Public Parking Authority of Pittsburgh

(A Component Unit of the
City of Pittsburgh, Pennsylvania)

Financial Statements and
Required Supplementary Information

For the Years Ended December 31, 2025 and 2024
with Independent Auditor's Report

MaherDuessel

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PUBLIC PARKING AUTHORITY OF PITTSBURGH
(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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Independent Auditor's Report

Board of Directors
Public Parking Authority of Pittsburgh

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, and the aggregate remaining fund information of the Public Parking Authority of Pittsburgh (Authority), a component unit of the City of Pittsburgh, Pennsylvania, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority'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 business-type activities, and the aggregate remaining fund information of the Authority, as of December 31, 2025 and 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority'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 Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Maher Duessel

Pittsburgh, Pennsylvania
April 8, 2026

Management's Discussion and Analysis

Fiscal Year 2025 Financial Statements

Overview of the Financial Statements and Financial Analysis

The Public Parking Authority of Pittsburgh (Authority) is proud to present its financial statements for 2025. This Management's Discussion and Analysis of the Authority's financial statements provides an overview of the Authority's financial activities for 2025 as required supplemental information. The emphasis of this discussion will focus on current-year 2025 data in comparison to the prior year 2024. There are three business-type activities financial statements presented in this report: 1) the Statements of Net Position; 2) the Statements of Revenues, Expenses, and Changes in Net Position; and 3) the Statements of Cash Flows.

Statements of Net Position

The Statements of Net Position present the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Authority as of the end of each fiscal year. The Statements of Net Position are a "point of time" financial statement that presents a fiscal snapshot of the Authority at year-end. The Statements of Net Position present data concerning the Authority's assets (current and non-current), deferred outflows of resources, liabilities (current and non-current), deferred inflows of resources, and net position (assets plus deferred outflows of resources minus liabilities and deferred inflows of resources). The definitions of current and non-current assets and liabilities are discussed in the notes to the financial statements.

From the data on the Statements of Net Position, readers can determine the assets and deferred outflows of resources available to the Authority at the end of the year to support its continuing operations. Readers can also determine how much the Authority owes at year-end. Finally, readers can determine the Authority's net position and its availability for expenditure.

Net position is divided into three major categories. The first category, "net investment in capital assets" presents the Authority's equity in its property, plant, and equipment, net of related debt. The second net position category, "restricted net position," is divided into two categories: expendable and non-expendable (permanently restricted). Expendable restricted net position is available for expenditure but must be spent for purposes determined by external entities that have placed time or use restrictions on the assets. Within the expendable net position category are balances that have been restricted under the terms of the Authority's trust indentures and the Authority's pension. The Authority does not have any non-expendable restricted net position. The third major category, "unrestricted net position," is available to the Authority to pay future operating expenses. The Authority's Board of Directors has designated $6 million of unrestricted net position to assist in funding the structural remediation to extend the useful life of the four oldest facilities.

Public Parking Authority of Pittsburgh
Statements of Net Position

	2025	2024	2023
Assets:			
Current assets	$ 76,158,444	$ 65,943,810	$ 59,922,017
Capital assets, including leasehold improvements	107,990,771	112,246,797	114,720,324
Other noncurrent assets	33,015,729	29,131,515	28,838,577
Total Assets	217,164,944	207,322,122	203,480,918
Deferred Outflows of Resources:			
Deferred charge on refunding	540,869	1,185,739	1,907,370
Changes in assumptions for OPEB plan	-	-	-
Net difference between project and actual earnings on pension investments	-	58,800	781,203
Changes in assumptions for pension plan	-	-	-
Total Deferred Outflows of Resources	540,869	1,244,539	2,688,573
Liabilities:			
Current liabilities	23,041,154	21,773,766	19,331,206
Noncurrent liabilities	26,366,863	30,746,029	35,233,650
Total Liabilities	49,408,017	52,519,795	54,564,856
Deferred Inflows of Resources:			
Difference between expected and actual experience for pension plan	6,372	148,967	294,468
Net difference between projected and actual earnings on pension investments	1,781,311	-	-
Differences between expected and actual experience for OPEB plan	9,033	12,029	16,701
Changes in assumptions for OPEB plan	17,439	26,395	22,209
Leases	1,854,373	1,489,737	1,655,173
Total Deferred Inflows of Resources	3,668,528	1,677,128	1,988,551
Net Position:			
Net investment in capital assets	78,502,410	79,113,153	77,922,481
Restricted for, expendable:			
Capital	8,370,255	7,903,902	8,896,541
Debt service	1,880,671	569,565	446,218
Indenture funds	38,605,153	31,670,777	29,057,649
Pension	5,133,504	4,604,988	4,181,139
Sustainability initiatives	548,772	476,520	364,787
Total restricted	54,538,355	45,225,752	42,946,334
Unrestricted	31,588,503	30,030,833	28,747,269
Total Net Position	$ 164,629,268	$ 154,369,738	$ 149,616,084

The Authority's total assets increased by approximately $9.8 million from fiscal year 2024. Overall, current assets increased by approximately $10.2 million, driven by cash of $2.4 million and investments of $7.4 million. Noncurrent assets decreased by $372 thousand, mainly due to a $4.2 million decrease in Capital Assets. This decrease was offset by increases of $1.3 million in noncurrent investments and $2.3 million in net pension assets.

Total assets of the Authority increased by approximately $3.8 million from fiscal year 2023 to 2024. The decrease in cash and net capital assets was offset by an increase of approximately $6 million in current and noncurrent investments and a $1 million increase in net pension assets. The presented increases/decreases from 2023 to 2024 are reported as of the 2024 Management's Discussion and Analysis.

Statements of Revenues, Expenses, and Changes in Net Position

The changes in total net position, as presented on the Statements of Net Position, are based on the activities presented in the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP). The purpose of the SRECNP is to present the revenues and expenses (both operating and non-operating), other revenues, expenses, gains, and losses of the Authority during the fiscal year.

Operating revenues are revenues earned from providing services to customers or the collections from parking tickets issued by its employees. Operating expenses are those expenses incurred by the Authority to acquire goods and services provided to generate operating revenues. Revenues earned for which goods and services are not provided are reported as non-operating revenues. For example, interest the Authority earns on its bank accounts is reported as non-operating revenue because the Authority does not provide services in return for those revenues.

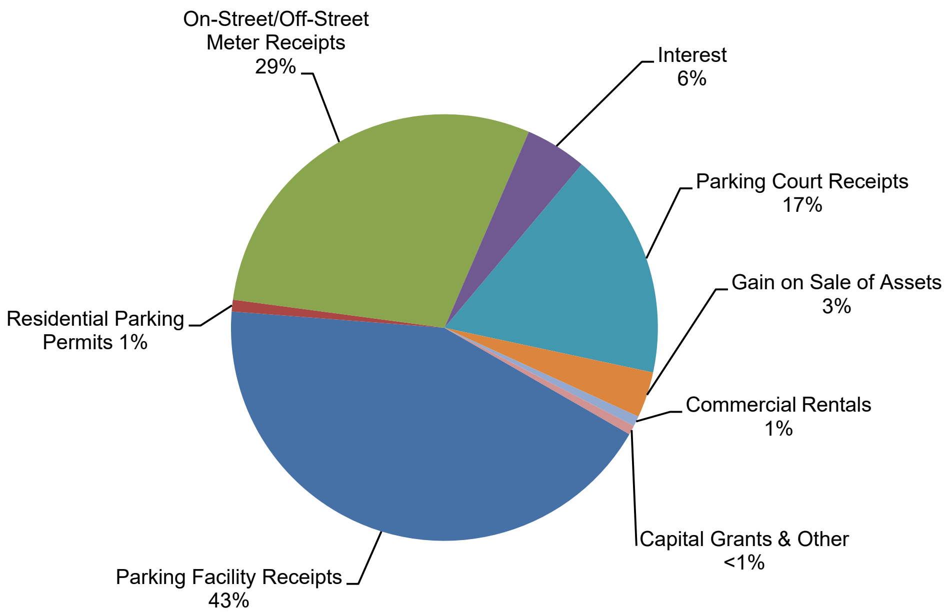
Public Parking Authority of Pittsburgh
Statements of Revenues, Expenses, and Changes in Net Position

	2025	2024	2023
Operating revenues	$ 64,383,054	$ 58,949,668	$ 56,323,887
Operating expenses	39,506,602	37,282,784	34,992,608
Net operating income	24,876,452	21,666,884	21,331,279
Net nonoperating revenues (expenses)	(14,616,922)	(16,913,230)	(14,068,382)
INCREASE (DECREASE) IN NET POSITION	10,259,530	4,753,654	7,262,897
NET POSITION—Beginning of year	154,369,738	149,616,084	142,353,187
NET POSITION—End of year	$ 164,629,268	$ 154,369,738	$ 149,616,084

The Authority's net position increased by $10.3 million and $4.8 million in 2025 and 2024, respectively. In 2025, operating revenues increased by approximately $5.4 million while operating expenses increased by approximately $2.2 million, resulting in a net operating income increase of $3.2 million. Additionally, net non-operating expenses decreased by $2.3 million due to the gain on the sale of our former Ninth and Penn garage.

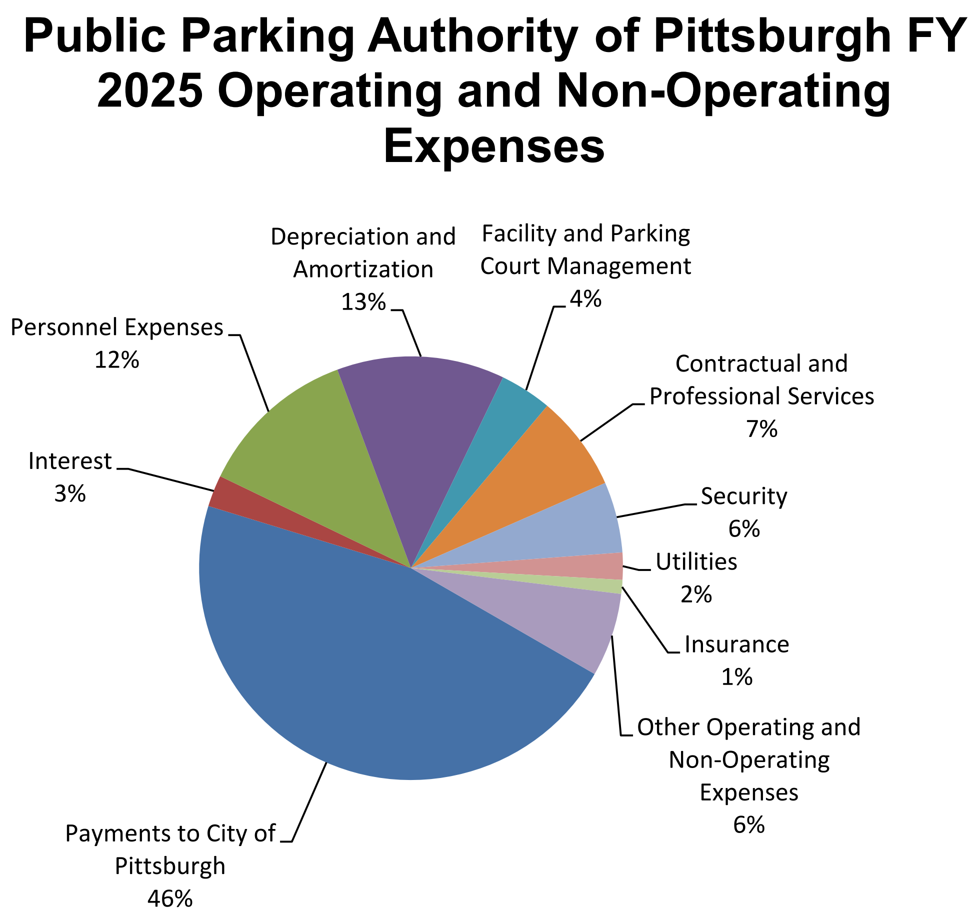
Compared with 2023, 2024 operating revenues increased by approximately $2.6 million, while operating expenses increased by $2.3 million, resulting in a net operating income increase of only $336,000. Net non-operating expenses increased by just over $2.8 million. Overall, the Authority's ending net position increased by approximately $4.8 million since the end of 2023.

Public Parking Authority of Pittsburgh FY 2025 Operating and Non-Operating Revenues



Parking facility receipts, which account for 43% of revenue, increased by more than $2.2 million or 8% in 2025. This increase was primarily due to more return-to-work mandates. For 2024, Parking Facility receipts increased by approximately $1 million over 2023. Although the Authority has experienced positive trends over the last number of years, some businesses continue to operate on a hybrid schedule, which has decreased monthly leases but has been offset by transient parking. This trend has been decreasing recently as more employers are requiring employees to return to the office.

On-Street/Off-Street meter receipts showed a marginal increase of approximately $665,000 in 2025, compared to $1.72 million (9%) in 2024, which can be attributed to a combination of road construction and the installation of a dedicated bus lane along the BRT route from downtown to Oakland.



Pittsburgh Parking Court saw a significant revenue increase of $2.2 million (22%) in 2025, compared to only a marginal increase of $27,000 in 2024 over 2023. With the increase in automated enforcement on the streets and in our lots, we saw more tickets issued. There were over 310,000 tickets, compared with just over 244,000.

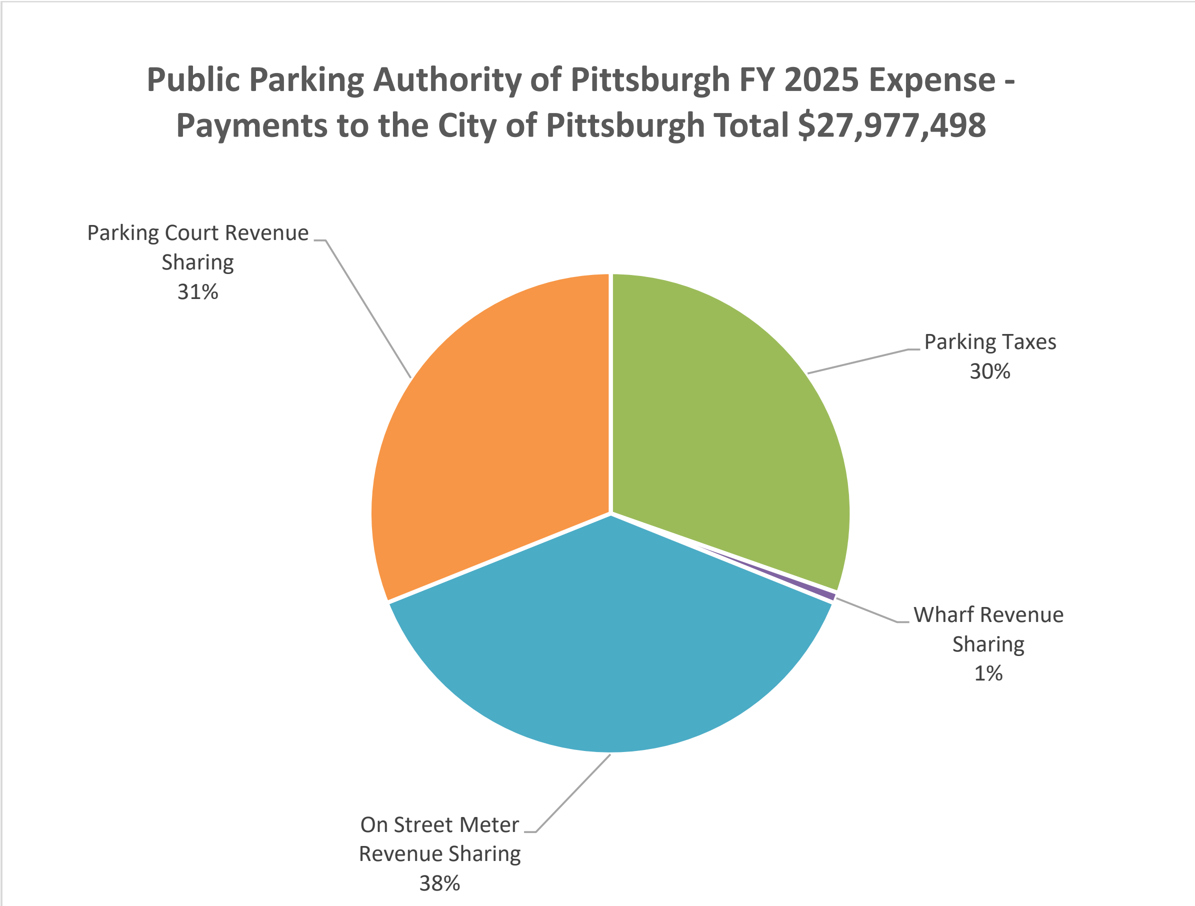
Personnel costs decreased by 6% in 2025 and accounted for 12% of total expenses, remaining the third-largest category, behind only our payments to the City, which constitute 46% of our overall expenses, and depreciation and amortization, which accounts for 13%. Overtime was reduced, and several key positions remained vacant throughout the year, which contributed to the decrease in 2024. A decrease in the GASB 67 and 68 reporting pension investment amortization gains in 2024 and 2025 caused a decrease in pension expense.

Facility and Parking Court management fees increased by 14% in 2025 as compared to the 1% increase we saw in 2024. The 2025 increase was primarily due to processing costs associated with increased ticket issuance, auction costs, and increased booting activity. Whereas in 2024, these activities remained consistent with the prior year.

Contractual and professional fees increased by approximately $1.2 million or 37% in 2025. The increase is attributed to banking fees and temporary personnel needed to fill several open positions. The banking fees are directly proportional to increases in revenue from credit card transactions. As revenue increases, so do the fees associated with those transactions. These costs increased by approximately $122,000 from fiscal year 2023 to 2024. The Authority anticipates this trend to continue as credit cards usage increases.

Security had a negligible increase in 2025 after a minute decrease in 2024. This equated to $10,000 in 2025 and a decrease of $9,000 in 2024.

Payments to the City continue to be the Authority's largest expense at $28 million, up from $25.1 million in 2024, which equates to approximately $2.9 million, or 12%. This directly correlates to an On-Street meter increase of 16%, a Parking tax increase of 7%, and the Pittsburgh Parking Court increased by 19%. Most payments to the City are revenue--dependent; On-Street meter, Monongahela Wharf, and Pittsburgh Parking Court are all revenue sharing payments, while the parking tax is also contingent on revenue. Additionally, an amendment to the 2015 Governmental Cooperation Agreement with the City of Pittsburgh and the Authority was entered into during 2021, which abated the payment in lieu of taxes of $1.9 million annually for 2021 through 2030 and decreased the City's share of on-street meter revenue by $1.0 million annually beginning in 2021 and ending in 2024. In the event the total amounts of all payments from the Authority to the City (excluding parking tax payments) exceed $18.5 million with respect to any fiscal year of the Authority, any such excess amounts will be split equally by the City and the Authority. In 2025, total payments to the City (excluding parking tax payments) were $20.1 million, exceeding $18.5 million; therefore, the Authority's share of the excess was $792,000. In 2024, total payments to the City (excluding parking tax payments) were $17.1 million and did not exceed $18.5 million; therefore, the Authority's share of the excess was $0.



Statements of Cash Flows

The Statements of Cash Flows present detailed information regarding the cash activities of the Authority during the fiscal year. The statements are comprised of five sections. The first section presents operating cash flows, showing the net cash provided by or used in the operating activities of the Authority. The second section presents cash flows from non-capital financing activities, showing the cash received and disbursed for non-operating, non-investing, and non-capital financing purposes. The third section presents cash flows from capital and related financing activities, showing the cash used for the acquisition and construction of capital assets and related items, and related funding received. The fourth section presents the cash flows from investing activities, which primarily shows interest received from investing activities, and sale or purchases of investments. The fifth section reconciles the net cash provided from operating activities to the operating income reflected in the SRECNP.

Public Parking Authority of Pittsburgh
Statements of Cash Flows

	2025	2024	2023
Net cash provided by operating activities	$ 30,280,223	$ 29,536,013	$ 28,192,302
Net cash used in non-capital financing activities	(16,352,336)	(15,791,030)	(13,944,249)
Net cash used in capital and related financing activities	(6,082,711)	(11,470,557)	(10,837,376)
Net cash provided by (used in) investing activities	(5,400,854)	(2,458,023)	(4,160,441)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,444,322	(183,597)	(749,764)
CASH AND CASH EQUIVALENTS—Beginning of year	8,700,327	8,883,924	9,633,688
CASH AND CASH EQUIVALENTS—End of year	$ 11,144,649	$ 8,700,327	$ 8,883,924

Net cash provided by operating activities increased approximately $744,000 and $1.2 million in 2025 and 2024, respectively. Net cash used in non-capital financing activities increased by approximately $561,000. As stated in the previous section, this was due to an increase in revenue-sharing agreements that resulted in larger payments to the City. Net cash used in capital and related financing activities decreased by approximately $5.4 million, primarily due to lower capital project spending and higher debt service payments, which were offset by the sale of the Ninth & Penn site. Net cash used in investing activities increased by approximately $2.9 million.

Capital Assets and Debt Administration

Additions to capital assets and leasehold improvements in 2024 were approximately $6.5 million, as compared to $4.6 million in 2025. There were minimal completed leasehold improvements in 2024 and 2025. Parking Facilities had minimal completed projects. Machinery and Equipment had $340,000 in completed projects. In addition to the completed projects, The Authority also had $4 million in Construction in Progress additions during the year.

In November 2020, the Authority issued $23,490,000 in Federally Taxable Parking System Revenue Refunding Bonds, Series 2020. The refunding was completed to reduce the annual debt service payments and improve cash flow through the COVID-19 pandemic which had a negative impact on the Authority, City, and region. The Authority's principal and interest payments for 2024 total $5.2 million and $4.9 million in 2025. By reducing our annual debt service, we increased the overall total debt service over the next 11 years by approximately $8.5 million. The remaining 2015 Bonds will mature in 2026, while the Series 2020 bonds will fully mature in 2032.

Economic Outlook

The Authority continues to be the low-cost provider of public parking in the City and strives to maintain that status through effective and efficient operations, meeting its debt service and related covenants, and self-funding its ongoing capital projects.

During 2025, the former Ninth & Penn Garage was abandoned. The Authority entered into negotiations with the Pittsburgh Cultural Trust to sell the land located where the former garage stood. This parcel of land is in the heart of Downtown Pittsburgh's Cultural District, and it was the vision of the City and the Cultural Trust to redevelop the land into a multi-use green space as part of an overall redevelopment of the downtown area. The sale closed in February of 2025 for $3,500,000. The Authority continues to seek development opportunities, provided the demand is sufficient to support the new facility.

In 2024, we saw substantial revenue growth compared to 2023. We continued to see growth in 2025, although the increase in meter receipts appeared to level off; parking facility receipts increased significantly. As more consistent daily activity returns to the downtown business district, on-street revenue is returning faster than originally projected, and garage revenue continues to improve. In 2025, we completed the upgrade of our revenue control equipment in our garages. This hardware and software technology will allow us to offer new methods to meet our customers' parking needs. In addition, the Authority began maximizing the capabilities of the new equipment, offering reserved parking for the many events Pittsburgh is known for, and helping us remain competitive with the larger parking market. This has been incredibly beneficial as the NFL Draft approaches. Additionally, the Authority continues to invest in our infrastructure by renovating our garages. During the year, renovations to the Mellon Square and First Avenue garages were ongoing. We anticipate the renovations will be complete by mid-2026.

One of the more exciting developments has been Ticket-By-Mail capabilities, which began rolling out in tandem with the 2025 Street Cleaning season. We saw a significant impact on our ticket revenue, and we are the first one in the Country to pilot this program. The Authority invested a significant amount to upgrade the LPR camera technology on our enforcement vehicles as we prepare to expand coverage in more areas of the City. The Authority also invested in remote enforcement capabilities at our many lots.

We saw a significant increase in tickets issued in the parking lots piloted in 2024. This continued into 2025 as more lots added the remote enforcement technology. Phase 1 of this project was completed at the beginning of 2026. Parking violations immediately soared in each lot. We will continue to bring that technology to more of our lots and anticipate an increase in tickets at the onset, with the intention that this will eventually increase compliance.

The Authority has continually been at the forefront of technology throughout the parking industry for decades. We continue to be a resource for other municipalities across the country and set the bar for operational standards.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

STATEMENTS OF NET POSITION

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Current assets:		
Cash	$ 11,144,649	$ 8,700,327
Escrow cash	205,041	206,871
Investments	24,441,997	24,944,964
Investments - restricted	38,175,322	30,285,732
Accounts receivable	1,208,308	935,874
Notes receivable - current portion	18,732	17,887
Accrued interest receivable and other assets	736,971	578,065
Lease receivable	227,424	274,090
Total current assets	76,158,444	65,943,810
Noncurrent assets:		
Investments	9,745,129	8,908,463
Investments - restricted	10,810,067	10,338,409
Notes receivable	3,021,839	3,042,578
Prepaid bond insurance	192,001	224,452
Capital assets, net	102,873,518	106,670,580
Leasehold improvements, net	5,137,253	5,576,217
Net pension asset	7,262,805	5,059,545
Lease receivable	1,963,888	1,558,068
Total noncurrent assets	141,006,500	141,378,312
Total Assets	217,164,944	207,322,122
Deferred Outflows of Resources		
Deferred charge on refunding	540,869	1,185,739
Net difference between projected and actual earnings on pension investments	-	58,800
Total Deferred Outflows of Resources	540,869	1,244,539
Liabilities		
Current liabilities:		
Accounts payable	3,062,543	4,049,771
Accounts payable - retention	314,166	346,377
Accounts payable - City of Pittsburgh	13,809,273	11,376,933
Accrued expenses	886,286	1,030,070
Accrued interest payable	63,138	79,492
Unearned revenue	905,966	954,710
Current portion of financed purchase	14,782	11,413
Current maturities of bonds payable	3,985,000	3,925,000
Total current liabilities	23,041,154	21,773,766
Noncurrent liabilities:		
Bonds payable - noncurrent portion, net	23,581,989	27,770,456
Other noncurrent liabilities	2,784,874	2,975,573
Total noncurrent liabilities	26,366,863	30,746,029
Total Liabilities	49,408,017	52,519,795
Deferred Inflows of Resources		
Differences between expected and actual experience for pension plan	6,372	148,967
Net difference between projected and actual earnings on pension investments	1,781,311	-
Differences between expected and actual experience for OPEB plan	9,033	12,029
Changes in assumptions for OPEB plan	17,439	26,395
Leases	1,854,373	1,489,737
Total Deferred Inflows of Resources	3,668,528	1,677,128
Net Position		
Net investment in capital assets	78,502,410	79,113,153
Restricted for, expendable:		
Capital	8,370,255	7,903,902
Debt service	1,880,671	569,565
Indenture funds	38,605,153	31,670,777
Pension	5,133,504	4,604,988
Sustainability initiatives	548,772	476,520
Total restricted	54,538,355	45,225,752
Unrestricted	31,588,503	30,030,833
Total Net Position	$ 164,629,268	$ 154,369,738

See accompanying notes to financial statements.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Operating Revenues:		
Parking facility receipts	$ 30,223,303	$ 27,979,771
On-street/off-street meter receipts	20,700,251	20,035,113
Residential permit parking receipts	635,792	364,846
Commercial rentals	552,753	543,342
Parking court	12,149,714	9,950,420
Other income	121,241	76,176
Total operating revenues	64,383,054	58,949,668
Operating Expenses:		
Salaries	5,642,397	6,028,102
Retirement	(146,007)	(44,204)
Payroll taxes	460,117	444,804
Health benefits	1,394,237	1,387,595
Supplies and equipment	911,945	735,017
Utilities	1,235,379	1,257,273
Insurance	651,670	608,459
Repairs and maintenance	2,441,588	2,660,997
Fleet expenses	102,783	95,375
Facility and parking court management fees	2,398,845	2,104,355
Taxes and licenses	8,672,394	8,071,055
Contractual and professional services	4,402,021	3,203,965
Security	3,259,677	3,248,766
Depreciation and amortization	7,722,609	7,017,319
Other expenses	356,947	463,906
Total operating expenses	39,506,602	37,282,784
Operating Income (Loss)	24,876,452	21,666,884
Nonoperating Revenues (Expenses):		
Interest income	3,290,366	3,552,599
Other income	375,123	28,336
Interest expense	(1,460,933)	(1,527,352)
Meter, wharf, and parking court payments to the City of Pittsburgh	(19,241,769)	(17,030,199)
Gain (loss) on disposal/sale of capital assets	2,452,742	(1,904,164)
Other expenses	(32,451)	(32,450)
Total nonoperating revenues (expenses)	(14,616,922)	(16,913,230)
Change in Net Position	10,259,530	4,753,654
Net Position:		
Beginning of year	154,369,738	149,616,084
End of year	$ 164,629,268	$ 154,369,738

See accompanying notes to financial statements.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Parking facility receipts	$ 29,803,302	$ 28,078,950
On-street/off-street meter receipts	20,471,886	20,237,385
Residential permit parking and commercial rental receipts	1,162,487	910,039
Parking court receipts	12,149,714	9,950,420
Payments to and on behalf of employees	(8,037,118)	(7,652,828)
Payments to suppliers	(1,020,527)	(647,900)
Payments for utilities, insurance, repairs, and maintenance	(4,639,253)	(4,642,805)
Facility management fees	(2,347,888)	(2,134,538)
Taxes and licenses	(9,222,647)	(7,953,734)
Contractual and professional services	(4,191,342)	(3,234,422)
Security	(3,510,583)	(3,038,792)
Disbursements from (deposits to) escrow cash	1,830	4,720
Other receipts (expenditures), net	(339,638)	(340,482)
Net cash provided by (used in) operating activities	30,280,223	29,536,013
Cash Flows From Noncapital Financing Activities:		
Meter, wharf, and parking court payments to the City of Pittsburgh	(16,809,429)	(15,817,682)
Other receipts (expenditures), net	457,093	26,652
Net cash provided by (used in) noncapital financing activities	(16,352,336)	(15,791,030)
Cash Flows From Capital and Related Financing Activities:		
Additions to property, plant, and equipment	(4,611,174)	(6,438,494)
Financed purchase payments	(18,373)	(14,650)
Repayment of bonds and refunding escrow transfers	(3,925,000)	(3,870,000)
Proceeds from sale of capital assets	3,507,720	-
Interest paid	(1,035,884)	(1,147,413)
Net cash provided by (used in) capital and related financing activities	(6,082,711)	(11,470,557)
Cash Flows From Investing Activities:		
Sale of investments	111,418,016	125,352,437
Purchase of investments	(120,112,963)	(131,356,654)
Payments received on notes receivable	19,894	18,926
Interest received	3,274,199	3,527,268
Net cash provided by (used in) investing activities	(5,400,854)	(2,458,023)
Increase (Decrease) in Cash and Cash Equivalents	2,444,322	(183,597)
Cash and Cash Equivalents:		
Beginning of year	8,700,327	8,883,924
End of year	$ 11,144,649	$ 8,700,327

(Continued)

See accompanying notes to financial statements.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(Continued)

	2025	2024
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	$ 24,876,452	$ 21,666,884
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,722,609	7,017,319
Deferred inflows related to leases	(358,675)	(341,834)
Change in:		
Escrow cash	1,830	4,720
Accounts receivable	(272,434)	131,696
Other assets	(142,901)	150,907
Net pension asset	(2,203,260)	(986,326)
Lease receivable	364,157	355,087
Deferred outflows related to pension and OPEB plans	58,800	722,403
Deferred inflows related to pension and OPEB plans	1,626,764	(145,987)
Accounts payable and accrued expenses	(1,393,119)	961,144
Net adjustments	5,403,771	7,869,129
Net cash provided by (used in) operating activities	$ 30,280,223	$ 29,536,013
Noncash Transactions:		
Capital additions in accounts payable	$ 314,165	$ 9,462
Addition of asset under financed purchase agreement	$ 52,300	-

(Concluded)

See accompanying notes to financial statements.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

STATEMENTS OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS

DECEMBER 31, 2025 AND 2024

	2025	2024
Assets		
Cash and cash equivalents	$ 203,624	$ 144,016
Investments at fair value:		
Money markets and other cash investments	1,630,542	1,051,696
Mutual Funds:		
Equity	14,525,916	13,033,843
Fixed income	9,245,654	8,506,940
Total investments at fair value	25,402,112	22,592,479
Benefit payment adjustment	73,295	69,747
Total Assets	$ 25,679,031	$ 22,806,242
Liabilities and Net Position		
Liabilities:		
Benefits payable	$ -	$ 3,124
Net Position:		
Net position restricted for pension benefits	25,679,031	22,803,118
Total Liabilities and Net Position	$ 25,679,031	$ 22,806,242

See accompanying notes to financial statements.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Additions:		
Contributions:		
Employer	$ 150,000	$ 150,000
Employee	179,837	178,190
Total contributions	329,837	328,190
Investment income:		
Net appreciation (depreciation) in fair value of investments	2,028,506	1,083,723
Interest and dividends	1,428,127	1,102,210
Total investment income	3,456,633	2,185,933
Total additions	3,786,470	2,514,123
Deductions:		
Benefits	857,665	760,207
Refund of member contributions	38,575	17,413
Investment costs	12,000	12,000
Processing fees	2,317	2,280
Total deductions	910,557	791,900
Change in Plan Net Position	2,875,913	1,722,223
Net Position:		
Beginning of year	22,803,118	21,080,895
End of year	$ 25,679,031	$ 22,803,118

See accompanying notes to financial statements.

1. Organization

The Public Parking Authority of Pittsburgh (Authority), which is a component unit of the City of Pittsburgh, Pennsylvania (City), was organized on August 6, 1947, as a public corporation under the laws of the Commonwealth of Pennsylvania by the City pursuant to the Parking Authority Law of Pennsylvania Act of June 5, 1947, as amended and supplemented.

The Authority was created for the purpose of conducting the necessary activity to plan, acquire, construct, improve, maintain, operate, and own and lease land and facilities devoted to the parking of vehicles. In addition, the Authority is responsible for the enforcement of city and state parking codes throughout the City, including the responsibility for the operations of parking court.

Under the provisions of the Governmental Accounting Standards Board (GASB), the Authority is considered to be a component unit of the City.

2. Summary of Significant Accounting Policies

The financial statements of the Authority have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by GASB. The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the Authority's assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

Financial Statement Presentation

GASB establishes standards for external financial reporting for state and local governments and components thereof. Net position is classified into four categories according to external donor restrictions or availability of assets for the satisfaction of Authority obligations. The Authority's net position is classified as follows:

- *Net Investment in Capital Assets* - This represents the Authority's total investment in capital assets, net of outstanding debt obligations related to those capital assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

- *Restricted Net Position, Expendable* - This includes resources in which the Authority is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

- *Restricted Net Position, Nonexpendable* - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The Authority does not have any restricted nonexpendable net position as of December 31, 2025 or 2024.

- *Unrestricted Net Position* - Unrestricted net position represents resources derived from operations that may be used at the discretion of the Board of Directors (Board) to meet current expenses for any purpose. The Authority's Board assigned $6 million of unrestricted net position to assist in funding the structural remediation to extend the useful life of the three oldest facilities: Smithfield Liberty Garage, Fort Duquesne & Sixth Garage, and Third Avenue Garage.

The Board has adopted a policy that requires the Authority, as of the first business day of each fiscal year, to maintain a balance of unencumbered funds equal to 15% of that year's operating expenses, as detailed in the annual budget. As of January 1, 2025 and 2024, that designated balance was $20,819,702 and $20,592,750, respectively.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

Basis of Accounting

For financial reporting purposes, the Authority is considered a proprietary fund. Accordingly, the Authority's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned, and expenditures are reported when materials or services are received.

Trust Indenture

The Authority entered into a new Trust Indenture on October 15, 2015, with a First Supplemental Trust Indenture dated November 15, 2020, which replaced the previous Trust Indenture dated January 1, 2000. The Trust Indenture requires that revenues of the Authority be deposited with The Bank of New York Mellon Trust Company N.A., (Trustee). The Trust Indenture further requires that the Trustee and the Authority establish certain funds and reserves for the operation of the parking system (System). The System includes all Authority garages, lots, and meters. The Authority is required to establish rates to operate the System, maintain debt service coverage ratios specified in covenants of the Trust Indenture, maintain a balance of $3.0 million for maintenance and capital addition requirements, and maintain an amount equal to two months of estimated operating expenses, as defined by the Trust Indenture. The amounts necessary to meet these reserves are recorded as a restriction of net position in accordance with the Trust Indenture.

Fiduciary Funds

Fiduciary funds are used to account for assets held in a trustee capacity for the Authority's Public Parking Authority of Pittsburgh Pension Plan (Plan). The fiduciary funds financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value (as defined below). Net position is restricted for pension benefits as the pension trust fund is an irrevocable trust.

This information is used for purposes of measuring the net pension asset, deferred outflows and deferred inflows of resources related to pensions, and pension expense reported by the Authority.

The Plan is further discussed in Note 10.

Investments

Investments are stated at fair value and amortized cost, as applicable. Fair value is determined by quoted market prices or by readily determinable fair values. The Authority does not currently have any investments at amortized cost. Terms and agreements of the Authority restrict the majority of the investments.

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

Restricted Cash and Investments

As required by the Trust Indenture of the Authority, certain monies are to be deposited periodically to the following funds for a specific purpose:

- *Revenue Fund* - To collect all system revenues, except as to the extent provided within the indenture, and to disburse funds as required by the Indenture to the other funds listed. The Authority established the following account within the Revenue Fund, as outlined in the Indenture:
    - *Coop Account* - To collect and disburse for the funds necessary to address the 2015 Governmental Cooperation Agreement with the City of Pittsburgh, including the Second Amendment dated September 1, 2021.
- *Bond Fund (Debt Service Fund)* - To pay current interest and principal on bonds.
- *Debt Service Reserve Fund* – To hold funds to meet the debt service reserve requirement, including a specific subaccount, the 2015 Debt Service Reserve Account, and the 2020 Account of the Debt Service Reserve Fund.
- *Operating Reserve Fund* – To have available funds to meet the Indenture requirements.
- *Renewal and Replacement Fund* - To have available funds for maintenance and capital addition requirements.
- *Rebate Fund* – To accumulate funds for arbitrage rebate as needed.
- *Construction Funds* - To pay the costs of acquiring and constructing capital additions and improvements.
- *Sustainability Fund* - As required by a Subgrantee Agreement, a Sustainability Trust Fund was established, funded by energy savings calculations, and can be used to support future

sustainability efforts. Resulting savings from those efforts, if any, are also pledged to this Fund.

Noncurrent Investments

Investments that are (1) externally restricted to make debt service payments, (2) externally restricted reserve funds, or (3) held to purchase capital or other noncurrent assets, are classified as noncurrent assets in the statements of net position.

Capital Assets

Capital assets are stated at cost. Depreciation on capital assets is calculated on the straight-line method over the estimated useful lives of the assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in revenue or expense for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized.

In certain instances, the Authority has acquired capital assets at a nominal cost from other government units. These assets are recorded at the nominal cost, which is less than fair value even after giving consideration to the effect of associated use restrictions. Management believes that the difference between recorded nominal cost and fair value at date of acquisition for these assets acquired through non-exchange transactions is immaterial.

The Authority considers renovation projects as construction in progress until the project is complete, although portions of the facilities may be in use and appropriately being depreciated.

Lease Receivables

The Authority is a lessor for several noncancellable leases of space within their buildings and parking garages. The Authority recognizes a lease receivable and a deferred inflow of resources on the statements of net position for those lease agreements that extend beyond a 12-month period.

At the commencement of a qualifying lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Authority determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Authority uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The Authority monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Prepaid Bond Insurance Costs

Prepaid bond insurance costs are considered an asset on the statements of net position and are deferred and amortized over the life of the related bond issue.

Compensated Absences

The Authority recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred and recorded as an accrued expense in the statements of net position. The liability for compensated absences includes salary-related benefits, where applicable.

The Authority provides one week paid vacation immediately upon hire or other amounts as negotiated at the time of employment for nonunion employees. Vacation benefits must be taken during the anniversary year in which the service is rendered. Benefits not used during the first anniversary year only can be carried over if they have not been used. They are forfeited at the calendar year-end following the first anniversary if not used. Upon termination of service, employees are compensated for vacation benefits earned but not yet taken during the anniversary year of termination. The Authority's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employment of the Authority and, upon separation from service, no monetary obligation exists. However, a liability for the estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences. An immaterial amount of sick time is estimated to be settled beyond one year, thus, the full liability for compensated absences is included as a current liability within accrued expenses.

Classification of Revenues

The Authority has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating Revenues - Operating revenues include activities that have the characteristics of exchange transactions related to the core mission of the Authority, such as (1) parking facility receipts, (2) on-street/off-street meter receipts, (3) residential permit parking receipts, (4) commercial rentals, and (5) parking court receipts.

Nonoperating Revenues - Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts, contributions, and other revenues that are defined as non-operating revenues by GASB, such as investment income and capital grants.

Income Taxes

The Authority is exempt from income taxes as a governmental unit under federal income tax laws and regulations of the Internal Revenue Service (IRS).

Cash Flows

Cash for the purpose of the statements of cash flows includes only the cash line item of current assets and excludes escrow cash.

Premiums and Discounts

Original issue bond premiums are amortized over the life of the related bonds using the straight-line method which approximates the effective interest method.

Deferred Outflows/Inflows of Resources

In addition to assets/liabilities, the statements of net position will sometimes report separate sections for deferred outflows/inflows of resources. These separate financial statement elements, *deferred outflows/inflows of resources,* represent a consumption/acquisition of net assets that applies to a future period and so will not be recognized as an outflow/inflow of resources (expense/revenue) until then. The Authority has the following items that qualify for reporting in these categories:

A deferred charge/gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred charge is reported as a deferred outflow of resources, while a deferred gain is reported as a deferred inflow of resources.

In conjunction with pension and other post-employment benefit (OPEB) accounting requirements, differences between expected and actual experience, changes in assumptions, and the net difference between projected and actual investment earnings are recorded as a deferred inflow or outflow of resources, as applicable, related to pensions or OPEBs on the statements of net position. These amounts are determined based on actuarial valuations performed for the pension and OPEB plans. Note 10 presents additional information about the Authority's pension plan. Note 11 presents additional information about the Authority's OPEB plan.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Risks and Uncertainties

Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risks and values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of net position.

Adopted Pronouncements

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 102, Certain Risk Disclosures, for the year ended December 31, 2025. Adoption of this Statement did not have a significant impact on the Authority's financial statements for the current year.

Pending Pronouncements

GASB has issued statements that will become effective in future years including Statement Nos. 103 (Financial Reporting Model Improvements), 104 (Disclosure of Certain Capital Assets), and 105 (Subsequent Events). Management has not yet determined the impact of these statements on the financial statements.

3. Cash and Investments

Cash

The following is a summary of the Authority's cash deposits which are insured by the Federal Deposit Insurance Company or which were not insured or collateralized in the Authority's name, but were collateralized in accordance with Act 72 of the Pennsylvania State Legislature, which requires the institution to pool collateral for all governmental deposits and have the collateral held by an approved custodian in the institution's name:

	2025	2024
Cash in bank	$ 11,014,271	$ 8,579,626
Cash on hand	130,378	120,701
Total	$ 11,144,649	$ 8,700,327

Cash shown above includes $10,900,671 and $8,451,845 as of December 31, 2025 and 2024, respectively, subject to provisions required by the Authority Trust Indenture and the Cooperation Agreement with the City of Pittsburgh.

Investments

Investments of the Authority include the following:

Investments - Unrestricted - Investments held by the Authority for discretionary future projects and obligations of the Authority are $34,187,126 and $33,853,427 as of December 31, 2025 and 2024, respectively.

Investments - Restricted - Investments held by the Authority that are restricted as to their use by terms and agreements of the Authority. These funds, all of which are restricted under the Trust indenture, consist of the following as of December 31, 2025 and 2024:

	2025	2024
Renewal and Replacement Funds	$ 3,000,000	$ 3,521,610
Bond Fund	1,943,809	649,057
Revenue Fund	27,737,653	21,622,953
Operating Reserve Fund	5,866,258	6,167,742
Coop Fund	10,437,669	8,662,779
Total Investments, Restricted	$ 48,985,389	$ 40,624,141

As of December 31, 2025, the Authority had the following investments in mutual funds:

				December 31, 2025 Rating	
Investment	Amount	Percentage of Total Investment	Maturity	Standard & Poor's	Moody's Investors Service
BlackRock FedFund	$ 34,187,126	41.1%	n/a	AAAm	Aaa-mf
BlackRock Treasury Trust Fund	47,041,580	56.6%	n/a	AAAm	AAA-mf
Morgan Stanley Liquid Trust Fund	1,943,809	2.3%	n/a	AAAm	Aaa-mf
Total	$ 83,172,515	100%			

As of December 31, 2024, the Authority had the following investments in mutual funds:

				December 31, 2024 Rating	
Investment	Amount	Percentage of Total Investment	Maturity	Standard & Poor's	Moody's Investors Service
BlackRock FedFund	$ 33,853,427	45.5%	n/a	AAAm	Aaa-mf
BlackRock Treasury Trust Fund	39,975,084	53.7%	n/a	AAAm	AAA-mf
Morgan Stanley Liquid Trust Fund	649,057	0.9%	n/a	AAAm	Aaa-mf
Total	$ 74,477,568	100%			

Mutual funds are valued using quoted market prices (Level 1 inputs).

Interest Rate Risk. The Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Authority has no formal investment policy that limits its investment choices. The deposit and investment strategy of the Authority adheres to state statutes related trust indentures, and prudent business practice.

Concentrations of Credit Risk. The Authority places no limit on the amount the Authority may invest in any one issuer.

<u>Pension Trust Funds</u>

The pension trust funds are used to account for assets held by the Authority in a trustee capacity for future payment of retirement benefits to employees or former employees.

The composition of the pension trust funds' investments is noted below, along with the fair value measurements as of December 31:

	2025	2024
Cash and cash equivalents	$ 1,630,542	$ 1,051,696
Mutual Funds:		
Equity	14,525,916	13,033,843
Fixed Income	9,245,654	8,506,940
Total	$ 25,402,112	$ 22,592,479

Mutual Funds are valued using quoted marked prices (Level 1 inputs).

The pension trust funds' investments in money markets and equity and fixed income mutual funds are not exposed to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

The following is a description of the pension trust funds' investment risks:

Credit risk. The Authority has no formal investment policy that limits its investment choices. The deposit and investment strategy of the Authority adheres to state statutes, related trust indentures, and prudent business practice. As of December 31, 2025, and 2024, the mutual funds were not rated by nationally recognized statistical rating organizations.

Interest Rate Risk. The pension trust funds do not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. None of the mutual funds held in the pension trust funds have maturity dates.

Concentrations of Credit Risk. The Authority places no limit on the amount the Authority may invest in any one issuer.

4. Notes Receivable

Notes receivable consist of the following:

A non-interest-bearing note from the Urban Redevelopment Authority of Pittsburgh (URA), due December 1, 2068, which is the result of a sale transaction effective December 17, 1998.

The note's carrying value, net of imputed interest at a rate of 5%, is $3,040,571 and $3,060,465 at December 31, 2025 and 2024, respectively.

5. Capital Assets and Leasehold Improvements

Capital assets and leasehold improvements activity for the year ended December 31, 2025 was as follows:

	December 31, 2024 Balance	Additions	Disposals	Transfers	December 31, 2025 Balance	Estimated Useful Lives
Nondepreciable capital assets:						
Land	$ 26,243,842	$ -	$ (1,043,717)	$ -	$ 25,200,125	
Construction in progress	2,433,900	4,407,224	-	(349,984)	6,491,140	
Total nondepreciable capital assets	28,677,742	4,407,224	(1,043,717)	(349,984)	31,691,265	
Depreciable capital assets:						
Parking facilities	186,347,726	-	(62,914)	149,232	186,434,044	3-50 years
Machinery and equipment	13,618,088	143,277	(448,931)	200,752	13,513,186	3-10 years
Total depreciable capital assets	199,965,814	143,277	(511,845)	349,984	199,947,230	
Total capital assets	228,643,556	4,550,501	(1,555,562)	-	231,638,495	
Less: accumulated depreciation	121,972,976	7,283,647	(491,646)	-	128,764,977	
Net capital assets	106,670,580	(2,733,146)	(1,063,916)	-	102,873,518	
Leasehold improvements	12,122,746	-	-	-	12,122,746	5-50 years
Less: accumulated amortization	6,546,529	438,964	-	-	6,985,493	
Net leasehold improvements	5,576,217	(438,964)	-	-	5,137,253	
Total capital assets and leasehold improvements, net	$ 112,246,797	$ (3,172,110)	$ (1,063,916)	$ -	$ 108,010,771	

Capital assets and leasehold improvements activity for the year ended December 31, 2024 was as follows:

	December 31, 2023 Balance	Additions	Disposals	Transfers	December 31, 2024 Balance	Estimated Useful Lives
Nondepreciable capital assets:						
Land	$ 26,243,842	$ -	$ -	$ -	$ 26,243,842	
Construction in progress	2,260,243	6,160,287	(1,843,772)	(4,142,858)	2,433,900	
Total nondepreciable capital assets	28,504,085	6,160,287	(1,843,772)	(4,142,858)	28,677,742	
Depreciable capital assets:						
Parking facilities	185,374,060	265,166	(715,286)	1,423,786	186,347,726	3-50 years
Machinery and equipment	15,044,330	20,010	(4,068,727)	2,622,475	13,618,088	3-10 years
Total depreciable capital assets	200,418,390	285,176	(4,784,013)	4,046,261	199,965,814	
Total capital assets	228,922,475	6,445,463	(6,627,785)	(96,597)	228,643,556	
Less: accumulated depreciation	120,122,723	6,573,874	(4,723,621)	-	121,972,976	
Net capital assets	108,799,752	(128,411)	(1,904,164)	(96,597)	106,670,580	
Leasehold improvements	12,104,557	2,490	(80,898)	96,597	12,122,746	5-50 years
Less: accumulated amortization	6,183,985	443,442	(80,898)	-	6,546,529	
Net leasehold improvements	5,920,572	(440,952)	-	96,597	5,576,217	
Total capital assets and leasehold improvements, net	$ 114,720,324	$ (569,363)	$ (1,904,164)	$ -	$ 112,246,797	

6. Lease Receivables

During 2025 and 2024, the Authority had the following lease receivables:

- Lease of building space at $11,000 per month beginning in May 2015 and expiring December 2024. This lease was extended until December 2025 and, subsequent to year-end, was further extended through December 2027. There is not an option to renew this lease.

- Lease of building space at $3,500 beginning June 2020 through May 2045, including options to extend that are reasonably certain of being exercised. The monthly rent will increase each year.

- Lease of building space for $3,022 per month beginning June 2016 through September 2030. There is not an option to renew this lease, and the rent will increase each year.

- Lease of building space for $1,250 per month beginning August 2013 through January 2025 with rent increasing each year. This lease was extended through January 2036, including options to extend that are reasonably certain of being exercised. The monthly rent is the same for five years, then increases every three years.

- Lease of parking garage space for $11,255 per month beginning May 2021 through November 2025. A new lease started December 2025 for $12,250 per month through November 2030. There is not an option to renew this lease.

- Lease of parking garage space for $2,917 per month beginning September 2007 through October 2032. There is not an option to renew this lease, and the rent will increase every five years. The monthly rent in 2025 and 2024 was $4,375.

The Authority recognized $212,608 and $198,502 in lease revenue and $45,987 and $42,856 in interest revenue, both included on the commercial rent line of the statements of revenues, expenses, and changes in net position for the building leases for the years ended December 31, 2025 and 2024, respectively. The Authority recognized $154,553 and $154,553 in lease revenue and $17,465 and $20,033 in interest revenue, both included on the Parking facility receipts line of the statements of revenues, expenses, and changes in net position for the parking garage leases for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the Authority's receivable for lease payments was $2,191,312 and $1,832,158, respectively. The Authority has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease terms. As of December 31, 2025 and 2024, the deferred inflow of resources was $1,854,373 and $1,489,737, respectively.

7. Changes in Long-Term Liabilities

A summary of long-term obligation transactions for the Authority for the years ended December 31, 2025 and 2024 follows. Additional information regarding bonds payable is included in Note 8:

2025	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable - revenue bonds payable, net of unamortized premium	$ 31,695,456	$ -	$ (4,128,467)	$ 27,566,989	$ 3,985,000
Other long-term liabilities:					
Greyhound (unearned rent/revenue)	$ 2,860,915	$ -	$ (208,064)	$ 2,652,851	$ 208,067
Other postemployment benefits	314,220	-	(13,190)	301,030	-
Financed purchase	19,915	52,300	(18,373)	53,842	14,782
	$ 3,195,050	$ 52,300	$ (239,627)	$ 3,007,723	$ 222,849

2024	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable - revenue bonds payable, net of unamortized premium	$ 35,891,022	$ -	$ (4,195,566)	$ 31,695,456	$ 3,925,000
Other long-term liabilities:					
Greyhound (unearned rent/revenue)	$ 3,068,981	$ -	$ (208,066)	$ 2,860,915	$ 208,064
Other postemployment benefits	333,120	-	(18,900)	314,220	-
Financed purchase	34,565	-	(14,650)	19,915	11,413
	$ 3,436,666	$ -	$ (241,616)	$ 3,195,050	$ 219,477

An Agreement of Sale in Lieu of Condemnation (Agreement) was executed on April 14, 2004, between the Authority and Greyhound Lines, Inc. (Greyhound). As stipulated in the Agreement, the Authority purchased from Greyhound the property located at the corner of Liberty Avenue and 11th Street for the purchase price of $6,242,000, which was immediately remitted to the Authority for construction of the Bus Terminal. Pursuant to the terms of the Agreement, the Authority was responsible for constructing the new Bus Terminal in accordance with approved plans and specifications, and Greyhound leases the Bus Terminal from the Authority for an annual base rent of $1 for an initial term of 30 years. There are three consecutive 10-year extension terms, each with an annual base rent of $100,000. The $6,242,000 is being recognized as revenue over the term of the lease, which commenced on

October 1, 2008. The lease portion of this transaction is not considered material and is thus not reflected in Note 6 under GASB Statement No. 87.

The Authority has entered into various four to five year financed purchase agreements for equipment. As of December 31, 2025 and 2024, two agreements remain. They are to be paid in aggregate monthly installments of $1,360 and $1,366 respectively, with interest ranging from 2.02% to 5.5%, and expiration dates from December 2027 through February 2030. The carrying value of the leased equipment is $49,653 and $17,964 at December 31, 2025 and 2024, respectively.

8. Revenue Bonds Payable

<u>2015 Series Bonds</u>

On October 29, 2015, the Authority issued $67,395,000 in Parking System Revenue Refunding Bonds, Series A of 2015. The Series A of 2015 bonds will fully mature in 2026.

Proceeds from the Series A of 2015 were used to (1) refund on a current refunding basis a portion of the Authority’s outstanding Parking System Revenue Bonds, Series A of 2005, (2) refund on a current refunding basis a portion of the Authority’s outstanding Parking System Revenue Bonds, Series B of 2005, (3) refund on an advance refunding basis a portion of the 2005B Bonds, (4) refund on a current refunding basis all of the Authority’s outstanding Parking System Revenue Bonds, Refunding Series A of 2005 and Parking System Revenue Bonds, Refunding Series B of 2005, (5) fund a Debt Service Reserve Fund Requirement relating to the 2015 Refunding Bonds by paying a premium on a Municipal Bond Debt Service Reserve Policy, and (6) pay a portion of costs of issuance of the 2015 Refunding bonds.

The Authority’s refunding through the 2015 Series A issue decreased the total debt service over the next 11 years by approximately $8.5 million. The transaction resulted in an economic gain (difference between the present value of the debt service on the old and new bonds) of approximately $7 million.

The difference between the net carrying value of the 2005 Series Bonds and the reacquisition price is being amortized as a component of interest expense over the shorter of the life of the 2005 Series Bonds and the term of the 2015 Bonds, as follows:

	Original Amount of Deferred Gain (Charge)	Amortization Period
2005 Series Current Interest Bonds	$ 4,195,851	11 years
2005 Series Refunding Bonds	(179,306)	11 years
2005 Series Capital Appreciation Bonds	(3,117,250)	11 years
Total	$ 899,295	

2020 Series Bonds

In November 2020, the Authority issued $23,490,000 in Federally Taxable Parking System Revenue Refunding Bonds, Series of 2020. Proceeds from the Series of 2020 Bonds were used to (1) advance refund a portion ($15,735,000) of the outstanding Series A of 2015 Bonds, (2) current refund a portion ($4,370,000) of the outstanding Series A of 2015 Bonds, (3) fund the Debt Service Reserve Fund requirement relating to the 2020 Bonds, and (4) pay the costs of issuing and insuring the 2020 Bonds.

The Authority's refundings through the 2020 Series increased the total debt service over the next 12 years by approximately $10.5 million. The transaction resulted in an economic loss (difference between the present value of the debt service on the old and new bonds) of approximately $1.3 million. The principal amount of defeased Series A of 2015 bonds outstanding at December 31, 2025 and 2024 was $2,700,000 and $5,205,000, respectively.

The refunding was completed to reduce the annual debt service payments and improve cash flow through the COVID-19 pandemic which had a negative impact on economies on local, national, and global levels, and as a result, the Authority as well. The amount of the current refunding was $4,872,626, and the Authority's principal and interest payments for 2020 were reduced from $7,453,000 to $2,580,375 as a result of the refinancing. The amount of the advanced refunding was $18,356,000, of which $17,955,445 which was placed in an escrow account to pay the bonds as they become due.

The difference between the net carrying value of the 2015 Series Bonds and the reaquisition price is approximately $3.6 million and is being amortized as a component of interest expense over the shorter of the life of the 2015 Series Bonds and the term of the 2020 Bonds, which is six years.

The Authority will make interest-only payments on the Series 2020 bonds until 2026. The Series 2020 bonds will fully mature in 2032.

As of December 31, 2025 and 2024, the outstanding balances were as follows:

	2025	2024
2015 Series A Refunding	$ 3,985,000	$ 7,910,000
Plus: unamortized premium	91,989	295,456
Subtotal	4,076,989	8,205,456
2020 Series	23,490,000	23,490,000
Total Bonds Payable	$ 27,566,989	$ 31,695,456

The aggregate maturities of the bonds payable for fiscal years ending after December 31, 2025 are as follows:

Year Ending December 31,	Principal	Interest	Total
2026	$ 3,985,000	$ 757,663	$ 4,742,663
2027	4,045,000	558,413	4,603,413
2028	3,985,000	477,796	4,462,796
2029	3,935,000	388,931	4,323,931
2030	3,890,000	297,245	4,187,245
2031-2032	7,635,000	302,345	7,937,345
	$ 27,475,000	$ 2,782,393	$ 30,257,393

The bond agreements contain certain financial covenants that require, among other things, the maintenance of specified debt coverage ratios. As of December 31, 2025 and 2024, the Authority was in compliance with these covenants.

9. Operations

Location	Date Opened	Line/Stacked Spaces
Parking facilities:		
Third Avenue Garage	November 1952	575/100
Mellon Square Garage	June 1955	748/250
Ninth and Penn Garage	November 1958	*
Fort Duquesne/Sixth Garage	July 1959	920/30
Smithfield/Liberty Garage	June 1965	587/0
Forbes/Semple Garage	October 1978	438/50
Wood/Allies Garage	June 1984	542/50
Shadyside Garage	November 1992	208/19
Monongahela Wharf	Pre-1950	458/0
First Avenue Parking Garage	May 2001	1,243/100
Second Avenue Parking Plaza	October 1997	810/0
Oliver Garage	November 1998	476/150
Grant Street Transportation Center	September 2008	991/0
On-street meters	Various	7,839
Metered lots	Various	1,549

*The Ninth and Penn Garage was disposed of on May 31, 2019. The Authority was in the planning process for a new facility when the outbreak of COVID-19 spread globally. In February 2025, the Authority closed on the sale of the land at Ninth and Penn to the Pittsburgh Cultural Trust for $3,500,000.

Parking Facilities

The Authority operates the Mellon Square, Smithfield/Liberty, Forbes/Semple, Wood/Allies, Shadyside, Monongahela Wharf, First Avenue, Second Avenue, Grant Street Transportation Center, Oliver, and the Ft. Duquesne/Sixth facilities with its own personnel.

The Authority operates the Third Avenue parking facility under a management agreement with a parking facility operator. The operator has guaranteed minimum revenue for the facility, expense limits on certain items and other expenses are completely reimbursable. The current agreement began on August 1, 2024, and expires on July 31, 2027. There are two, one year options to renew.

Agreement with the City of Pittsburgh

Prior to January 1, 2015, the City and the Authority were governed by the February 2000 Amended Cooperation Agreement. This agreement was amended effective January 1, 2015 (Amended Agreement) and again amended effective September 1, 2021 (Second Amendment). The operations of the Authority are governed by the current provisions of the parking agreement as follows:

In the event that total amounts of all payments from the Authority to the City (excluding parking tax payments), exceed $18.5 million with respect to any fiscal year of the Authority, any such excess amounts will be split equally by the City and the Authority. The Authority's share of the excess was $791,665 and $0, for the years ended December 31, 2025 and 2024, respectively.

Mellon Square and Monongahela Wharf Parking Facilities

The Mellon Square facility, which is operated by the Authority, has been leased from the City since 1954.

The Authority operates the Monongahela Wharf parking facility and receives 50% of the revenue net of parking tax and incurs all costs of operations for the facility. The City receives 50% of the revenue from the parking facility after the parking tax deduction and before operating expenses.

These payments to the City are made only after the Authority successfully meets its annual debt service requirements. This agreement effectively subordinates the Authority's annual payments, providing additional security for Authority bondholders. The payment is due no later than March 15th of each year.

Meter Operations

The Authority operates metered lots in various neighborhood business districts of the City. The Authority receives all revenue and receipts from the lots and incurs all costs of operations.

The Authority receives the first $4.6 million of on-street meter revenue. The Authority also receives the operating expenses associated with the on-street multi-space parking meters, including credit card fees. The City maintains its authority to set the on-street meter rates; however, the Authority maintains legal title of the on-street meters.

The payment to the City is made only after the Authority successfully meets its annual debt service requirements. This agreement effectively subordinates the Authority's annual payment, providing additional security for Authority bondholders. The payment is due no later than March 15th of each year.

Pittsburgh Parking Court

In November 2004, the Pennsylvania State Legislature approved Act 237 decriminalizing the Authority's parking tickets and transferring the management, adjudication, and collection of parking tickets issued by the Authority from the City to the Authority. The respective duties and responsibilities of each entity are spelled out in the Amended Agreement. The City receives 100% of the net revenues of the Pittsburgh Parking Court (net of all expenses, including the residential permit parking operating deficit). The management of the Pittsburgh Parking Court has been contracted out to a third-party service organization. The current management contract was extended through September 30, 2027.

Residential Permit Parking

The Residential Permit Parking Program provides for on-street parking permits in designated areas of the City. The Authority administers and incurs all costs related to this program and collects all fees. The City maintains the authority to set Residential Permit Parking permit fees and for the designation and recertification of RPP areas and related planning activities.

Payment in Lieu of Real Estate Taxes

Payment in lieu of taxes payable by the Authority will be abated entirely for ten calendar years, beginning with the 2021 calendar year. Payment in lieu of taxes will be reinstated in full in calendar year 2031.

Collective Bargaining Agreements

Some of the employees of the Authority are covered by collective bargaining agreements. The Automotive Chauffeurs, Parts and Garage Employees, Local Union No. 926 (Teamsters Union), which covers facility employees, represents approximately 37% of the labor force. The current collective bargaining agreement began on January 1, 2022 and expired on December 31, 2025. A new agreement began on January 1, 2026 and expires on December 31, 2029.

The American Federation of State, County, and Municipal Employees, District Council 84, Local 2719, which covers employees of the Meter Operations, Parking Enforcement, and Residential Permit Parking programs, represents approximately 32% of the labor force. The collective bargaining agreement expired December 31, 2025, and a new agreement began on January 1, 2026 and expires on December 31, 2030.

10. Pension Plans

Public Parking Authority of Pittsburgh Pension Plan

General Information. The Authority established the Public Parking Authority of Pittsburgh Pension Plan (Plan) effective January 1, 1980. The Plan is a defined benefit plan covering substantially all employees not covered by another plan and is funded by employer and employee contributions. The Plan, established and administered by the Authority, provides retirement, disability, and death benefits to Plan members and beneficiaries. Medical insurance benefit payments are provided to a limited number of retirees, and a limited number of participants are eligible for future medical insurance benefits. The medical insurance benefits are not significant in relation to overall Plan activity. The Authority has the ability to establish and amend benefit provisions. The Plan does not issue a stand-alone financial report.

Under the Plan, eligibility for normal benefits begins at age 60, at which time the individual is entitled to an annual retirement benefit, payable monthly for life. This benefit is equal to 1.50% of the average monthly compensation, plus 0.50% of average monthly compensation in excess of $1,000 times the years of service plus a longevity payment.

Early retirement is available to all participants who have reached the age of 50 and have at least eight years of service. Individuals who begin receiving benefits prior to the normal retirement date receive reduced benefits.

Supplemental Benefit - Participants who joined the Plan on or after January 1, 1995 receive a $100 per month until age 65, provided they retire on or after age 60.

Pre-Retirement Death Benefits – Upon the death of an active participant who is eligible for early retirement, the surviving spouse shall be entitled to 50% of the participant's accrued benefit reduced for early retirement and the joint and 50% survivor benefit.

Disability Benefits – Accrued benefits for participants who qualify for Social Security benefits and who have eight or more years of service.

Vesting Schedule – Participants are 100% vested after eight years of service.
Employees Covered by Benefit Terms. Participation in the Plan was as follows:

	2025	2024
Inactive plan members or beneficiaries currently receiving benefits	49	49
Inactive plan members entitled to but not yet receiving benefits	12	12
Active plan members	60	60
	121	121

Contributions. Participants contribute 5.0% of earnings. The Authority's contribution to the plan is based on actuarially determined rates.

Net Pension Asset. The Authority's net pension asset was measured as of December 31, 2025 and 2024, and the total pension liability used to calculate the net pension asset was determined by actuarial valuations as of January 1, 2025. There were no plan changes in 2025 and 2024.

Actuarial Assumptions. The total pension liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age normal (level % of salary)
Actuarial assumptions:	
Investment rate of return	6.50%
Salary projection	4.50%

For healthy lives, mortality is in accordance with the Pub-2010 General Employees Amount-Weight Mortality Table with different rates for actives, disabled, retirees, and contingent survivors.

Actuarial assumptions were based on an actuarial experience study for the period January 1, 2024 to December 31, 2024.

Changes in Actuarial Assumptions. There were no changes to the discount rate. The mortality improvement scale was from MP-2021.

The Public Parking Authority of Pittsburgh Pension Plan defines the Pension Board, its duties, powers, and responsibility. The Pension Board has the responsibility to administer the plan, manage and control the Pension Fund and enter into such trust agreements, custodial agreements, and insurance contracts with respect thereto as it deems appropriate. The Pension Board approved an Investment Policy Statement and reviews it annually and makes changes as it deems appropriate.

Long-Term Expected Rate of Return. The long-term expected rate of return on 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of real rates of return for each major asset class included in the plan's target asset allocation are summarized in the following table as of December 31, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	40.0%	5.92%
Large Cap Growth	19.0%	7.80%
Large Cap Value	19.0%	7.65%
Small/Mid Cap Growth	3.0%	7.59%
Small/Mid Cap Value	3.0%	7.94%
International Equity	14.0%	7.23%
Emerging Market Equity	2.0%	8.16%
	100.0%	

Discount Rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions would continue at the current rates and that the Authority would contribute the Minimum Municipal Obligation (MMO) in the future. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through the lifetime of the plan.

The long-term expected rate of return on pension plan investments is applied to all periods of projected benefit payments where assets are available. For periods of projected benefit payments where assets are insufficient to meet benefit payments, an average 20-year municipal bond rate for bonds rated Aa and above as of December 31, 2025 of 4.43% is applied. A single level discount rate is determined that is equivalent to the two individual rates used to discount cash flows. Since assets are projected to cover all future benefit payments, the long-term expected rate of return on pension plan investments of 6.50% is used as the discount rate.

Rate of Return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the years ended December 31, 2025 and 2024, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 15.26% and 10.40%, respectively.

Concentrations. The Plan did not have investments in a single issuer that exceeded 5% of the Plan's fiduciary net position at December 31, 2025 and 2024.

Changes in Net Pension Asset. Changes in the Authority's net pension asset are as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 12/31/24	$ 17,743,573	$ 22,803,118	$ (5,059,545)
Changes for the year:			
Service cost	430,691	-	430,691
Interest	1,138,202	-	1,138,202
Experience (gain) loss	-	-	-
Employer contributions	-	150,000	(150,000)
Member contributions	-	179,837	(179,837)
Net investment income	-	3,444,633	(3,444,633)
Benefit payments	(896,240)	(896,240)	-
Other	-	(2,317)	2,317
Balances at 12/31/25	$ 18,416,226	$ 25,679,031	$ (7,262,805)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 12/31/23	$ 17,007,676	$ 21,080,895	$ (4,073,219)
Changes for the year:			
Service cost	431,847	-	431,847
Interest	1,094,261	-	1,094,261
Experience (gain) loss	(12,591)	-	(12,591)
Employer contributions	-	150,000	(150,000)
Member contributions	-	178,190	(178,190)
Net investment income	-	2,173,933	(2,173,933)
Benefit payments	(777,620)	(777,620)	-
Other	-	(2,280)	2,280
Balances at 12/31/24	$ 17,743,573	$ 22,803,118	$ (5,059,545)

Sensitivity of the Net Pension Liability (Asset) to Changes in Discount Rate. The following presents the net pension liability/(asset) of the Authority, calculated using the discount rate of 6.50%, as well as what the Authority's net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
2025	$ (5,236,391)	$ (7,262,805)	$ (8,974,330)
2024	$ (3,107,146)	$ (5,059,545)	$ (6,708,556)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions. The Authority recognized pension expense of approximately $(360,000) and $(260,000) for the years ended December 31, 2025 and 2024, respectively.

At December 31, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	2024
Deferred outflows of resources:		
Net difference between projected and actual earnings on pension plan investments	$ -	$ 58,800
Deferred inflows of resources:		
Difference between expected and actual experience	(6,372)	(148,967)
Net difference between projected and actual earnings on pension plan investments	(1,781,311)	-
	$ (1,787,683)	$ (90,167)

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

2026	$ 28,771
2027	(862,495)
2028	(558,449)
2029	(395,510)
2030+	-
	$ (1,787,683)

Multiple-Employer Defined Benefit Plan

The Authority had 41 and 32 facility employees in the years ended December 31, 2025 and 2024, respectively, who are participants in a cost-sharing multiple-employer defined benefit plan administered through the Western Pennsylvania Teamsters and Employers Pension Fund (Pension Fund) that is not a state or local governmental pension plan; provides defined benefit pensions both to employees of local governments and to employees of employers that are not governmental employers; and the plan has no predominant local governmental employer. Financial information for the Pension Fund is available, for a fee, by writing the Western Pennsylvania Teamsters and Employers Pension Fund, 49 Auto Way, Pittsburgh, PA

15206-0260. The Authority is required to make weekly payments based upon the number of participating employees to the Pension Fund as defined in the Teamsters Union labor agreement that expires December 31, 2025. No employee contributions are required or permitted. Total pension expense for the participating employees was $220,030 and $217,254 for the calendar years 2025 and 2024, respectively. Under federal law, this Pension Fund has been certified as being in critical status, because it has funding or liquidity problems, or both. Future employer contributions are likely to rise. Substantial withdrawal payments would be required if the Authority chose to withdraw, and the withdrawal was approved.

11. Other Post-Employment Benefits (OPEB)

General Information. The Public Parking Authority of Pittsburgh Post-Employment Healthcare Plan (Healthcare Plan) is a single-employer defined benefit healthcare plan administered by the Authority. There is no separate audit requirement. The Authority has not accumulated assets for the Healthcare Plan in a trust. The Healthcare Plan provides medical, dental, and life insurance benefits to eligible retirees and their spouses. Benefits are provided according to retirees' date of retirement and the benefits allotted as of the Healthcare Plan benefits at that date. The retiree is responsible for any premium cost in excess of the provided benefit. Payments to retirees are made on a reimbursement basis.

Benefits available under the Healthcare Plan are as follows:

Retirees as of December 31, 1994 – Continue medical and dental coverage received under prior Plan which includes both pre-Medicare and Medicare coverage for retiree and spouse. Medicare coverage consists of Medicare Part B plus the participant elects either Security 65 Plan B or Security Blue HMO.

Active Participants as of December 31, 1994 – Entitled to the single active premium at retirement date. This amount shall be frozen at retirement date and provided until age 65. Retirees age 65 and over shall receive the 65 Special Premium and Medicare Part B premium at retirement date, such amount also being frozen at date of retirement. No medical coverage shall be provided to a participant who elects a lump sum option under the Pension Plan. The Authority pays up to $1,740 of the deductible for each retiree entitled to post-retirement medical insurance prior to age 65.

Life Insurance – For all employees of the Authority retiring on or after age 60, the Authority pays for half the cost of a $6,000 life insurance policy provided the employee pays for the other half.

Employees Covered by Benefit Terms. Participation in the Healthcare Plan was as follows:

	2025	2024
Active - Medical	1	1
Active - Life Only	59	59
Retirees and spouses - pre 95 with medical	1	1
Retirees - post 95 with medical	5	5
Retirees - life insurance only	19	19
	85	85

Total OPEB Liability. The components of the total OPEB liability of the Healthcare Plan at December 31 included in other noncurrent liabilities were as follows:

	2025	2024
Total OPEB liability	$ 301,030	$ 314,220
Plan fiduciary net position	-	-
Net OPEB liability	$ 301,030	$ 314,220
Plan fiduciary net position as percentage of the total OPEB liability	0%	0%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation performed on December 31, 2025 using the following actuarial assumptions, applied to all periods in the measurement:

- Actuarial cost method – Entry Age Normal, level percentage of pay;
- Retirement rates – Eligibility at age 60; 100% attainment at age 65
- Plan participation – Life Insurance 20%; Pre 65 Medical Benefit 100%; Post 65 Medical Benefit 100%
- Mortality – Healthy Annuitant: SOA PubG-2010 Headcount Weighted Healthy Mortality Table with MP-2021 mortality improvement; Contingent Survivor: SOA PubG-2010 Headcount Weighted Contingent Survivor Mortality Table with MP-2021 mortality improvement; Disabled Lives: SOA PubG-2010 Headcount Weighted Disabled Mortality Table with MP-2021 mortality improvement
- Salary increase – 4.50% per annum;

- Discount rate: 4.28% per annum;
- Healthcare cost trend rate – Medical: 7.50% in 2025 grading to 6.60% over three years, and then following the Getzen model thereafter; Dental 5%

Changes in Actuarial Assumptions. The discount rate is 4.28% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2024, compared to the prior discount rate of 4.31%. The health care cost trend rate was assumed to be 7.50% in 2025, grading down to 6.60% over 3 years, then following the Getzen model thereafter to an ultimate rate of 4.04% in 2075.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.28% as of December 31, 2025 and 2024.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the Authority for the year ended December 31, 2025 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2024	$ 314,220	$ -	$ 314,220
Changes for the year:			
Service cost	1,656	-	1,656
Interest	12,355	-	12,355
Experience losses (gains)	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	27,201	(27,201)
Benefits paid	(27,201)	(27,201)	-
Net changes	(13,190)	-	(13,190)
Balances at December 31, 2025	$ 301,030	$ -	$ 301,030

The changes in the total OPEB liability of the Authority for the year ended December 31, 2024 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2023	$ 333,120	$ -	$ 333,120
Changes for the year:			
Service cost	1,582	-	1,582
Interest	13,301	-	13,301
Experience losses (gains)	(9,121)	-	(9,121)
Changes of assumptions	1,423	-	1,423
Contributions - employer	-	26,085	(26,085)
Benefits paid	(26,085)	(26,085)	-
Net changes	(18,900)	-	(18,900)
Balances at December 31, 2024	$ 314,220	$ -	$ 314,220

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate. The following represents the total OPEB liability calculated using the stated discount rate, as well as what the total OPEB liability would be if it was calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
2025	$ 328,543	$ 301,030	$ 277,289

	1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
2024	$ 343,123	$ 314,220	$ 289,322

Sensitivity of the Total OPEB Liability to Changes in the Medical Trend Rate. The following presents the total OPEB liability calculated using the stated medical trend assumption, as well as what the total OPEB liability would be if it were calculated using a medical trend rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease in Getzen Model	Current Getzen Model	1% Increase Getzen Model
2025	$ 300,655	$ 301,030	$ 301,419

	1% Decrease in Getzen Model	Current Getzen Model	1% Increase Getzen Model
2024	$ 313,860	$ 314,220	$ 314,594

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEBs. For the years ended December 31, 2025 and 2024, the recognized OPEB expense is $2,059 and $6,699, respectively.

At December 31, 2025 and 2024, the Authority reported deferred outflows and inflows of resources related to OPEBs from the following sources:

	2025	2024
Deferred inflows of resources:		
Experience losses (gains)	$ (9,033)	$ (12,029)
Changes of assumptions	(17,439)	(26,395)
	$ (26,472)	$ (38,424)

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

2026	$ (11,952)
2027	(11,954)
2028	(1,283)
2029	(1,283)
	$ (26,472)

12. Deferred Compensation Plan

The Authority offers its employees a Deferred Compensation Plan (Deferred Plan) sponsored by the Allegheny League of Municipalities, created in accordance with Internal Revenue Code Section 457. The Deferred Plan, available to all full-time employees, excluding Teamsters Union employees, permits them to place a portion of their salary into a retirement fund and defer taxes on those salaries until withdrawal at authorized age or retirement condition. Participation in the Deferred Plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Participants' rights under the Deferred Plan are equal to the fair market value of the deferred account for each participant. In compliance with IRS regulations, the deferred compensation assets were placed in trust and thereby removed from the claims of general creditors of the Authority.

13. Commitments and Contingencies

There are various matters of pending litigation in which the Authority is involved. The Authority's legal counsel has advised that it is not able to determine the outcome of any of the pending litigation; however, management believes that it is unlikely such matters would significantly affect the financial position of the Authority. Accordingly, the Authority's financial statements do not include any adjustment for possible effects.

The Authority maintains insurance through independent carriers for all types of business losses. Management believes the insurance coverage is sufficient to cover the Authority against potential losses. There have been no significant changes in insurance coverage since the prior fiscal year. Settled claims have not exceeded insured levels for the last three years.

14. Natural Classifications with Functional Classifications

The operating expenses within both natural and functional classifications for the years ended December 31, 2025 and 2024 are as follows:

2025	Salaries, Wages, and Benefits	Supplies and Equipment	Utilities, Insurance, Repairs, and Maintenance	Facility and Parking Court Management Fees	Taxes and Licenses	Contractual Professional Fees	Security	Depreciation and Amortization	Other	Total
Parking facility operations	$ 3,512,580	$ 172,357	$ 2,615,252	$ 284,138	$ 7,876,033	$ 1,112,347	$ 3,259,677	$ 6,753,479	$ 303,116	$ 25,888,979
Parking enforcement and meter services	1,874,121	330,291	1,610,350	-	796,361	2,455,854	-	758,663	38,634	7,864,274
Parking court	217,845	5,699	40,112	2,114,707	-	105,356	-	-	335	2,484,054
Administrative	1,746,198	403,598	165,706	-	-	728,464	-	210,467	14,862	3,269,295
Total	$ 7,350,744	$ 911,945	$ 4,431,420	$ 2,398,845	$ 8,672,394	$ 4,402,021	$ 3,259,677	$ 7,722,609	$ 356,947	$ 39,506,602

2024	Salaries, Wages, and Benefits	Supplies and Equipment	Utilities, Insurance, Repairs, and Maintenance	Facility and Parking Court Management Fees	Taxes and Licenses	Contractual Professional Fees	Security	Depreciation and Amortization	Other	Total
Parking facility operations	$ 3,546,679	$ 132,270	$ 2,853,961	$ 280,384	$ 7,305,684	$ 968,727	$ 3,248,766	$ 6,019,545	$ 422,485	$ 24,778,501
Parking enforcement and meter services	2,017,087	235,019	1,603,238	-	765,371	1,662,134	-	817,370	27,259	7,127,478
Parking court	239,748	3,881	18,472	1,823,971	-	114,044	-	-	-	2,200,116
Administrative	2,012,783	363,847	146,433	-	-	459,060	-	180,404	14,162	3,176,689
Total	$ 7,816,297	$ 735,017	$ 4,622,104	$ 2,104,355	$ 8,071,055	$ 3,203,965	$ 3,248,766	$ 7,017,319	$ 463,906	$ 37,282,784

REQUIRED SUPPLEMENTARY INFORMATION

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

SCHEDULE OF CHANGES IN THE NET
PENSION ASSET AND RELATED RATIOS

FOR THE YEARS ENDED DECEMBER 31
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	$ 430,691	$ 431,847	$ 405,490	$ 421,488	$ 395,763	$ 481,928	$ 452,515	$ 481,987	$ 462,654	$ 488,278
Interest	1,138,202	1,094,261	1,048,798	1,039,575	1,004,460	971,648	915,347	899,919	839,867	838,069
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(12,591)	-	(604,435)	-	(870,953)	-	(325,033)	-	(859,227)
Changes of assumptions	-	-	-	-	-	784,571	-	646,928	-	-
Benefit payments	(896,240)	(777,620)	(758,429)	(655,042)	(1,090,678)	(547,940)	(484,883)	(440,667)	(467,956)	(389,269)
Net Changes in Total Pension Liability	672,653	735,897	695,859	201,586	309,545	819,254	882,979	1,263,134	834,565	77,851
Total Pension Liability - Beginning	17,743,573	17,007,676	16,311,817	16,110,231	15,800,686	14,981,432	14,098,453	12,835,319	12,000,754	11,922,903
Total Pension Liability - Ending (a)	$ 18,416,226	$ 17,743,573	$ 17,007,676	$ 16,311,817	$ 16,110,231	$ 15,800,686	$ 14,981,432	$ 14,098,453	$ 12,835,319	$ 12,000,754
Plan Fiduciary Net Position:										
Plan member contributions	$ 179,837	$ 178,190	$ 175,536	$ 174,257	$ 162,402	$ 165,995	$ 168,311	$ 173,841	$ 165,043	$ 157,328
Employer actuarially recommended contributions	150,000	150,000	150,000	100,000	137,379	140,422	125,172	71,894	196,664	206,996
Net investment income (loss)	3,444,633	2,173,933	2,717,650	(3,022,712)	2,178,218	2,922,845	3,166,030	(695,289)	2,294,081	833,202
Benefit payments	(896,240)	(777,620)	(758,429)	(655,042)	(1,090,678)	(547,940)	(484,883)	(440,667)	(467,956)	(389,269)
Other	(2,317)	(2,280)	(2,093)	(2,069)	(1,863)	(1,750)	(1,450)	(1,515)	(1,661)	(1,661)
Net Change in Plan Fiduciary Net Position	2,875,913	1,722,223	2,282,664	(3,405,566)	1,385,458	2,679,572	2,973,180	(891,736)	2,186,171	806,596
Plan Fiduciary Net Position - Beginning	22,803,118	21,080,895	18,798,231	22,203,797	20,818,339	18,138,767	15,165,587	16,057,323	13,871,152	13,064,556
Plan Fiduciary Net Position - Ending (b)	$ 25,679,031	$ 22,803,118	$ 21,080,895	$ 18,798,231	$ 22,203,797	$ 20,818,339	$ 18,138,767	$ 15,165,587	$ 16,057,323	$ 13,871,152
Net Pension Liability (Asset) - Ending (a-b)	$ (7,262,805)	$ (5,059,545)	$ (4,073,219)	$ (2,486,414)	$ (6,093,566)	$ (5,017,653)	$ (3,157,335)	$ (1,067,134)	$ (3,222,004)	$ (1,870,398)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	139.44%	128.51%	123.95%	115.24%	137.82%	131.76%	121.07%	107.57%	125.10%	115.59%
Covered Payroll	$ 3,554,402	$ 3,436,475	$ 3,557,028	$ 3,417,970	$ 3,350,800	$ 3,055,795	$ 3,533,750	$ 3,238,675	$ 3,368,018	$ 3,177,618
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-204.33%	-147.23%	-114.51%	-72.75%	-181.85%	-164.20%	-89.35%	-32.95%	-95.66%	-58.86%

See accompanying notes to required supplementary pension schedules.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

SCHEDULE OF AUTHORITY CONTRIBUTIONS - PENSION

FOR THE YEARS ENDED DECEMBER 31

LAST TEN YEARS

Authority Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ -	$ -	$ -	$ -	$ 137,379	$ 140,422	$ 125,172	$ 71,894	$ 194,764	$ 206,996
Contributions in relation to the actuarially determined contribution	150,000	150,000	150,000	100,000	137,379	140,422	125,172	71,894	196,664	206,996
Contribution deficiency (excess)	$ (150,000)	$ (150,000)	$ (150,000)	$ (100,000)	$ -	$ -	$ -	$ -	$ (1,900)	$ -
Covered payroll	$ 3,554,402	$ 3,436,475	$ 3,557,028	$ 3,417,970	$ 3,350,800	$ 3,055,795	$ 3,533,750	$ 3,238,675	$ 3,368,018	$ 3,177,618
Contributions as a percentage of covered payroll	4.22%	4.36%	4.22%	2.93%	4.10%	4.60%	3.54%	2.22%	5.84%	6.51%
Annual money-weighted rate of return, net of investment expense	15.26%	10.40%	14.56%	-13.65%	10.61%	14.74%	19.58%	-4.21%	16.43%	6.16%

Notes to Required Supplementary Pension Schedules:

Valuation Date: Actuarial calculations are performed each year as of January 1. Contributions noted above are as of the pension plan's calendar year ending December 31 using actuarially determined contribution rates calculated as of January 1, one year prior to the end of the calendar year in which contributions are reported.

Changes in Benefit Terms

None.

There were no changes in assumptions for 2023, 2024 or 2025.

Changes in Assumptions Beginning December 31, 2022

The mortality improvement scale was updated from MP-2020 to MP-2021 in response to mortality improvement studies released by the Social Security Administration.

Changes in Assumptions Beginning December 31, 2021

The mortality improvement scale was updated from MP-2019 to MP-2020 in response to mortality improvement studies released by the Social Security Administration. The underlying inflation rate was reduced from 2.50% to 2.40%.

Changes in Assumptions Beginning December 31, 2020

The mortality improvement scale was updated from MP-2019 to MP-2020 in response to mortality improvement studies released by the Social Security Administration. The underlying inflation rate was reduced from 2.50% to 2.40%.

Changes in Assumptions Beginning December 31, 2019

The mortality was changed from the RP-2014 Fully Generational Blue Collar Mortality Table with mortality improvement MP-2018 from 2006 to the PUB-2010 General Employees Amount-Weighted Mortality with Scale MP-2019 with separate rates for employees, retirees, disableds, and contingent survivors

Changes in Assumptions Beginning December 31, 2018

The discount rates was changed from 7.00% to 6.50%. The salary scale was changed from 5.00% to 4.50%. The employee termination and retirement rates were changed based on a study of the Plan's experience from 2008 through 2018. The mortality rate was changed from the RP2000 Mortality Table with Scale AA Projection to the valuation date to the RP-2014 Fully Generational Blue Collar Mortality Table with mortality improvement MP-2018 from 2006.

There were no changes in assumptions for the years 2016 through 2017.

2025 Methods and Assumptions Used to Determine the Contribution Rates:

Actuarial cost method	Entry Age Normal (Level % of Salary)
Amortization method	Funding adjustment is equal to 10% of the unfunded actuarial accrued liability
Remaining amortization period	Not applicable
Asset valuation method	Adjusted market value where asset gains or losses are calculated each year as the difference between the expected market value (based on the funding rate of interest) and the actual market value of the assets on the valuation date. These gains or losses are then recognized over a four-year period at 25% per year, with the actuarial value of assets subject to the minimum of 80% and a maximum of 120% of the market value.
Inflation	2.40%
Salary increases	4.50%
Investment rate of return	6.50%
Mortality	For healthy lives, mortality is in accordance with the PUB-2010 General Employees Amount-Weighted Mortality Table with different rates for actives, disabled, retirees, and contingent survivors.

Authority Participation in the Teamsters Cost-Sharing Multiple-Employer Defined Benefit Plan

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Required contributions (all made by the Authority)	$ 220,030	$ 217,254	$ 212,791	$ 223,788	$ 244,722	$ 269,068	$ 274,217	$ 261,074	$ 251,903	$ 226,695

See accompanying notes to required supplementary pension schedules.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

SCHEDULE OF CHANGES IN THE NET
OPEB LIABILITY AND RELATED RATIOS

FOR THE YEARS ENDED DECEMBER 31
LAST TEN YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability:								
Service cost	$ 1,656	$ 1,582	$ 1,517	$ 4,426	$ 4,342	$ 2,554	$ 2,432	$ 2,327
Interest	12,355	13,301	13,764	7,933	8,373	15,350	15,594	16,471
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(9,121)	-	(8,856)	-	(53,993)	-	-
Changes of assumptions	-	1,423	-	(55,160)	-	72,817	-	-
Benefit payments	(27,201)	(26,085)	(37,124)	(35,590)	(26,394)	(24,841)	(43,000)	(37,327)
Net Changes in Total OPEB Liability	(13,190)	(18,900)	(21,843)	(87,247)	(13,679)	11,887	(24,974)	(18,529)
Total OPEB Liability - Beginning	314,220	333,120	354,963	442,210	455,889	444,002	468,976	487,505
Total OPEB Liability - Ending (a)	$ 301,030	$ 314,220	$ 333,120	$ 354,963	$ 442,210	$ 455,889	$ 444,002	$ 468,976
Plan Fiduciary Net Position:								
Plan member contributions	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Employer contributions	27,201	26,085	37,124	35,590	26,394	24,841	43,000	37,327
Benefit payments	(27,201)	(26,085)	(37,124)	(35,590)	(26,394)	(24,841)	(43,000)	(37,327)
Other	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net OPEB Liability (Asset) - Ending (a-b)	$ 301,030	$ 314,220	$ 333,120	$ 354,963	$ 442,210	$ 455,889	$ 444,002	$ 468,976
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Employee Payroll	$ 3,591,116	$ 3,436,475	$ 3,525,026	$ 3,422,355	$ 3,193,305	$ 3,055,794	$ 3,384,415	$ 3,238,675
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	8.38%	9.14%	9.45%	10.37%	13.85%	14.92%	13.12%	14.48%

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

See accompanying notes to required supplementary OPEB schedules.

PUBLIC PARKING AUTHORITY OF PITTSBURGH
(A COMPONENT UNIT OF THE CITY OF PITTSBURGH, PENNSYLVANIA)

SCHEDULE OF AUTHORITY CONTRIBUTIONS - OPEB

FOR THE YEARS ENDED DECEMBER 31
LAST TEN YEARS*

Authority Plan*

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 24,897	$ 26,279	$ 33,490	$ 36,549	$ 35,794	$ 36,039	$ 36,486	$ 36,491
Contributions in relation to the actuarially determined contribution	27,201	26,085	37,124	35,590	26,394	24,841	43,000	37,327
Contribution deficiency (excess)	$ (2,304)	$ 194	$ (3,634)	$ 959	$ 9,400	$ 11,198	$ (6,514)	$ (836)
Covered employee payroll	$ 3,591,116	$ 3,436,475	$ 3,525,026	$ 3,422,355	$ 3,193,305	$ 3,055,795	$ 3,533,750	$ 3,238,675
Contributions as a percentage of covered employee payroll	0.76%	0.76%	1.05%	1.04%	0.83%	0.81%	1.22%	1.15%

*This schedule is intended to illustrate information for 10 years. However, until a full 10-year trend is compiled, the Authority is presenting information for those years only for which information is available.

Notes to Required Supplementary OPEB Schedules:

Valuation Date: Actuarial calculations are performed each year as of January 1. Contributions noted above are as of the pension plan's calendar year ending December 31 using actuarially determined contribution rates calculated as of January 1, one year prior to the end of the calendar year in which contributions are reported.

Changes in Benefit Terms
None.

Changes in Actuarial Assumptions
Beginning with the December 31, 2024 valuation, the discount rate was updated to 4.28% from 4.31% and the health care cost trend rate was updated to 7.50% in 2024, grading down to 6.60% over three years, then following the Getzen model thereafter to an ultimate rate of 4.04% in 2075.

Beginning with the December 31, 2022 valuation, the discount rate was updated to 4.31% from 1.94%, the mortality assumption was updated to use improvement table MP-2021 and the health care cost trend rate was updated to 6.25% in 2023, grading down to 5.20% over two years, then following the Getzen model thereafter to an ultimate rate of 3.94% in 2075.

Beginning with the December 31, 2020 valuation, the discount rates was updated to 1.93% from 3.64%, the mortality assumption was updated to the SOA PubG-2010 Headcount Weighted Mortality Table for Health, Contingent Survivor, and Disabled Lives from MP-2018 mortality improvement, and the health care cost trend rate was updated to 6.25% in 2020 grading down to 5.75% over two years.

Methods and Assumptions Used to Determine the Contribution Rates:

Actuarial cost method	Entry Age Normal (Level % of Salary)
Retirement Rates	100% upon attaining retirement eligibility of age 65
Plan Participation	Life Insurance 20%; Pre 65 Medical Benefit 100%; Post 65 Medical Benefit 100%
Salary Increases	4.50%
Discount rate	4.28%
Healthcare cost trend rate	Medical: 7.50% in 2025 downgraded to 6.60% over three years, and then following the Getzen Model Dental: 5%
Mortality	For healthy lives, mortality is in accordance with SOA PubG-2010 Headcount Weighted Healthy Mortality Table with MP 2021 For disabled lives, mortality is in accordance with SOA PubG-2010 Headcount Weighted Disabled Mortality Table with MP-2021 For Contingent Survivor, mortality is in accordance with SOA PubG-2010 Headcount Weighted Contingent Survivor Mortality Table with MP-2021

See accompanying notes to required supplementary OPEB schedules.