Treasurer's Investment Portfolio Characteristics

Par	\$7,175,424,955.43
Cost	\$7,141,785,338.37
Market Value ⁱ	\$7,117,153,874.46
Weighted Yield to Maturity	4.21%
Weighted Average Days to Maturity	278 days
Weighted Duration	0.70 year

Notes:

1. All reporting information is unaudited but due diligence was utilized in its preparation. The information in this report may be updated and is subject to change without notice. Changes will be reflected in the next report.
2. There may be minor differences between the investment pool summary pages and the attached statements and exhibits from time to time. The variances are largely due to rounding errors, the timing difference in recording and/or posting transactions, interests, security values, etc.
3. All securities and amounts reported are denominated in U.S. Dollars.

ⁱ A rising rate market will produce unrealized losses in a fixed income portfolio. Mark-to-market losses in bond holdings are not realized losses, bonds are expected to mature at par. The opposite is true for a declining rate market.

CONTRA COSTA COUNTY INVESTMENT POOL
December 31, 2024

<u>TYPE</u>	<u>PAR VALUE</u>	<u>COST</u>	<u>FAIR VALUE</u> ⁵	<u>PERCENT OF TOTAL COST</u>
A. Investments Managed by Treasurer's Office				
1. U.S. Treasuries (STRIPS, Bills, Notes)	\$319,315,000.00	\$314,598,181.44	\$314,528,855.79	4.41%
2. U.S. Agencies				
Federal Home Loan Banks	1,017,000,000.00	1,012,151,838.66	1,005,987,506.12	14.17%
Federal National Mortgage Association	203,985,000.00	203,669,673.69	201,027,657.22	2.85%
Federal Farm Credit Banks	638,970,000.00	637,994,481.58	634,100,119.16	8.93%
Federal Home Loan Mortgage Corporation	455,000,000.00	454,053,301.11	452,355,725.00	6.36%
Subtotal	2,314,955,000.00	2,307,869,295.04	2,293,471,007.50	32.32%
3. Supranationals - International Government	608,000,000.00	603,865,658.68	596,715,348.22	8.46%
4. Money Market Instruments				
Commercial Paper	1,980,000,000.00	1,963,887,523.34	1,963,972,207.30	27.50%
Negotiable Certificates of Deposit	935,000,000.00	935,000,000.00	935,078,085.00	13.09%
Time Deposit	3,412.42	3,412.42	3,412.42	0.00%
Subtotal	2,915,003,412.42	2,898,890,935.76	2,899,053,704.72	40.59%
5. Corporate Notes	186,445,000.00	185,727,711.13	181,666,099.38	2.60%
TOTAL (Section A.)¹	6,343,718,412.42	6,310,951,782.05	6,285,435,015.61	88.37%
B. Investments Managed by Outside Contractors				
1. PFM	84,886,993.18	84,479,932.65	84,697,617.06	1.18%
2. Local Agency Investment Fund (LAIF) ³	173,187,600.69	173,187,600.69	173,187,600.69	2.42%
3. Allspring Global Investments	44,363,554.12	43,897,627.96	44,565,246.08 ²	0.61%
4. CAMP ³	364,003,874.87	364,003,874.87	364,003,874.87	5.10%
5. CalTRUST (Liquidity Fund) ³	100,000,000.00	100,000,000.00	100,000,000.00	1.40%
6. US Bank (Federated Tax Free Cash Fund) ³	12,822,308.02	12,822,308.02	12,822,308.02	0.18%
7. Other				
a. EBRCS Bond ^{3, 6}	660,638.77	660,638.77	660,638.77	0.01%
TOTAL (Section B.)	779,924,969.65	779,051,982.96	779,937,285.49	10.91%
C. Cash⁴	51,781,573.36	51,781,573.36	51,781,573.36	0.73%
GRAND TOTAL (FOR A , B, & C)	\$7,175,424,955.43	\$7,141,785,338.37	\$7,117,153,874.46	100.00%

Notes:

1. Excludes funds managed by PFM retained by Contra Costa School Insurance Group and Community College District.

2. Base Market Value plus Accrued Interest.

3. Par Value, Cost, and Fair Value reflect the account ending balance as of the quarter end.

4. Does not include the Futuris Public Entity Trust of the Contra Costa Community College District Retirement Board of Authority.

5. A rising rate market will produce unrealized losses in a fixed income portfolio. Mark-to-market losses in bond holdings are not realized losses, bonds are expected to mature at par. The opposite is true for a declining rate market.

6. East Bay Regional Communications System Authority Revenue Bond 2011 Series B maturing on June 1st 2027.

CONTRA COSTA COUNTY INVESTMENT POOL

December 31, 2024

CONTRA COSTA COUNTY INVESTMENT POOL - EARNING STATISTICS

	Fiscal Year To Date	Quarter To Date
Average Daily Balance (\$)	6,232,313,704.13	6,346,438,208.66
Interest Earnings (\$) ¹	138,755,832.70	68,641,512.80
Earned Income Yield	4.36%	4.23%

CONTRA COSTA COUNTY INVESTMENT POOL - PORTFOLIO STATISTICS

Investment Type	Par Value (\$)	Fair Value (\$)	YTM (%)	WAM (days)	Percentage of Portfolio
U.S. Treasury	319,315,000.00	314,528,855.79	4.37	130	4.42%
Agencies	2,314,955,000.00	2,293,471,007.50	3.92	510	32.22%
Commercial Paper	1,980,000,000.00	1,963,972,207.30	4.62	66	27.59%
NCD/YCD	935,000,000.00	935,078,085.00	4.60	95	13.14%
Corporate Notes	186,445,000.00	181,666,099.38	2.35	475	2.55%
Time Deposit	3,412.42	3,412.42	0.08	143	0.00%
Supranationals	608,000,000.00	596,715,348.22	3.60	635	8.38%
PFM	84,886,993.18	84,697,617.06	4.43	755	1.19%
LAIF	173,187,600.69	173,187,600.69	4.48	⁴ 1	2.43%
CAMP	364,003,874.87	364,003,874.87	4.73	⁵ 0	5.11%
CalTRUST (Liquidity)	100,000,000.00	100,000,000.00	4.69	⁶ 0	1.41%
Allspring Global Investments	44,363,554.12	44,565,246.08	4.30	376	0.63%
US Bank (Federated Tax Free)	12,822,308.02	12,822,308.02	3.64	0	0.18%
Misc. ⁷	660,638.77	660,638.77	N/A	N/A	0.01%
Cash	51,781,573.36	51,781,573.36	1.65	² 0	0.73%
Total Fund³	7,175,424,955.43	7,117,153,874.46	4.21	278	100.00%

1. The sum of the investment interest earnings from the following portfolios: investment pool managed by Treasury Staff, PFM, CAMP, LAIF, CalTRUST, Allspring, and US Bank.

2. Average Earning Allowance of WFB for this quarter.

3. Excludes the Futuris Public Entity Trust of the CCCC Retirement Board of Authority.

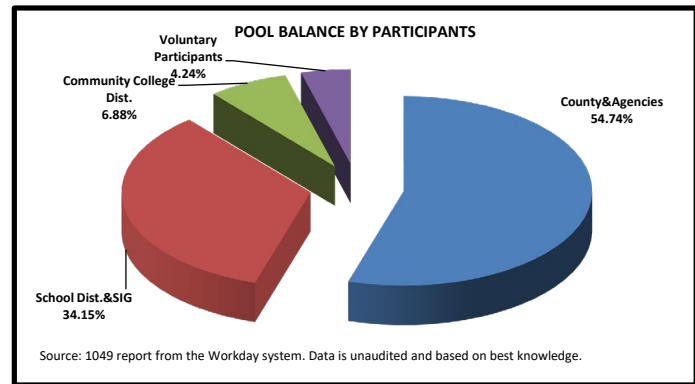
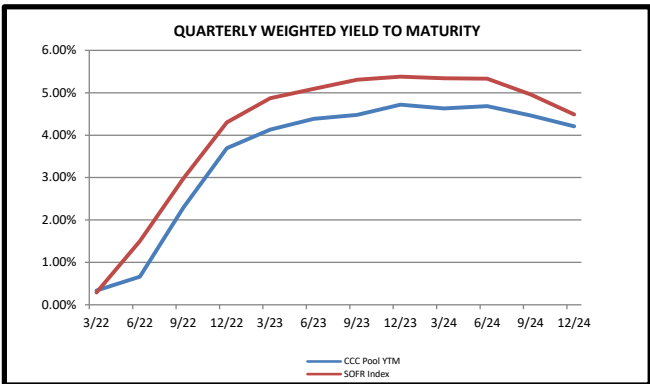
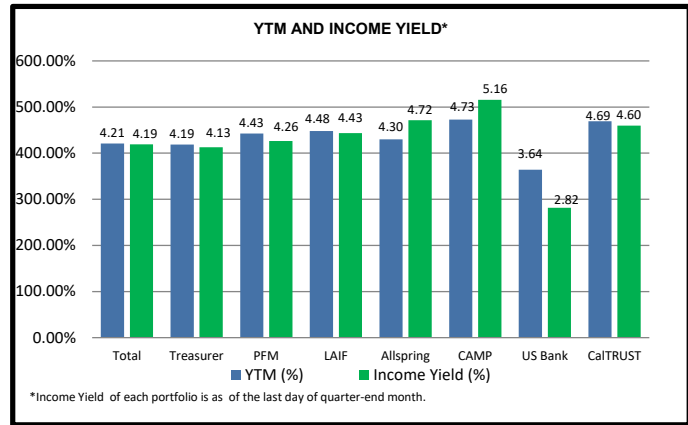
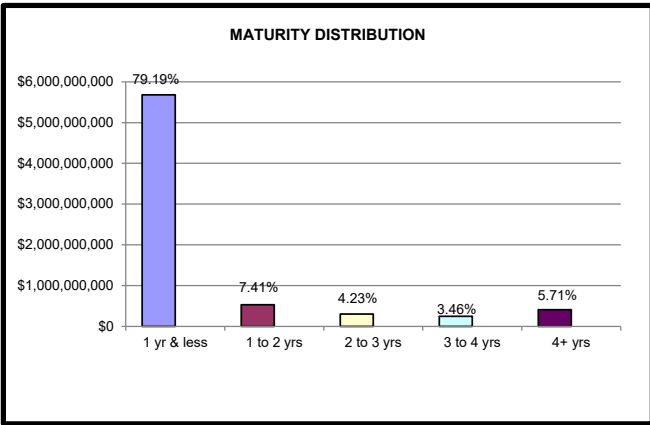
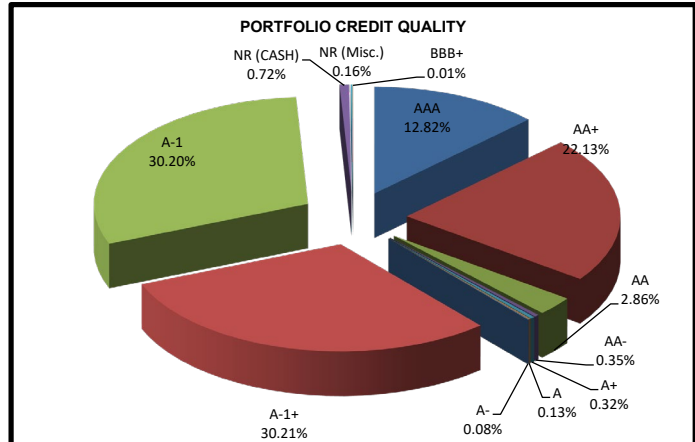
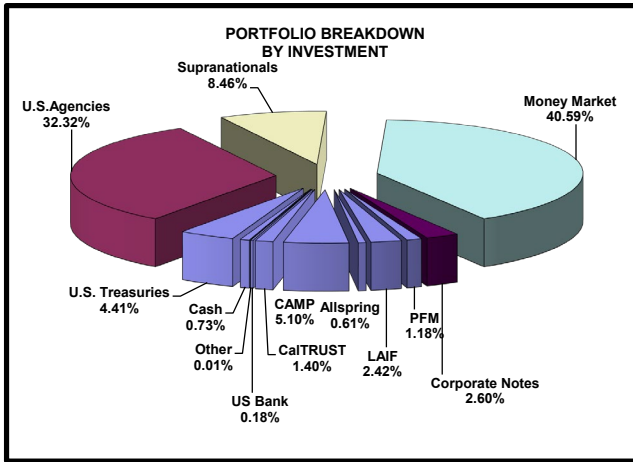
4. PMIA Quarter to Date yield.

5. Distribution Yield as of the quarter end.

6. 30 Day SEC Yield as of the quarter end.

7. East Bay Regional Communications System Authority.

CONTRA COSTA COUNTY INVESTMENT POOL AT A GLANCE *December 31, 2024*

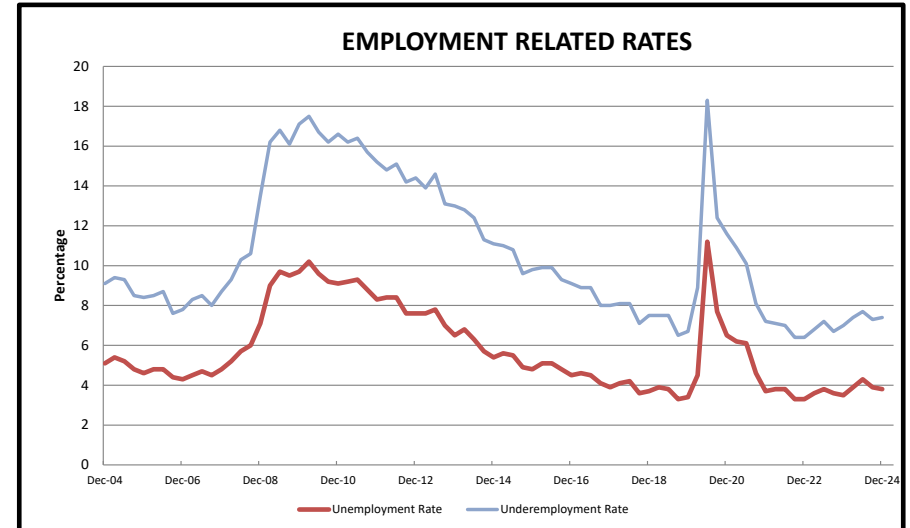
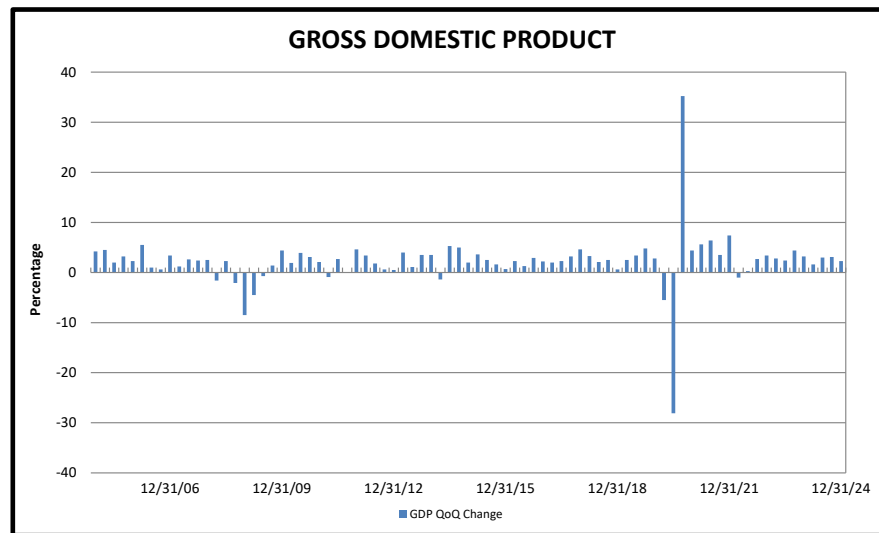
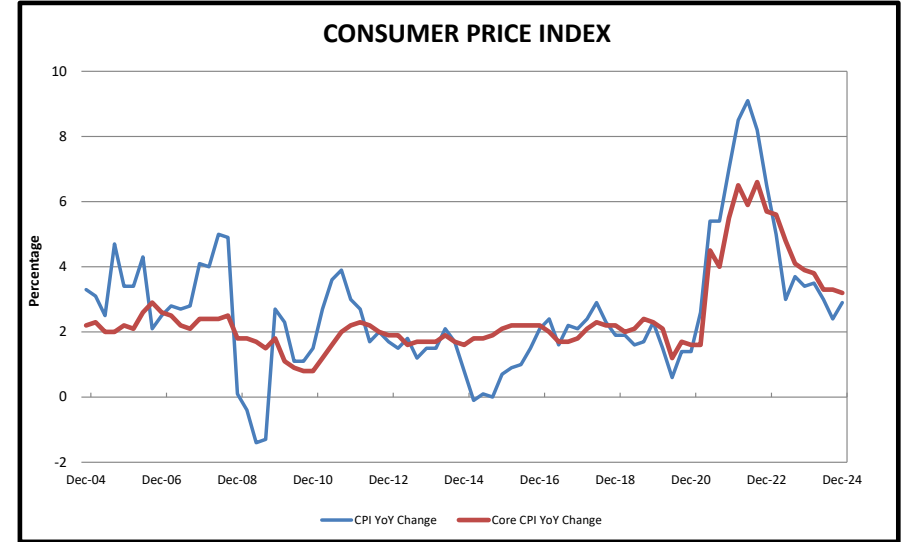
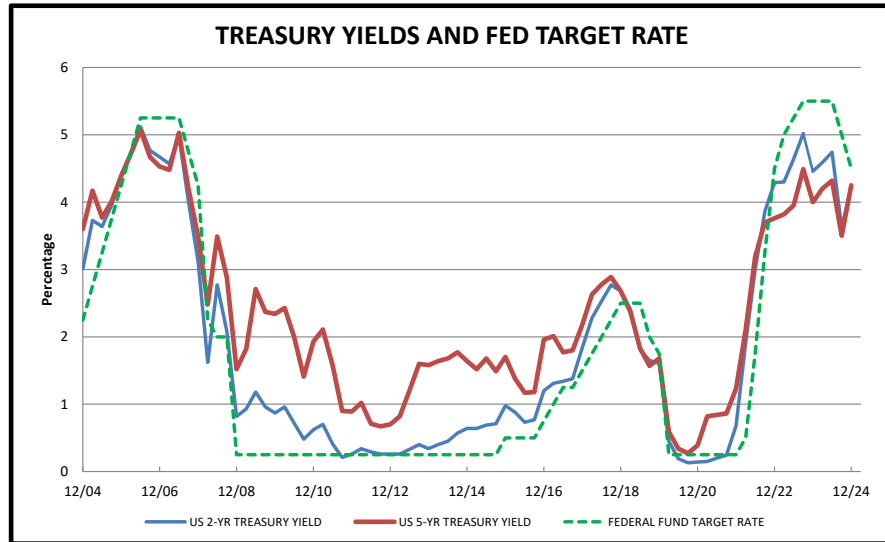


NOTES TO INVESTMENT PORTFOLIO SUMMARY AND AT A GLANCE:

1. All report information is unaudited but due diligence was utilized in its preparation. The information in the entire report is obtained at time of preparation hence may be updated after publishing and is subject to change without notice. Changes will be reflected in the next report.
2. There may be slight differences between the portfolio summary/at a glance pages and the attached statements/exhibits from time to time. The variances are largely due to rounding, the timing difference in recording and/or posting transactions, interest rates, security values, etc.
3. All securities and amounts included in the portfolio are denominated in United States Dollars.
4. The Contra Costa County investment portfolio maintains Standard & Poor's highest credit quality rating of AA+ and lowest volatility of S1+. The portfolio consists of a large portion of short-term investments with credit rating of A-1/P-1 or better. The majority of the long-term investments in the portfolio are rated AA or better.
5. In accordance with Contra Costa County's Investment Policy, the Treasurer's Office has constructed a portfolio that safeguards the principal, meets the liquidity needs and achieves a return. As a result, more than 79% of the portfolio will mature in less than a year with a weighted average maturity of 278 days.

MAJOR MARKET AND ECONOMIC DATA

AS OF DECEMBER 31, 2024



Note:
All data provided by Bloomberg.

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APPENDIX E
FORMS OF OPINIONS OF BOND COUNSEL

New Money Bonds

[Letterhead of Stradling Yocca Carlson & Rauth LLP]

[Closing Date]

Board of Trustees of the
Pittsburg Unified School District
2000 Railroad Avenue
Pittsburg, CA 94565

OPINION: \$45,000,000* Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2024, Series A (2025)

Members of the Board of Trustees:

We have acted as bond counsel to the Pittsburg Unified School District (the “District”) in connection with the issuance by the District of \$45,000,000* aggregate principal amount of Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2024, Series A (2025) (the “Bonds”), pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code (the “Act”), and a resolution adopted by the Board of Trustees of the District (the “Board”) on March 19, 2025 (the “Resolution”).

The Bonds mature on the dates and in the amounts authorized in the Resolution. The Bonds are dated their date of delivery and bear interest payable semiannually on the dates and at the rates per annum authorized in the Resolution. The Bonds are registered bonds as set forth in the Resolution.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized and constitute legal, valid and binding obligations of the District enforceable in accordance with the terms of the Resolution, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State of California (the “State”). The Bonds are obligations of the District but are not a debt of Contra Costa County (the “County”), the State or any other political subdivision thereof within the meaning of

* Preliminary, subject to change.

any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the County, the State, or any such political subdivisions is pledged for the payment thereof.

(2) The Resolution has been duly adopted by the Board of the District and constitutes the legal, valid and binding obligation of the District. The Resolution is enforceable in accordance with its terms except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State; provided, however, we express no opinion as to the enforceability of provisions of the Resolution as to indemnification, penalty, contribution, choice of law, choice of forum or waiver contained therein.

(3) The Bonds are secured by the proceeds of *ad valorem* taxes levied upon taxable property in the District which the Board of Supervisors of the County and the Board of Supervisors of the County has the power to levy and is obligated by statute to levy without limit as to rate or amount (except as to certain personal property which is taxable at limited rates) for payment of the Bonds and the interest thereon.

(4) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that with respect to applicable corporations as defined in section 59(k) of the Internal Revenue Code of 1986, as amended, interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

(5) Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

(6) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is more than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and is exempt from State personal income tax.

(7) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinions expressed in paragraphs (4) and (6) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (4), (5), (6) and (7) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Bond Resolution and the Tax Certificate executed by the District with respect to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax exempt obligations. We express no opinion as to the effect on exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth LLP.

The opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement and any supplements thereto.

Respectfully submitted,

Refunding Bonds

[Letterhead of Stradling Yocca Carlson & Rauth LLP]

[Closing Date]

Board of Trustees of the
Pittsburg Unified School District
2000 Railroad Avenue
Pittsburg, California 94565

OPINION: \$30,000,000* Pittsburg Unified School District (Contra Costa County, California) 2025 General Obligation Refunding Bonds

Members of the Board of Trustees:

We have acted as bond counsel to the Pittsburg Unified School District (the “District”) in connection with the issuance by the District of \$30,000,000* principal amount of its Pittsburg Unified School District (Contra Costa County, California) 2025 General Obligation refunding Bonds (the “Bonds”), pursuant to the provisions of Articles 9 and 11 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code (collectively, the “Act”), and a resolution adopted by the Board of Trustees of the District (the “Board”) on March 19, 2025 (the “Resolution”).

The Bonds mature on the dates and in the amounts authorized in the Resolution. The Bonds are dated their date of delivery and bear interest payable semiannually on the dates and at the rates per annum authorized in the Resolution. The Bonds are registered bonds as set forth in the Resolution.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized and constitute legal, valid and binding obligations of the District enforceable in accordance with the terms of the Resolution, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights, by equitable principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State of California (the “State”). The Bonds are obligations of the District but are not a debt of Contra Costa County (the “County”), the State or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and neither the faith and credit nor the taxing power of the County, the State, or any such political subdivisions is pledged for the payment thereof.

(2) The Resolution has been duly adopted by the Board of the District and constitutes the legal, valid and binding obligation of the District. The Resolution is enforceable in accordance with its terms except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights, by equitable

* Preliminary, subject to change.

principles, by the exercise of judicial discretion in appropriate cases and by limitations on legal remedies against public agencies in the State; provided, however, we express no opinion as to the enforceability of provisions of the Resolution as to indemnification, penalty, contribution, choice of law, choice of forum or waiver contained therein.

(3) The Bonds are secured by the proceeds of *ad valorem* taxes levied upon taxable property in the District which the Board of Supervisors of the County and the Board of Supervisors of the County has the power to levy and is obligated by statute to levy without limit as to rate or amount (except as to certain personal property which is taxable at limited rates) for payment of the Bonds and the interest thereon.

(4) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, it should be noted that for tax years beginning after December 31, 2022, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

(5) Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

(6) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is more than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond. Original issue discount that accrues for the Bond owner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and is exempt from State personal income tax.

(7) The amount by which a Bond owner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the bond owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond owner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinions expressed in paragraphs (4) and (6) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds are subject to the condition that the District complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for

federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (4), (5), (6) and (7) above, we express no opinion as to any tax consequences related to the Bonds.

Certain agreements, requirements and procedures contained or referred to in the Resolution and the Tax Certificate executed by the District with respect to the Bonds may be changed and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax exempt obligations. We express no opinion as to the effect on exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Bond if any such change occurs or action is taken or omitted upon advice or approval of bond counsel other than Stradling Yocca Carlson & Rauth LLP.

The opinions expressed herein and the exclusion of interest on the Bonds from gross income for federal income tax purposes may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement and any supplements thereto.

Respectfully submitted,

APPENDIX F

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

New Money Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the PITTSBURG UNIFIED SCHOOL DISTRICT (the “District”) in connection with the issuance by the District of its \$45,000,000* Pittsburg Unified School District (Contra Costa County, California) General Obligation Bonds, Election of 2024, Series A (2025) (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on March 19, 2025 (the “Bond Resolution”). The District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the District’s fiscal year (currently March 31 based on the District’s fiscal year end of June 30).

“*Dissemination Agent*” shall mean, initially, KNN Public Finance, LLC, or any successor Dissemination Agent designed in writing by the District and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Raymond James & Associates, Inc., the original underwriter of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

* Preliminary, subject to change.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2026, with the report for Fiscal Year 2024-25 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or incorporate by reference the following:

(a) The District’s audited financial statements for the prior Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District’s audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in

a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the Annual Report Date, financial information and operating data with respect to the District for the preceding Fiscal Year, substantially similar to that provided in the Official Statement, as follows:

- (i) The District's approved budget for the then current fiscal year;
- (ii) Assessed value of taxable property in the District as shown on the recent equalized assessment role; and
- (iii) Property tax levies, collections and delinquencies for the District, for the most recent completed fiscal year.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of a trustee or paying agent, if material;

(xv) The incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Significant Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsections (a)(viii) or (a)(ix) above need not be given under this subsection any earlier than the notice (if any) of the underlying event given to holders of affected Bonds.

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv), (a)(vi) and (a) (xv) of this Section 5 contain the qualifier "if material." The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event's occurrence is material for purposes of U.S. federal securities law. The District intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018). The term "financial obligation" shall not include municipal securities as to which a final Official Statement has been provided to the MSRB consistent with the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving

the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide

information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Paying Agent thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The Dissemination Agent acts hereunder solely for the benefit of the District and this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter or the holders or beneficial owners of the Bonds. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

PITTSBURG UNIFIED SCHOOL DISTRICT

By _____
Hitesh Haria
Associate Superintendent of
of Business Services

ACKNOWLEDGED:

KNN PUBLIC FINANCE, LLC, as
Dissemination Agent

By _____
Authorized Signatory

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Pittsburg Unified School District

Name of Issue: Pittsburg Unified School District (Contra Costa County, California) General
Obligation Bonds, Election of 2024, Series A (2025)

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Issuer in connection with the Issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

KNN PUBLIC FINANCE, LLC, as
Dissemination Agent

By _____
Authorized Signatory

cc: Paying Agent

Refunding Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the PITTSBURG UNIFIED SCHOOL DISTRICT (the “District”) in connection with the issuance by the District of its \$30,000,000* Pittsburg Unified School District (Contra Costa County, California) 2025 General Obligation Refunding Bonds (the “Bonds”). The Bonds are being issued pursuant to a resolution adopted by the Board of Trustees of the District on March 19, 2025 (the “Bond Resolution”). The District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth above and in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Annual Report Date*” means the date that is nine months after the end of the District’s fiscal year (currently March 31 based on the District’s fiscal year end of June 30).

“*Dissemination Agent*” shall mean, initially, KNN Public Finance, LLC, or any successor Dissemination Agent designed in writing by the District and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

“*Fiscal Year*” means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other twelve-month period selected and designated by the District as its official fiscal year period.

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“*Official Statement*” means the final official statement executed by the District in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Raymond James & Associates, Inc., the original underwriter of the Bonds.

“*Rule*” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

“*Significant Events*” means any of the events listed in Section 5(a) of this Disclosure Certificate.

* Preliminary, subject to change.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2026, with the report for Fiscal Year 2024-25 provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 business days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 business days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District in a timely manner shall provide (or cause the Dissemination Agent to provide) to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) The District's audited financial statements for the prior Fiscal Year prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or prior to the Annual Report Date, financial information and operating data with respect to the District for the preceding Fiscal Year, substantially similar to that provided in the Official Statement, as follows:

- (i) The District's approved budget for the then current fiscal year;
- (ii) Assessed value of taxable property in the District as shown on the recent equalized assessment role; and
- (iii) Property tax levies, collections and delinquencies for the District, for the most recent completed fiscal year.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the District shall provide such further material information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Significant Events with respect to the Bonds:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of a trustee or paying agent, if material;

(xv) The incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect security holders, if material; or

(xvi) A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties.

(b) Whenever the District obtains knowledge of the occurrence of a Significant Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Significant Event. Notwithstanding the foregoing, notice of Significant Events described in subsections (a)(viii) or (a)(ix) above need not be given under this subsection any earlier than the notice (if any) of the underlying event given to holders of affected Bonds.

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), (a)(xiv), (a)(vi) and (a) (xv) of this Section 5 contain the qualifier "if material." The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event's occurrence is material for purposes of U.S. federal securities law. The District intends that the words used in paragraphs (xv) and (xvi) and the definition of "financial obligation" to have the meanings ascribed thereto in SEC Release No. 34-83885 (August 20, 2018). The term "financial obligation" shall not include municipal securities as to which a final Official Statement has been provided to the MSRB consistent with the Rule.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(xii) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization,

arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Significant Event under Section 5(b).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall also be quantitative.

The Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations hereunder.

A notice of any amendment made pursuant to this Section 9 shall be filed in the same manner as for a Significant Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Significant Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Paying Agent thereunder. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The Dissemination Agent acts hereunder solely for the benefit of the District and this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter or the holders or beneficial owners of the Bonds. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Bonds and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: [Closing Date]

PITTSBURG UNIFIED SCHOOL DISTRICT

By _____

Hitesh Haria
Associate Superintendent of
of Business Services

ACKNOWLEDGED:

KNN PUBLIC FINANCE, LLC, as
Dissemination Agent

By _____

Authorized Signatory

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Pittsburg Unified School District

Name of Issue: Pittsburg Unified School District (Contra Costa County, California) 2025 General
Obligation Refunding Bonds

Date of Issuance: [Closing Date]

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing date], furnished by the Issuer in connection with the Issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

KNN PUBLIC FINANCE, LLC, as
Dissemination Agent

By _____
Authorized Signatory

cc: Paying Agent

APPENDIX G

BOOK-ENTRY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest on the Bonds to Direct Participants, Indirect Participants or Beneficial Owners (as such terms are defined below) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other Bond related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners of the Bonds is based solely on information furnished by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. or such other name as requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC

nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as tenders, defaults, and proposed amendments to the Bonds documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal of and interest on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its service as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-Entry Only transfers through DTC (or a successor securities depository). In that event, the Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the District determines that DTC shall no longer act and delivers a written certificate to the Paying Agent to that effect, then the District will discontinue the Book-Entry System with DTC for the Bonds. If the District determines to replace DTC with another qualified securities depository, the District will prepare or direct the preparation of a new single separate, fully registered Bond for each maturity of the Bonds registered in the name of such successor or substitute securities depository as are not inconsistent with the terms of the Resolution. If the District fails to identify another qualified securities depository to replace the incumbent securities depository for the Bonds, then the Bonds shall no longer be restricted to being registered in the Bond registration books in the name of the incumbent securities depository or its nominee but shall be registered in whatever name or names the incumbent securities depository or its nominee transferring or exchanging the Bonds shall designate.

In the event that the Book-Entry System is discontinued, the following provisions would also apply: (i) the Bonds will be made available in physical form, (ii) payment of principal of and interest on the Bonds will be payable upon surrender thereof at the trust office of the Paying Agent identified in the Resolution, and (iii) the Bonds will be transferable and exchangeable as provided in the Resolution.

The District and the Paying Agent do not have any responsibility or obligation to DTC Participants, to the persons for whom they act as nominees, to Beneficial Owners, or to any other person who is not shown on the registration books as being an owner of the Bonds, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participants; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of and interest on the Bonds; (iii) the delivery of any notice which is permitted or required to be given to registered owners under the Resolution; (iv) any consent given or other action taken by DTC as registered owner; or (v) any other matter arising with respect to the Bonds or the Resolution. The District and the Paying Agent cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal of and interest on the Bonds paid to DTC or its nominee, as the registered owner, or any notices to the Beneficial Owners or that they will do so on a timely basis or will serve and act in a manner described in this Official Statement. The District and the Paying Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner in respect to the Bonds or any error or delay relating thereto.

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