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, 2022 and 2021
with Independent Auditor's Report

PUBLIC PARKING AUTHORITY OF PITTSBURGH

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

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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MaherDuessel

Independent Auditor's Report

Board of Directors
Public Parking Authority of Pittsburgh

Report on the Audit of the Financial Statements

Opinion

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), as of and for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, 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 Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 14, 2023

Management's Discussion and Analysis

Fiscal Year 2022 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 2022. This Management's Discussion and Analysis of the Authority's financial statements provides an overview of the Authority's financial activities for 2022 as required supplemental information. The emphasis of this discussion will focus on current year 2022 data in comparison to the prior year 2021. 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

	2022	2021	2020*
Assets:			
Current assets	$ 53,925,404	$ 46,081,063	$ 44,895,509
Capital assets, including leasehold improvements	114,938,410	117,496,728	123,497,324
Other noncurrent assets	27,129,843	35,229,055	30,791,120
Total Assets	195,993,657	198,806,846	199,183,953
Deferred Outflows of Resources:			
Deferred charge on refunding	2,629,002	3,350,633	4,072,264
Changes in assumptions for OPEB plan	-	43,691	58,254
Net difference between project and actual earnings on pension investments	1,921,311	-	-
Changes in assumptions for pension plan	151,852	461,443	809,410
Total Deferred Outflows of Resources	4,702,165	3,855,767	4,939,928
Liabilities:			
Current liabilities	15,886,536	13,628,654	12,768,591
Noncurrent liabilities	39,786,554	44,501,264	49,197,612
Total Liabilities	55,673,090	58,129,918	61,966,203
Deferred Inflows of Resources:			
Difference between expected and actual experience for pension plan	618,023	452,280	755,270
Net difference between projected and actual earnings on pension investments	-	2,236,782	2,248,548
Differences between expected and actual experience for OPEB plan	28,976	32,395	43,194
Changes in assumptions for OPEB plan	16,839	-	-
Leases	2,005,707	2,356,240	-
Total Deferred Inflows of Resources	2,669,545	5,077,697	3,047,012
Net Position:			
Net investment in capital assets	74,418,336	73,151,771	77,607,282
Restricted for, expendable:			
Capital	9,943,435	8,187,993	6,782,227
Debt service	-	5,037,943	5,243,907
Indenture funds	27,481,185	24,134,073	25,309,457
Pension	3,934,352	3,869,889	2,815,563
Sustainability initiatives	292,987	244,022	197,447
Total restricted	41,651,959	41,473,920	40,348,601
Unrestricted	26,282,892	24,829,307	21,154,783
Total Net Position	$ 142,353,187	$ 139,454,998	$ 139,110,666

*2020 does not reflect changes for GASB 87 within our management discussion.

Total assets of the Authority decreased by approximately $2.8 million from fiscal year 2021. Current assets increased by approximately $7.8, primarily with an increase in current investments of $7.1 million and an increase in accrued interest and other assets of $527,000. Noncurrent assets decreased $10.7 million, with a decrease in capital assets and leasehold improvements of approximately $2.6 million, a decrease of $3.6 million in the net pension asset, and a decrease of $4.1 million in noncurrent investment position.

Total assets of the Authority decreased by approximately $3.1 million from fiscal year 2020 to 2021. Current assets increased by approximately $855,000, primarily with an increase in current investments of $2.1 million and a decrease in receivables of approximately $1.1 million. Noncurrent assets decreased a little more than $3.1 million, with a decrease in capital assets and leasehold improvements of approximately $6.0 million, offset by increases of $1.1 million in the net pension asset and approximately $1 million in noncurrent investment position. The presented increases/decreases from 2020 to 2021 are reported as of the 2021 Management's Discussion and Analysis. The increases/decreases do not reflect the 2021 re-statement for Leases under GASB 87.

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.

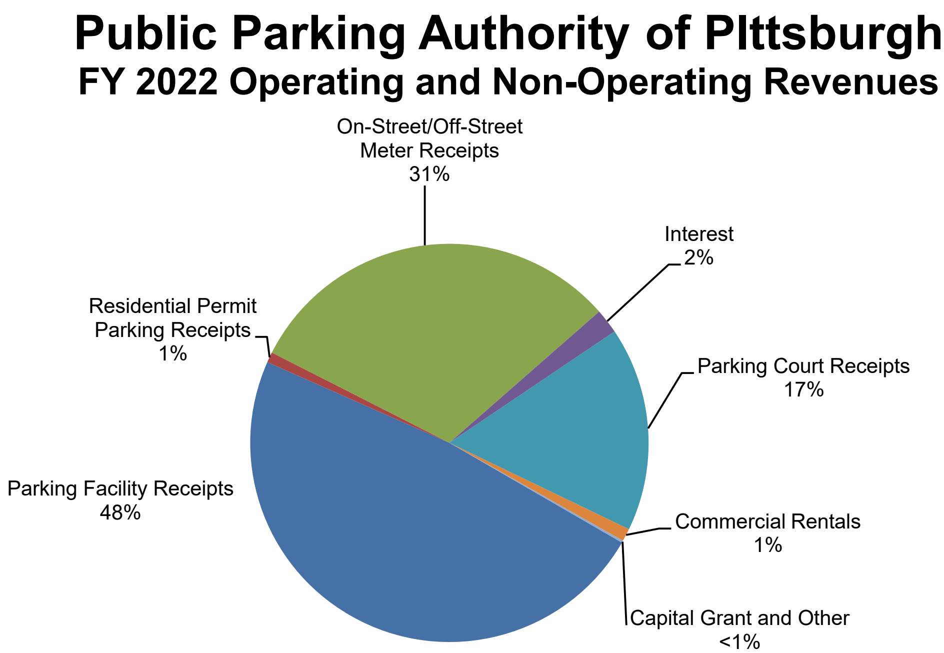
Public Parking Authority of Pittsburgh
Statements of Revenues, Expenses, and Changes in Net Position

	2022	2021	2020*
Operating revenues	$ 49,792,393	$ 41,863,473	$ 34,962,276
Operating expenses	33,880,012	30,375,253	28,101,268
Net operating income	15,912,381	11,488,220	6,861,008
Net nonoperating revenues (expenses)	(13,014,192)	(11,143,888)	(10,674,761)
INCREASE (DECREASE) IN NET POSITION	2,898,189	344,332	(3,813,753)
NET POSITION—Beginning of year	139,454,998	139,110,666	142,924,419
NET POSITION—End of year	$ 142,353,187	$ 139,454,998	$ 139,110,666

*2020 does not reflect changes for GASB 87 within our management discussion.

The Authority's net position increased by approximately $2.9 million in 2022. Operating revenues increased by approximately $7.9 million while operating expenses increased by approximately $3.5 million. Net operating income increased by approximately $4.4 million. Net non-operating expenses increased by approximately $1.9 million. Refer below for explanations of these variances.

The Authority's net position increased by approximately $21,000 from fiscal year 2020 to 2021. Operating revenues increased by approximately $6.6 million while operating expenses increased by approximately $2.3 million. Net operating income increased by approximately $4.3 million. Net non-operating expenses decreased by approximately $469,000. The presented increases/decreases from 2020 to 2021 are reported as of the 2021 Management's Discussion and Analysis. The increases/decreases do not reflect the 2021 re-statement for Leases under GASB 87.

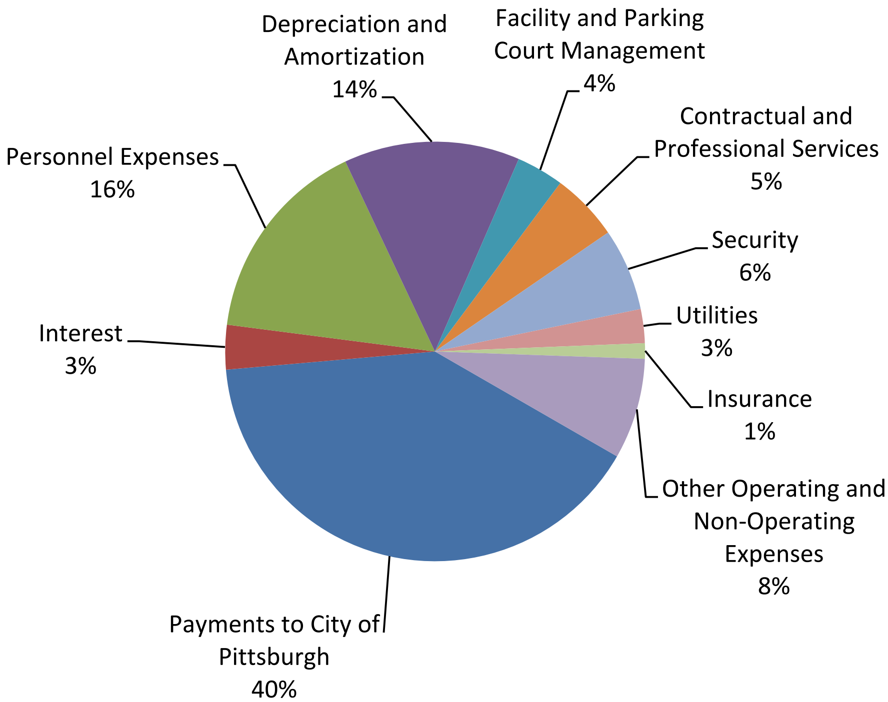


Parking facility receipts increased by approximately $5 million or 25% in 2022. This was primarily due to businesses and events coming back in person after effects of COVID-19. For 2021, Parking Facility receipts increased by approximately $1.4 million, which was mostly due to businesses re-opening after temporary shutdowns in 2020 in response to the COVID-19 pandemic.

On-Street/Off-Street meter receipts increased approximately $1.9 million or 14%, due to more in-person business and group events within the City limits. In 2021, On-street/Off-Street meter receipts increased approximately $3.3 million, due to businesses reopening after initial closures due to the COVID-19 pandemic.

Pittsburgh Parking Court revenue increased approximately $1.2 million or 16%, due to increase in tickets issued of 207,000 in 2022 over the 167,000 issued in 2021. The increase is due to the re-instatement of street cleaning enforcement (44,606 tickets), that was suspended through 2021. In 2021, Pittsburgh Parking Court revenue saw an increase of approximately $1.9 million due to an increase in tickets issued of 167,000 in 2021 to 135,000 in 2020.

Public Parking Authority of Pittsburgh
FY 2022 Operating and Non-Operating Expenses



Personnel costs saw a 16% increase in 2022 and equals 16% of total expenses in 2022, while continuing to be the second largest category of expenses, only behind our payments to the City. The increase is due mostly to the amortization of the 2022 pension investment loss asset causing a significant increase to pension expense, per the reporting standards of GASB 67 and 68.

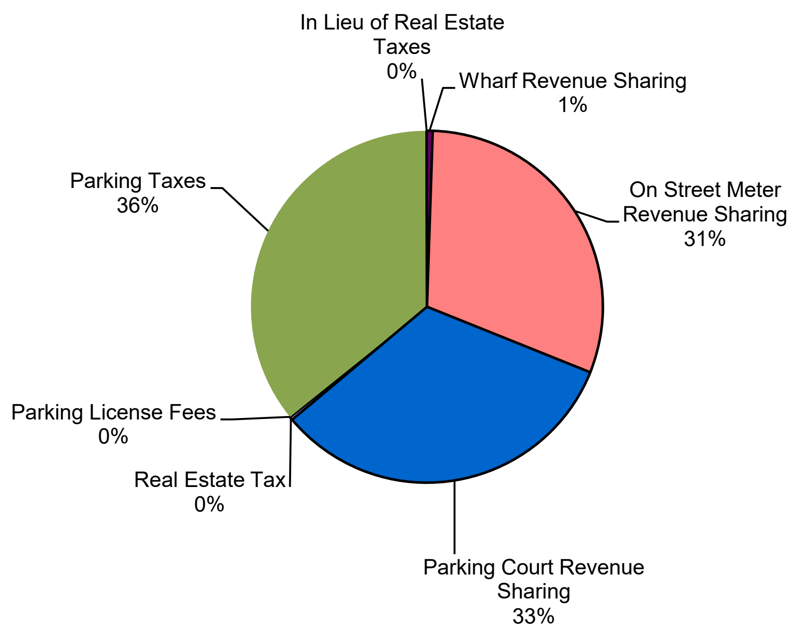
Facility and Parking Court management fees increased approximately $258,000 or 17% in 2022. This increase is primarily due to costs associated with processing the increased ticket issuance, auction costs, and increased booting activity. These expenses increased approximately $201,000 from 2020 to 2021 due to increased ticket issuance and increased booting activity.

Contractual and professional fees increased approximately $350,000 or 16% in 2022. Increased credit card transactions are related to increasing revenues. These costs increased approximately $970,000 from fiscal year 2020 to 2021 primarily due to increase in credit card transactions and a change in structural credit card banking fees, coupled with a prior year banking credit recognized in 2020.

Security expenses increased 6% or approximately $179,000 in in 2022, due to the increase in the City of Pittsburgh's prevailing wage calculation. These costs increased approximately 83% from fiscal year 2020 to 2021 due to a full year of service by our third-party provider, and an increase in the City of Pittsburgh's prevailing wage calculation.

Payments to the City continue to be the largest expense to the Authority at $19.3 million, up approximately $4 million or 26% in 2022. This directly correlates to an On-Street meter increase of $1.7 million or 42%, a Parking tax increase of $1.3 million or 25%, and Pittsburgh Parking Court increase of $881,000 or 16%. Most payments to the City are revenue dependent; On-Street meter, Monongahela Wharf, and Pittsburgh Parking Court are all revenue sharing payments, while 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 2021 through 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 2022, the total payments to the City (excluding parking tax payments) were $12.3 million and did not exceed $18.5 million; therefore, the Authority's share of the amount in excess was $0. In 2021, the total payments to the City (excluding parking tax payments) were $9.7 million and did not exceed $18.5 million; therefore, the Authority's share of the amount in excess was $0.

Public Parking Authority of Pittsburgh
FY 2022 Expense - Payments to the City of Pittsburgh
Total $19,299,083



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

	2022	2021	2020*
Net cash provided by operating activities	$ 21,966,602	$ 17,833,934	$ 11,395,146
Net cash used in non-capital financing activities	(10,125,324)	(11,111,568)	(16,774,755)
Net cash used in capital and related financing activities	(9,483,433)	(3,889,766)	(6,126,246)
Net cash provided by (used in) investing activities	(2,140,752)	(3,021,726)	7,811,339
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	217,093	(189,126)	(3,694,516)
CASH AND CASH EQUIVALENTS—Beginning of year	9,416,595	9,605,721	13,300,237
CASH AND CASH EQUIVALENTS—End of year	$ 9,633,688	$ 9,416,595	$ 9,605,721

*2020 does not reflect changes for GASB 87 within our management discussion.

Net cash provided by operating activities increased approximately $4.1 million in 2022. Net cash used in non-capital financing activities decreased by approximately $986,000. This was primarily due to a decrease in the payment in lieu of taxes to the City, which is abated through 2030. Net cash used in capital and related financing activities increased by approximately $5.6 million; this is primarily due to more spending on capital projects and increased debt service payment. Net cash used in investing activities decreased approximately $881,000 due to sales and purchases of investments.

Capital Assets and Debt Administration

Additions to capital assets and leasehold improvements in 2022 were approximately $4.0 million. Leasehold improvement had $80,000 of completed projects, Parking Facilities saw $533,000 in completed projects, Machinery and Equipment had $2.9 million in completed projects. In 2021 and 2020, additions to capital assets was approximately $826,000 and $2.4 million, respectively.

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 2022 total $5.3 million. In 2021 and 2020, the Authority's principal and interest payments were approximately $3.0 million and $2.6 million, respectively. By reducing our annual debt service, we increased the overall total debt service over the next 12 years by approximately $10.5 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.

The redevelopment of the Ninth & Penn Garage continues to be on hold since the beginning of March 2020. This project is in the heart of Downtown Pittsburgh's Cultural District and may move forward provided that returning demand is sufficient to support the new facility.

In 2022, we are seeing continued growth of revenue when compared to 2021. There has been an increase in parking utilization throughout the Authority's facilities and specifically on-street spaces. 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 at a slower pace. In 2023, large and mid-size companies have increased the personnel returning to the Central Business District as "Return-to-office" policies continue to be a priority for many companies. We anticipate the trend of increased activity in the Downtown area will continue as the economy recovers. Though parking utilization is increasing, and year-over-year trending has been positive, the City of Pittsburgh is experiencing the same challenges as other metropolitan areas with returning central business districts to full capacity.

PUBLIC PARKING AUTHORITY OF PITTSBURGH

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

STATEMENTS OF NET POSITION

DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current assets:		
Cash	$ 9,633,688	$ 9,416,595
Escrow cash	214,391	220,299
Investments	18,325,559	15,582,645
Investments - restricted	23,559,900	19,231,490
Accounts receivable	976,682	961,468
Notes receivable - current portion	16,319	15,592
Accrued interest receivable and other assets	848,944	322,335
Lease receivable	349,921	330,639
Total current assets	53,925,404	46,081,063
Noncurrent assets:		
Investments	10,462,247	9,515,802
Investments - restricted	8,811,696	13,849,974
Notes receivable	3,081,076	3,098,931
Prepaid bond insurance	289,354	321,805
Capital assets, net	108,478,276	110,494,286
Leasehold improvements, net	6,460,134	7,002,442
Net pension asset	2,486,414	6,093,566
Lease receivable	1,999,056	2,348,977
Total noncurrent assets	142,068,253	152,725,783
Total Assets	195,993,657	198,806,846
Deferred Outflows of Resources		
Deferred charge on refunding	2,629,002	3,350,633
Net difference between projected and actual earnings on pension investments	1,921,311	-
Changes in assumptions for OPEB plan	-	43,691
Changes in assumptions for pension plan	151,852	461,443
Total Deferred Outflows of Resources	4,702,165	3,855,767
Liabilities		
Current liabilities:		
Accounts payable	2,200,968	1,948,461
Accounts payable - retention	45,041	51,998
Accounts payable - City of Pittsburgh	8,310,770	6,072,153
Accrued expenses	651,161	646,629
Accrued interest payable	111,534	127,242
Unearned revenue	735,838	999,446
Current portion of financed purchase	11,224	12,725
Current maturities of bonds payable	3,820,000	3,770,000
Total current liabilities	15,886,536	13,628,654
Noncurrent liabilities:		
Bonds payable - noncurrent portion	36,344,181	40,752,354
Other noncurrent liabilities	3,442,373	3,748,910
Total noncurrent liabilities	39,786,554	44,501,264
Total Liabilities	55,673,090	58,129,918
Deferred Inflows of Resources		
Differences between expected and actual experience for pension plan	618,023	452,280
Net difference between projected and actual earnings on pension investments	-	2,236,782
Differences between expected and actual experience for OPEB plan	28,976	32,395
Changes in assumptions for OPEB plan	16,839	-
Leases	2,005,707	2,356,240
Total Deferred Inflows of Resources	2,669,545	5,077,697
Net Position		
Net investment in capital assets	74,418,336	73,151,771
Restricted for, expendable:		
Capital	9,943,435	8,187,993
Debt service	-	5,037,943
Indenture funds	27,481,185	24,134,073
Pension	3,934,352	3,869,889
Sustainability initiatives	292,987	244,022
Total restricted	41,651,959	41,473,920
Unrestricted	26,282,892	24,829,307
Total Net Position	$ 142,353,187	$ 139,454,998

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, 2022 AND 2021

	2022	2021
Operating Revenues:		
Parking facility receipts	$ 24,542,733	$ 19,566,170
On-street/off-street meter receipts	15,781,203	13,891,548
Residential permit parking receipts	432,193	462,657
Commercial rentals	524,525	616,610
Parking court	8,425,809	7,268,815
Other income	85,930	57,673
Total operating revenues	49,792,393	41,863,473
Operating Expenses:		
Salaries	5,480,444	5,305,433
Retirement	244,091	(657,566)
Payroll taxes	431,249	426,470
Health benefits	1,479,881	1,504,548
Supplies and equipment	453,231	466,761
Utilities	1,254,139	891,081
Insurance	579,876	535,709
Repairs and maintenance	2,601,558	2,234,600
Fleet expenses	153,508	116,474
Facility and parking court management fees	1,737,317	1,479,031
Taxes and licenses	6,962,584	5,577,072
Contractual and professional services	2,516,335	2,166,461
Security	3,034,322	2,855,218
Depreciation and amortization	6,493,592	6,819,632
Other expenses	457,885	654,329
Total operating expenses	33,880,012	30,375,253
Operating Income	15,912,381	11,488,220
Nonoperating Revenues (Expenses):		
Interest income	1,015,155	165,587
Other income	2,903	13,975
Interest expense	(1,644,662)	(1,581,104)
Meter, wharf, and parking court payments to the City of Pittsburgh	(12,336,499)	(9,697,396)
Other expenses	(51,089)	(44,950)
Total nonoperating revenues (expenses)	(13,014,192)	(11,143,888)
Change in Net Position	2,898,189	344,332
Net Position:		
Beginning of year	139,454,998	139,110,666
End of year	$ 142,353,187	$ 139,454,998

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, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities:		
Parking facility receipts	$ 24,112,964	$ 19,644,970
On-street/off-street meter receipts	15,748,220	13,891,548
Residential permit parking and commercial rental receipts	926,556	727,606
Parking court receipts	8,425,809	7,153,067
Payments to and on behalf of employees	(7,967,379)	(7,568,026)
Payments to suppliers	(462,214)	(801,687)
Payments for utilities, insurance, repairs, and maintenance	(4,293,368)	(3,960,660)
Facility management fees	(1,720,945)	(1,441,383)
Taxes and licenses	(6,921,661)	(5,321,002)
Contractual and professional services	(2,518,342)	(2,128,294)
Security	(3,020,198)	(1,795,585)
Disbursements from (deposits to) escrow cash	5,908	4,450
Other receipts (expenditures), net	(348,748)	(571,070)
Net cash provided by (used in) operating activities	21,966,602	17,833,934
Cash Flows From Noncapital Financing Activities:		
In lieu of real estate taxes of the City of Pittsburgh	-	(1,900,000)
Meter, wharf, and parking court payments to the City of Pittsburgh	(10,097,882)	(9,082,152)
Other receipts (expenditures), net	(27,442)	(129,416)
Net cash provided by (used in) noncapital financing activities	(10,125,324)	(11,111,568)
Cash Flows From Capital and Related Financing Activities:		
Additions to property, plant, and equipment	(4,173,797)	(884,579)
Financed purchase payments	(12,724)	(4,217)
Repayment of bonds and refunding escrow transfers	(3,770,000)	(1,395,000)
Interest paid	(1,526,912)	(1,605,970)
Net cash provided by (used in) capital and related financing activities	(9,483,433)	(3,889,766)
Cash Flows From Investing Activities:		
Sale of investments	83,725,343	71,526,529
Purchase of investments	(86,704,734)	(74,730,172)
Payments received on notes receivable	17,128	16,294
Interest received	821,511	165,623
Net cash provided by (used in) investing activities	(2,140,752)	(3,021,726)
Increase (Decrease) in Cash and Cash Equivalents	217,093	(189,126)
Cash and Cash Equivalents:		
Beginning of year	9,416,595	9,605,721
End of year	$ 9,633,688	$ 9,416,595

(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, 2022 AND 2021

(Continued)

	2022	2021
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	$ 15,912,381	$ 11,488,220
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,493,592	6,819,632
Deferred inflows related to leases	(350,533)	68,564
Change in:		
Escrow cash	5,908	4,450
Accounts receivable	(15,214)	966,181
Other assets	(333,107)	124,650
Net pension asset	3,607,152	(1,075,913)
Lease receivable	330,639	(391,940)
Deferred outflows related to pension and OPEB plans	(1,568,029)	362,530
Deferred inflows related to pension and OPEB plans	(2,057,619)	(325,555)
Accounts payable and accrued expenses	(58,568)	(206,885)
Net adjustments	6,054,221	6,345,714
Net cash provided by (used in) operating activities	$ 21,966,602	$ 17,833,934
Noncash Transactions:		
Capital additions in accounts payable	$ 135,094	$ 167,207

(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

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Assets and Deferred Outflows of Resources		
Cash and cash equivalents	$ 1,868	$ 602
Investments at fair value:		
Money markets and other cash investments	704,024	1,278,815
Mutual Funds:		
Equity	10,604,680	12,715,951
Fixed income	7,427,993	8,159,643
Total investments at fair value	18,736,697	22,154,409
Benefit payment adjustment	59,666	48,786
Total Assets	$ 18,798,231	$ 22,203,797
Liabilities and Net Position		
Liabilities:		
Other payables	$ -	$ -
Net Position:		
Net position restricted for pension benefits	18,798,231	22,203,797
Total Liabilities and Net Position	$ 18,798,231	$ 22,203,797

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

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Additions:		
Contributions:		
Employer	$ 100,000	$ 137,379
Employee	174,257	162,027
Total contributions	274,257	299,406
Investment income:		
Net appreciation (depreciation) in fair value of investments	(3,377,707)	1,838,967
Interest and dividends	367,040	351,316
Total investment income	(3,010,667)	2,190,283
Other income	-	375
Total additions	(2,736,410)	2,490,064
Deductions:		
Benefits	649,705	1,065,624
Refund of member contributions	5,337	25,054
Investment costs	12,045	12,065
Processing fees	2,069	1,863
Total deductions	669,156	1,104,606
Change in Plan Net Position	(3,405,566)	1,385,458
Net Position:		
Beginning of year	22,203,797	20,818,339
End of year	$ 18,798,231	$ 22,203,797

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, and 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, 2022 or 2021.

- *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 four oldest facilities: Smithfield Liberty Garage, Fort Duquesne & Sixth Garage, Ninth and Penn 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, 2023 and 2022, that designated balance was $15,619,624 and $13,276,128, 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 provides one week paid vacation immediately upon hire or as negotiated at the time of employment for non union employees. Vacation benefits must be taken during the anniversary year in which the service is rendered. Benefits not used during this period are forfeited. Upon termination of service, employees are compensated for vacation benefits earned but not yet taken during the anniversary year of termination.

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 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 nonoperating 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 position 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

GASB Statement No. 87, "*Leases,*" requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The effects of this adoption were not material to beginning net position balances and were adjusted through the statements of revenues, expenses, and changes in net position.

The following GASB Statements were also adopted for the year ended December 31, 2022: Statement Nos. 91 (Conduit Debt Obligations), 92 (Omnibus 2020), 97 (Deferred Compensation Plans), and 99 (Omnibus 2022 – paragraphs 26 through 32). These statements had no significant impact on the Authority's financial statements for the year ended December 31, 2022.

Pending Pronouncements

GASB has issued statements that will become effective in future years, including Statement Nos. 94 (Public-Private and Public-Public Partnerships), 96 (Information Technology Arrangements), 99 (Omnibus 2022), 100 (Accounting Changes and Error Corrections), and 101 (Compensated Absences). Management has not yet determined the impact of these statements on the financial statements.

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:

	2022	2021
Cash in bank	$ 9,496,695	$ 9,292,704
Cash on hand	136,993	123,891
Total	$ 9,633,688	$ 9,416,595

Cash shown above includes $9,398,110 and $9,245,247 as of December 31, 2022 and 2021, 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 $28,787,806 and $25,098,447 as of December 31, 2022 and 2021, 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, 2022 and 2021:

	2022	2021
Renewal and Replacement Funds	$ 3,191,828	$ 3,156,500
Bond Fund	29,707	5,165,185
Revenue Fund	18,551,630	15,911,999
Operating Reserve Fund	5,590,161	5,528,289
Coop Fund	5,008,270	3,319,491
Total Investments, Restricted	$ 32,371,596	$ 33,081,464

As of December 31, 2022, the Authority had the following investments in mutual funds:

				December 31, 2022 Rating	
Investment	Amount	Percentage of Total Investment	Maturity	Standard & Poor's	Moody's Investors Service
BlackRock FedFund	$ 28,787,806	47.1%	n/a	AAAm	Aaa-mf
BlackRock Treasury Trust Fund	32,341,888	52.9%	n/a	AAAm	AAA-mf
Morgan Stanley Liquid Trust Fund	29,708	0.0%	n/a	AAAm	Aaa-mf
Total	$ 61,159,402	100%			

As of December 31, 2021, the Authority had the following investments in mutual funds:

				December 31, 2021 Rating	
Investment	Amount	Percentage of Total Investment	Maturity	Standard & Poor's	Moody's Investors Service
BlackRock Treasury Trust Fund	$ 27,916,280	48.0%	n/a	AAAm	Aaa-mf
BlackRock FedFund	25,098,446	43.1%	n/a	AAAm	AAA-mf
Morgan Stanley Liquid Trust Fund	5,165,185	8.9%	n/a	AAAm	Aaa-mf
Total	$ 58,179,911	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.

Pension Trust Funds

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 is noted below, along with the fair value measurements as of December 31:

	2022	2021
Cash and cash equivalents	$ 704,024	$ 1,278,815
Mutual Funds:		
Equity	10,604,680	12,715,951
Fixed Income	7,427,993	8,159,643
Total	$ 18,736,697	$ 22,154,409

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, 2022, and 2021, 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 $3,097,395 and $3,114,523 at December 31, 2022 and 2021, respectively.

5. Capital Assets and Leasehold Improvements

Capital assets and leasehold improvements activity for the year ended December 31, 2022 was as follows:

	December 31, 2021 Balance	Additions	Disposals	Transfers	December 31, 2022 Balance	Estimated Useful Lives
Nondepreciable capital assets:						
Land	$ 26,243,842	$ -	$ -	$ -	$ 26,243,842	
Construction in progress	1,909,099	2,371,857	-	(1,937,871)	2,343,085	
Total nondepreciable capital assets	28,152,941	2,371,857	-	(1,937,871)	28,586,927	
Depreciable capital assets:						
Parking facilities	182,007,933	135,320	(377,586)	397,972	182,163,639	3-50 years
Machinery and equipment	15,292,704	1,366,196	(2,111,606)	1,539,899	16,087,193	3-10 years
Total depreciable capital assets	197,300,637	1,501,516	(2,489,192)	1,937,871	198,250,832	
Total capital assets	225,453,578	3,873,373	(2,489,192)	-	226,837,759	
Less: accumulated depreciation	114,959,292	5,871,285	(2,471,094)	-	118,359,483	
Net capital assets	110,494,286	(1,997,912)	(18,098)	-	108,478,276	
Leasehold improvements	12,049,892	80,000	(44,306)	-	12,085,586	5-50 years
Less: accumulated amortization	5,047,450	622,308	(44,306)	-	5,625,452	
Net leasehold improvements	7,002,442	(542,308)	-	-	6,460,134	
Total capital assets and leasehold improvements, net	$ 117,496,728	$ (2,540,220)	$ (18,098)	$ -	$ 114,938,410	

Capital assets and leasehold improvements activity for the year ended December 31, 2021 was as follows:

	December 31, 2020 Balance	Additions	Disposals	Transfers	December 31, 2021 Balance	Estimated Useful Lives
Nondepreciable capital assets:						
Land	$ 26,243,842	$ -	$ -	$ -	$ 26,243,842	
Construction in progress	2,181,133	75,725	(7,101)	(340,658)	1,909,099	
Total nondepreciable capital assets	28,424,975	75,725	(7,101)	(340,658)	28,152,941	
Depreciable capital assets:						
Parking facilities	181,754,187	521,849	(580,366)	312,263	182,007,933	3-50 years
Machinery and equipment	15,375,723	79,198	(175,670)	13,453	15,292,704	3-10 years
Total depreciable capital assets	197,129,910	601,047	(756,036)	325,716	197,300,637	
Total capital assets	225,554,885	676,772	(763,137)	(14,942)	225,453,578	
Less: accumulated depreciation	109,535,011	6,180,317	(756,036)	-	114,959,292	
Net capital assets	116,019,874	(5,503,545)	(7,101)	(14,942)	110,494,286	
Leasehold improvements	11,885,585	149,365	-	14,942	12,049,892	5-50 years
Less: accumulated amortization	4,408,135	639,315	-	-	5,047,450	
Net leasehold improvements	7,477,450	(489,950)	-	14,942	7,002,442	
Total capital assets and leasehold improvements, net	$ 123,497,324	$ (5,993,495)	$ (7,101)	$ -	$ 117,496,728	

6. Lease Receivables

During 2021 and 2022, the Authority had the following lease receivables:

- Lease of building space at $11,000 per month beginning in May 2015 and expiring December 2024. 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. There is not an option to renew this lease, and the rent will increase each year.
- Lease of parking garage space for $11,255 per month beginning May 2021 through November 2025. There is not an option to renew this lease, and the rent will increase each year.
- 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 each year.

The Authority recognized $195,980 and $195,980 in lease revenue and $51,640 and $57,346 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, 2022 and 2021, respectively. The Authority recognized $154,553 and $113,140 in lease revenue and $30,574 and $28,657 in interest revenue, both included on the Parking facility receipts line of the Statements of Revenue, Expenses, and Changes in Net Position for the parking garage leases for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the Authority's receivable for lease payments was $2,348,977 and $2,679,616, 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, 2022 and 2021, the deferred inflow of resources was $2,005,707 and $2,356,240, respectively.

7. Changes in Long-Term Liabilities

A summary of long-term obligation transactions for the Authority for the years ended December 31, 2022 and 2021 follows. Additional information regarding bonds payable is included in Note 8:

2022	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable - revenue bonds payable	$ 44,522,354	$ -	$ (4,358,173)	$ 40,164,181	$ 3,820,000
Other long-term liabilities:					
Greyhound (unearned rent/revenue)	$ 3,485,115	$ -	$ (208,067)	$ 3,277,048	$ 208,067
Other postemployment benefits	442,210	-	(87,247)	354,963	-
Financed purchase	42,377	-	(12,724)	29,653	11,224
	$ 3,969,702	$ -	$ (308,038)	$ 3,661,664	$ 219,291

2021	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds payable - revenue bonds payable	$ 46,648,731	$ -	$ (2,126,377)	$ 44,522,354	$ 3,770,000
Other long-term liabilities:					
Greyhound (unearned rent/revenue)	$ 3,693,182	$ -	$ (208,067)	$ 3,485,115	$ 208,067
Other postemployment benefits	455,889	-	(13,679)	442,210	-
Financed purchase	7,094	39,500	(4,217)	42,377	12,725
	$ 4,156,165	$ 39,500	$ (225,963)	$ 3,969,702	$ 220,792

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 87.

The Authority has entered into various four-year financed purchase agreements for equipment. As of December 31, 2022 and 2021, one agreement is remaining. The financed purchase is to be paid in aggregate monthly installments of $1,005 and expires July 2025 with interest of 3.75%. The carrying value of the leased equipment is $27,957 and $41,890 at December 31, 2022 and 2021, respectively.

8. Revenue Bonds Payable

2015 Series Bonds

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, 2022 and 2021 was $9,650,000 and $11,610,000, 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, 2022 and 2021, the outstanding balances were as follows:

	2022	2021
2015 Series A Refunding	$ 15,600,000	$ 19,370,000
Plus: unamortized premium	1,074,181	1,662,354
Subtotal	16,674,181	21,032,354
2020 Series	23,490,000	23,490,000
Total Bonds Payable	$ 40,164,181	$ 44,522,354

The aggregate maturities of the bonds payable for fiscal years ending after December 31, 2022 are as follows:

Year Ending December 31,	Principal	Interest	Total
2023	$ 3,820,000	$ 1,338,413	$ 5,158,413
2024	3,870,000	1,147,413	5,017,413
2025	3,925,000	953,913	4,878,913
2026	3,985,000	757,663	4,742,663
2027	4,045,000	558,413	4,603,413
2028-2032	19,445,000	1,466,317	20,911,317
	$ 39,090,000	$ 6,222,132	$ 45,312,132

The bond agreements contain certain financial covenants that require, among other things, the maintenance of specified debt coverage ratios. As of December 31, 2022 and 2021, 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	798/250
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	449/50
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. The Authority will continue to evaluate our options based on the demand and our financial ability to issue new debt.

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 June 1, 2019, and expires on May 31, 2024. There are no renewal options remaining.

Governmental Cooperation 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 are 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. There were no excess payments in 2022 or 2021.

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 $5.6 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 expires December 31, 2024, with no renewal options remaining.

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 36% of the labor force. The current collective bargaining agreement began on January 1, 2022 and expires on December 31, 2025.

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 30% of the labor force. The current collective bargaining agreement expires December 31, 2025.

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:

	2022	2021
Inactive plan members or beneficiaries currently receiving benefits	42	39
Inactive plan members entitled to but not yet receiving benefits	11	10
Active plan members	60	56
	113	105

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, 2022 and 2021, and the total pension liability used to calculate the net pension asset was determined by actuarial valuations as of January 1, 2023 and January 1, 2022, respectively. There were no plan changes in 2022 and 2021.

Actuarial Assumptions. The total pension liability in the January 1, 2023 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%
Underlying inflation rate	2.40%
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, 2022 to December 31, 2022.

Changes in Actuarial Assumptions. There were no changes to the discount rate. The mortality improvement scale was update from MP-2020 to MP-2021 in response to mortality improvement studies released by the Social Security Administration.

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, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	44.0%	5.50%
International equity	16.0%	5.75%
Fixed income	40.0%	2.00%
Real estate	0.0%	4.20%
Cash	0.0%	0.00%
	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, 2022 of 3.40% 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 year ended December 31, 2022 and 2021, the annual money-weighted rate of return on the Plan investments, net of investment expense, was -13.65% and 10.61%, 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, 2022 and 2021.

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 12/31/21	$ 16,110,231	$ 22,203,797	$ (6,093,566)
Changes for the year:			
Service cost	421,488	-	421,488
Interest	1,039,575	-	1,039,575
Experience (gain) loss	(604,435)	-	(604,435)
Employer contributions	-	100,000	(100,000)
Member contributions	-	174,257	(174,257)
Net investment income	-	(3,022,712)	3,022,712
Benefit payments	(655,042)	(655,042)	-
Other	-	(2,069)	2,069
Balances at 12/31/22	$ 16,311,817	$ 18,798,231	$ (2,486,414)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at 12/31/20	$ 15,800,686	$ 20,818,339	$ (5,017,653)
Changes for the year:			
Service cost	395,763	-	395,763
Interest	1,004,460	-	1,004,460
Experience (gain) loss		-	-
Employer contributions	-	137,379	(137,379)
Member contributions	-	162,402	(162,402)
Net investment income	-	2,178,218	(2,178,218)
Benefit payments	(1,090,678)	(1,090,678)	-
Other	-	(1,863)	1,863
Balances at 12/31/21	$ 16,110,231	$ 22,203,797	$ (6,093,566)

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%)
2022	$ (700,022)	$ (2,486,414)	$ (4,019,819)
2021	(4,324,892)	(6,093,566)	(7,595,561)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions. The Authority recognized pension expense of approximately $20,300 and ($902,000) for the years ended December 31, 2022 and 2021, respectively.

At December 31, 2022 and 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2022	2021
Deferred outflows of resources:		
Changes of assumptions	$ 151,852	$ 461,443
Net difference between projected and actual earnings on pension plan investments	1,921,331	-
Deferred inflows of resources:		
Difference between expected and actual experience	(618,023)	(452,280)
Net difference between projected and actual earnings on pension plan investments		(2,236,782)
	$ 1,455,160	$ (2,227,619)

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

2023	$ (235,958)
2024	217,384
2025	582,450
2026	891,284
2027+	-
	$ 1,455,160

Multiple-Employer Defined Benefit Plan

The Authority had 37 and 40 facility employees in the years ended December 31, 2022 and 2021, 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 $223,788 and $244,722 for the calendar years 2022 and 2021, 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 $1,750 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:

	2022	2021
Active - Medical	1	3
Active - Life Only	59	53
Retirees and spouses - pre 95 with medical	1	2
Retirees - post 95 with medical	5	4
Retirees - life insurance only	14	9
	80	71

Total OPEB Liability. The components of the total OPEB liability of the Healthcare Plan at December 31 were as follows:

	2022	2021
Total OPEB liability	$ 354,963	$ 442,210
Plan fiduciary net position	-	-
Net OPEB liability	$ 354,963	$ 442,210
Plan fiduciary net position as a percentage of the total OPEB liability	0%	0%

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation performed on December 31, 2022 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: 4.31% per annum;
- Healthcare cost trend rate – Medical: 6.25% in 2023 grading to 5.20% over two years, and then following the Getzen model thereafter; Dental 5%

Changes in Actuarial Assumptions. The discount rate is 4.31% based on the S&P Municipal Bond 20 Year High Grade Index as of December 31, 2022, compared to the prior discount rate of 1.93% based on the S&P Year High Grade 20 Year Municipal Bond Index as of December 31, 2020. The mortality assumption was updated to use improvement table MP-2021 compared to prior table MP-2020, and health care cost trend rate was updated to be 6.25% in 2023, grading down to 5.20% over two years, and then following the Getzen model thereafter to an ultimate rate of 3.94% in 2075. The prior healthcare cost trend rate was assumed to be 6.25% in 2020, grading down to 5.75% uniformly over four years, and then following the Getzen model thereafter.

Discount Rate. The discount rate used to measure the total OPEB liability was 4.31% as of December 31, 2022 and 1.93% as of December 31, 2021.

Changes in the Total OPEB Liability. The changes in the total OPEB liability of the Authority for the year ended December 31, 2022 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2021	$ 442,210	$ -	$ 442,210
Changes for the year:			
Service cost	4,426	-	4,426
Interest	7,933	-	7,933
Experience losses (gains)	(8,856)	-	(8,856)
Changes of assumptions	(55,160)	-	(55,160)
Contributions - employer	-	35,590	(35,590)
Benefits paid	(35,590)	(35,590)	-
Net changes	(87,247)	-	(87,247)
Balances at December 31, 2022	$ 354,963	$ -	$ 354,963

The changes in the total OPEB liability of the Authority for the year ended December 31, 2021 were as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at December 31, 2020	$ 455,889	$ -	$ 455,889
Changes for the year:			
Service cost	4,342	-	4,342
Interest	8,373	-	8,373
Experience losses (gains)	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	26,394	(26,394)
Benefits paid	(26,394)	(26,394)	-
Net changes	(13,679)	-	(13,679)
Balances at December 31, 2021	$ 442,210	$ -	$ 442,210

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 (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
2022	$ 386,307	$ 354,963	$ 328,029

	1% Decrease (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
2021	$ 487,019	$ 442,210	$ 404,033

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
2022	$ 354,386	$ 354,963	$ 355,559

	1% Decrease in Getzen Model	Current Getzen Model	1% Increase Getzen Model
2021	$ 440,546	$ 442,210	$ 443,947

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEBs. For the years ended December 31, 2022 and 2021, the recognized OPEB expense is $5,454 and $16,479, respectively.

At December 31, 2022 and 2021, the Authority reported deferred outflows and inflows of resources related to OPEBs from the following sources:

	2022	2021
Deferred outflows of resources:		
Changes of assumptions	$ -	$ 43,691
Deferred inflows of resources:		
Experience losses (gains)	(28,976)	(32,395)
Changes of assumptions	(16,839)	-
	$ (45,815)	$ 11,296

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

2023	$	(6,905)
2024		(6,901)
2025		(10,669)
2026		(10,669)
2027		(10,671)
	$	(45,815)

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, 2022 and 2021 are as follows:

2022	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	$ 3,545,415	$ 73,544	$ 2,693,445	$ 227,062	$ 6,355,099	$ 674,103	$ 3,034,322	$ 5,816,572	$ 410,907	$ 22,830,469
Parking enforcement and meter services	1,967,962	133,633	1,710,572	-	607,485	1,300,371	-	594,116	14,325	6,328,464
Parking court	244,320	8,677	22,225	1,510,255	-	80,836	-	-	441	1,866,754
Administrative	1,877,968	237,377	162,839	-	-	461,025	-	82,904	32,212	2,854,325
Total	$ 7,635,665	$ 453,231	$ 4,589,081	$ 1,737,317	$ 6,962,584	$ 2,516,335	$ 3,034,322	$ 6,493,592	$ 457,885	$ 33,880,012

2021	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	$ 3,606,360	$ 61,675	$ 2,008,584	$ 201,827	$ 5,033,125	$ 485,142	$ 2,855,218	$ 6,134,664	$ 593,742	$ 20,980,337
Parking enforcement and meter services	1,951,096	175,550	1,605,218	-	543,947	1,195,111	-	609,059	30,585	6,110,566
Parking court	172,221	3,616	20,568	1,277,204	-	81,538	-	-	-	1,555,147
Administrative	849,208	225,920	143,494	-	-	404,670	-	75,909	30,002	1,729,203
Total	$ 6,578,885	$ 466,761	$ 3,777,864	$ 1,479,031	$ 5,577,072	$ 2,166,461	$ 2,855,218	$ 6,819,632	$ 654,329	$ 30,375,253

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*

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:								
Service cost	$ 421,488	$ 395,763	$ 481,928	$ 452,515	$ 481,987	$ 462,654	$ 488,278	$ 440,031
Interest	1,039,575	1,004,460	971,648	915,347	899,919	839,867	838,069	776,343
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(604,435)	-	(86,382)	-	(325,033)	-	(859,227)	-
Changes of assumptions	-	-	-	-	646,928	-	-	-
Benefit payments	(655,042)	(1,090,678)	(547,940)	(484,883)	(440,667)	(467,956)	(389,269)	(328,144)
Net Changes in Total Pension Liability	201,586	309,545	819,254	882,979	1,263,134	834,565	77,851	888,230
Total Pension Liability - Beginning	16,110,231	15,800,686	14,981,432	14,098,453	12,835,319	12,000,754	11,922,903	11,034,673
Total Pension Liability - Ending (a)	$ 16,311,817	$ 16,110,231	$ 15,800,686	$ 14,981,432	$ 14,098,453	$ 12,835,319	$ 12,000,754	$ 11,922,903
Plan Fiduciary Net Position:								
Plan member contributions	$ 174,257	$ 162,402	$ 165,995	$ 168,311	$ 173,841	$ 165,043	$ 157,328	$ 157,012
Employer actuarially recommended contributions	100,000	137,379	140,422	125,172	71,894	196,664	206,996	330,521
Net investment income (loss)	(3,022,712)	2,178,218	2,922,845	3,166,030	(695,289)	2,294,081	833,202	95,527
Benefit payments	(655,042)	(1,090,678)	(547,940)	(484,883)	(440,667)	(467,956)	(389,269)	(328,144)
Other	(2,069)	(1,863)	(1,750)	(1,450)	(1,515)	(1,661)	(1,661)	(1,498)
Net Change in Plan Fiduciary Net Position	(3,405,566)	1,385,458	2,679,572	2,973,180	(891,736)	2,186,171	806,596	253,418
Plan Fiduciary Net Position - Beginning	22,203,797	20,818,339	18,138,767	15,165,587	16,057,323	13,871,152	13,064,556	12,811,138
Plan Fiduciary Net Position - Ending (b)	$ 18,798,231	$ 22,203,797	$ 20,818,339	$ 18,138,767	$ 15,165,587	$ 16,057,323	$ 13,871,152	$ 13,064,556
Net Pension Liability (Asset) - Ending (a-b)	$ (2,486,414)	$ (6,093,566)	$ (5,017,653)	$ (3,157,335)	$ (1,067,134)	$ (3,222,004)	$ (1,870,398)	$ (1,141,653)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	115.24%	137.82%	131.76%	121.07%	107.57%	125.10%	115.59%	109.58%
Covered Payroll	$ 3,417,970	$ 3,350,800	$ 3,055,795	$ 3,533,750	$ 3,238,675	$ 3,368,018	$ 3,177,618	$ 3,319,327
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-72.75%	-181.85%	-164.20%	-89.35%	-32.95%	-95.66%	-58.86%	-34.39%

* 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 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*

	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ -	$ 137,739	$ 140,422	$ 125,172	$ 71,894	$ 194,764	$ 206,996	$ 330,521
Contributions in relation to the actuarially determined contribution	100,000	137,379	140,422	125,172	71,894	196,664	206,996	330,521
Contribution deficiency (excess)	(100,000)	360	-	-	$ -	$ (1,900)	$ -	$ -
Covered payroll	$ 3,417,970	$ 3,350,800	$ 3,055,795	$ 3,533,750	$ 3,238,675	$ 3,368,018	$ 3,177,618	$ 3,319,327
Contributions as a percentage of covered payroll	2.93%	4.10%	4.60%	3.54%	2.22%	5.84%	6.51%	9.96%
Annual money-weighted rate of return, net of investment expense	-13.65%	10.61%	14.74%	19.58%	-4.21%	16.43%	6.16%	0.66%

*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 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.

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 2015 through 2017.

2022 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 differenct rates for actives, disabled, retirees, and contigent survivors.

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

	2022	2021	2020	2019	2018	2017	2016	2015
Required contributions (all made by the Authority)	$ 223,788	$ 244,722	$ 269,068	$ 274,217	$ 261,074	$ 251,903	$ 226,695	$ 222,131

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*

	2022	2021	2020	2019	2018
Total OPEB Liability:					
Service cost	$ 4,426	$ 4,342	$ 2,554	$ 2,432	$ 2,327
Interest	7,933	8,373	15,350	15,594	16,471
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(8,856)	-	(53,993)	-	-
Changes of assumptions	(55,160)	-	72,817	-	-
Benefit payments	(35,590)	(26,394)	(24,841)	(43,000)	(37,327)
Net Changes in Total OPEB Liability	(87,247)	(13,679)	11,887	(24,974)	(18,529)
Total OPEB Liability - Beginning	442,210	455,889	444,002	468,976	487,505
Total OPEB Liability - Ending (a)	$ 354,963	$ 442,210	$ 455,889	$ 444,002	$ 468,976
Plan Fiduciary Net Position:					
Plan member contributions	$ -	$ -	$ -	$ -	$ -
Employer contributions	35,590	26,394	24,841	43,000	37,327
Net investment income	-	-	-	-	-
Benefit payments	(35,590)	-	-	-	-
Other	-	(26,394)	(24,841)	(43,000)	(37,327)
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)	$ 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%
Covered Employee Payroll	$ 3,422,355	$ 3,193,305	$ 3,055,795	$ 3,533,750	$ 3,238,675
Net OPEB Liability (Asset) as a Percentage of Covered Employee Payroll	10.37%	13.85%	14.92%	12.56%	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*

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 36,549	$ 35,794	$ 36,039	$ 36,486	$ 36,491
Contributions in relation to the actuarially determined contribution	35,590	26,394	24,841	43,000	37,327
Contribution deficiency (excess)	$ 959	$ 9,400	$ 11,198	$ (6,514)	$ (836)
Covered employee payroll	$ 3,422,355	$ 3,193,305	$ 3,055,795	$ 3,533,750	$ 3,238,675
Contributions as a percentage of covered employee payroll	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, 2022 valuation, the discount rate was updated to 4.31% from 1.93%, 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	4.31%
Healthcare cost trend rate	Medical: 6.25% in 2023 downgraded to 5.20% uniformly over 2 years, and then folllowing 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