COMPLIANCE AUDIT

City of Pittsburgh Comprehensive Municipal Pension Trust Fund

Allegheny County, Pennsylvania

For the Period
January 1, 2021 to December 31, 2023

May 2025

Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

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TIMOTHY L. DEFOOR
AUDITOR GENERAL

The Honorable Mayor and City Council
City of Pittsburgh
Allegheny County
Pittsburgh, PA 15219

We have conducted a compliance audit of the City of Pittsburgh Comprehensive Municipal Pension Trust Fund for the period January 1, 2021 to December 31, 2023. We also evaluated compliance with some requirements subsequent to that period when possible. The audit was conducted pursuant to authority derived from the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984, as amended, 53 P.S. § 895.402(j)), which requires the Auditor General, as deemed necessary, to audit every municipality which receives general municipal pension system state aid and every municipal pension plan and fund in which general municipal pension system state aid is deposited. The audit was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of the audit were:

1. To determine if municipal officials took appropriate corrective action to address the finding contained in our prior report; and

2. To determine if the pension trust fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies.

Our audit was limited to the areas related to the objectives identified above. To determine if municipal officials took appropriate corrective action to address the finding contained in our prior report, we inquired of plan officials and evaluated supporting documentation provided by officials evidencing that the suggested corrective action has been appropriately taken. To determine whether the pension trust fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, our methodology included the following:

- We determined whether state aid was properly determined and deposited in accordance with Act 205 requirements by verifying the annual deposit date of state aid and determining whether deposits were made within 30 days of receipt for all years within the period under audit.

- We determined whether annual employer contributions were calculated and deposited in accordance with the plans' governing documents and applicable laws and regulations by examining the municipality's calculation of the plans' annual financial requirements and minimum municipal obligation (MMO) and comparing these calculated amounts to amounts actually budgeted and deposited into the pension plans as evidenced by supporting documentation.

- We determined whether annual employee contributions were calculated, deducted, and deposited into the pension plans in accordance with the plans' governing documents and applicable laws and regulations by testing total members' contributions on an annual basis using the rates obtained from the plans' governing documents in effect for all years within the period under audit and examining documents evidencing the deposit of these employee contributions into the pension plans.

- We determined whether retirement benefits calculated for 17 of 167 police officers, 9 of 90 firefighters, and 29 of 287 non-uniformed plan members who retired during the current audit period, and through the completion of our fieldwork procedures, represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plans' governing documents, applicable laws, and regulations by recalculating the amount of the monthly pension benefits due to the retired individuals and comparing these amounts to supporting documentation evidencing amounts determined and actually paid to the recipients.[1]

- We determined whether the January 1, 2021 and January 1, 2023 actuarial valuation reports were prepared and submitted by March 31, 2022 and 2024, respectively, in accordance with Act 205 and whether selected information provided on these reports is accurate, complete, and in accordance with plan provisions to ensure compliance for participation in the state aid program by comparing selected information to supporting source documentation.

- We determined whether all annual special ad hoc postretirement reimbursements received by the municipality were authorized and appropriately deposited in accordance with Act 147 by tracing information to supporting documentation maintained by plan officials.

[1] We selected plan members randomly from the population of plan members who retired during the current audit period and through completion of our fieldwork procedures in order to obtain a representative selection for the purpose of our testing to achieve the audit objective. While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

- We determined whether the pension trust fund is in compliance with Act 205 for distressed municipalities through inquiry of plan officials and evaluation of the recovery remedies implemented during the audit period.

- We determined whether the terms and methodologies of the issuance of pension obligation bonds by the municipality, and any restrictions, were in compliance with plan provisions and Act 205 through inquiry of plan officials and examination of supporting documentation.

- We determined whether casino revenues were determined and deposited as directed by the Intergovernmental Cooperation Authority (ICA) and in accordance with applicable laws and regulations.

- We determined whether parking tax revenues were deposited timely by the city and in accordance with plan provisions and applicable laws and regulations.

The City of Pittsburgh contracted with an independent certified public accounting firm for annual audits of the City of Pittsburgh Comprehensive Municipal Pension Trust Fund's financial statements which are available at the city's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

City officials are responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the City of Pittsburgh Comprehensive Municipal Pension Trust Fund is administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies. As previously described, we tested transactions, interviewed selected officials, and performed procedures to the extent necessary to provide reasonable assurance of detecting instances of noncompliance with legal and regulatory requirements or noncompliance with provisions of contracts, administrative procedures, and local ordinances and policies that are significant within the context of the audit objectives.

The results of our procedures indicated that, in all significant respects, the City of Pittsburgh Comprehensive Municipal Pension Trust Fund was administered in compliance with applicable state laws, regulations, contracts, administrative procedures, and local ordinances and policies, except as noted in the following findings further discussed later in this report:

Finding No. 1 – Noncompliance With Prior Recommendation – Incorrect Data On Certification Form AG 385 Resulting In A Net Underpayment Of State Aid

Finding No. 2 – Incorrect Data On Certification Form AG 490 Resulting In An Excess Reimbursement For Special 1989 Ad Hoc Postretirement Adjustment

Finding No. 1 contained in this audit report repeats a condition that was cited in our previous report that has not been corrected by city officials. We are concerned by the city's failure to correct this previously reported finding and strongly encourage timely implementation of the recommendations noted in this audit report.

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information or conclude on it and, accordingly, express no form of assurance on it.

The January 1, 2023, actuarial valuation reports filed with the Municipal Pension Reporting Program (MPRP) for the city's police, firemen's and non-uniformed pension plans, which included the present value of anticipated future parking tax revenues referenced in this audit report and were prepared using actuarial smoothing methodology, contained the following aggregated funding data:

Actuarial Valuation of Assets	Actuarial Accrued Liability	Funding Ratio
$ 1,063,278,768	$ 1,523,230,098	69.8%

However, utilizing data from the city's Annual Comprehensive Financial Report, which does not include the fair market value of future funding from parking tax revenues as noted in the Comments section of this audit report, the net position of the pension trust fund on December 31, 2022 was $631,912,825 which represents just 41.5% of the fund's actuarial accrued liability as of January 1, 2023.

Act 205, as amended by Act 44, at Section 902(c) mandated the transfer of administration of the City of Pittsburgh's pension plans to the Pennsylvania Municipal Retirement System (PMRS) if the city was determined to be in Level III severe distress as of January 1, 2011. The January 1, 2011 actuarial valuation reports were to be filed with the former Public Employee Retirement Commission by September 1, 2011. As noted in the Comments included in both this report and our prior audit reports, in order to avoid a transfer of the city's pension plans to PMRS, the city adopted Ordinance Nos. 42 and 44 and Resolution No. 882, which were intended to provide additional funding to the Comprehensive Municipal Pension Trust Fund. During the current audit period, the city has continued to make deposits of parking tax revenues to the pension trust fund pursuant to the terms of these documents.

The contents of this report were discussed with officials of the City of Pittsburgh and, where appropriate, their responses have been included in the report. We would like to thank city officials for the cooperation extended to us during the conduct of the audit.

Timothy L. DeFoor

Timothy L. DeFoor
Auditor General
April 17, 2025

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BACKGROUND

On December 18, 1984, the Pennsylvania Legislature adopted the Municipal Pension Plan Funding Standard and Recovery Act (P.L. 1005, No. 205, as amended, 53 P.S. § 895.101 et seq.). The Act established mandatory actuarial reporting and funding requirements and a uniform basis for the distribution of state aid to Pennsylvania's public pension plans.

Annual state aid allocations are provided from a two percent foreign (out-of-state) casualty insurance premium tax, a portion of the foreign (out-of-state) fire insurance tax designated for paid firefighters and any investment income earned on the collection of these taxes. Generally, municipal pension plans established prior to December 18, 1984, are eligible for state aid. For municipal pension plans established after that date, the sponsoring municipality must fund the plan for three plan years before it becomes eligible for state aid. In accordance with Act 205, a municipality's annual state aid allocation cannot exceed its actual pension costs.

In addition to Act 205, the City of Pittsburgh Comprehensive Municipal Pension Trust Fund is also governed by implementing regulations published at Title 16, Part IV of the Pennsylvania Code and applicable provisions of various other state statutes including, but not limited to, the following:

Act 14 - Second Class City Code, Act of March 7, 1901 (P.L. 20, No. 14) as amended, 53 P.S. § 22101, et seq.

Act 147 - Special Ad Hoc Municipal Police and Firefighter Postretirement Adjustment Act, Act of December 14, 1988 (P.L. 1192, No. 147), as amended, 53 P.S. § 896.101 et seq.

The City of Pittsburgh Comprehensive Municipal Pension Trust Fund serves as a common administrative and investment agent for the city's police, firemen's and non-uniformed employee defined benefit pension plans. Ordinances governing pension plan operations are codified in the Pittsburgh Code, Title 1, Administrative, Article XI, Personnel, Chapter 192. The plans are also affected by the provisions of collective bargaining agreements between the city and its police officers, firefighters, and non-uniformed employees.

The police pension plan was established September 1, 1935. Active members are required to contribute 6 percent of compensation plus $1 per month to the plan. Members who elect the surviving spouse benefit contribute an additional 0.5 percent of compensation. As of January 1, 2023, the plan had 816 active members, 14 terminated members eligible for vested benefits in the future, and 1,336 retirees receiving pension benefits from the plan.

The firemen's pension plan was established May 25, 1933. Active members are required to contribute 6.5 percent of compensation plus $1 per month to the plan. Members who elect the surviving spouse benefit contribute an additional 0.5 percent of compensation. As of January 1, 2023, the plan had 670 active members, 5 terminated members eligible for vested benefits in the future, and 1,059 retirees receiving pension benefits from the plan.

BACKGROUND – (Continued)

The non-uniformed pension plan was established May 28, 1915. Active members hired prior to January 1, 1988 are required to contribute 5 percent of compensation to the plan. Members hired after December 31, 1987 are required to contribute 4 percent of compensation to the plan. As of January 1, 2023, the plan had 1,806 active members, 79 terminated members eligible for vested benefits in the future, and 1,697 retirees receiving pension benefits from the plan.

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
STATUS OF PRIOR FINDING

Noncompliance With Prior Recommendation

The City of Pittsburgh has not complied with the prior recommendation concerning the following as further discussed in Finding No. 1 in the Findings and Recommendations section of this report:

- Incorrect Data On Certification Form AG 385 Resulting In A Net Underpayment Of State Aid

Finding No. 1 – Noncompliance With Prior Recommendation – Incorrect Data On Certification Form AG 385 Resulting In A Net Underpayment Of State Aid

Condition: As disclosed in the prior audit report, the city failed to comply with the instructions that accompanied Certification Form AG 385 in accurately reporting required data in 2020 and 2021 (note, the AG 385 form filed in 2021 was audited during the previous engagement because the information was available), resulting in a net underpayment of state aid. Although the city was subsequently reimbursed for the state aid underpayment, a similar condition occurred during the current audit period.

The city certified 33 ineligible non-uniformed employees (33 units) on the Certification Form AG 385 filed in 2022. The city also certified 24 ineligible non-uniformed employees (24 units) and 3 ineligible police officers (6 units) on the Certification Form AG 385 filed in 2023. In addition, the city certified 10 ineligible non-uniformed employees (10 units) and failed to certify 36 eligible police officers (72 units) on the Certification Form AG 385 filed in 2024. The data contained on these certification forms is based on prior calendar year information.

Criteria: As previously cited, pursuant to Act 205, at Section 402(e)(2), an employee who has been employed on a full-time basis for at least six consecutive months and has been participating in a pension plan during the certification year is eligible for certification. The applicable number of units attributable to each eligible recipient city, borough, incorporated town and township shall be two units for each police officer and firefighter and one unit for each employee other than police officer or firefighter.

Cause: Plan officials again failed to implement adequate internal control procedures to ensure the accuracy and consistency of the data certified prior to submission and compliance with the prior recommendation as well as the following:

- Some of the errors on the forms were attributed to clerical oversight;
- When the 2024 form (reporting 2023 data) was prepared, many members met the six month employment certification eligibility criteria but were not certified because the preparer of the certification form was unfamiliar with the eligibility criteria;
- Incorrect termination dates were reported for numerous employees, affecting the determination of whether the member met the required six months of full-time employment;

Finding No. 1 – (Continued)

- As also cited in the prior audit report, some of the errors were again attributed to confusion over the eligibility of newly hired Pittsburgh Water and Sewer Authority (PWSA) employees due to the creation of the defined contribution pension plan which was intended to be managed separately from the city's plan. It was noted that effective July 1, 2019, the PWSA implemented their own separate defined contribution plan and discontinued enrolling newly hired non-union employees into the city's pension plan *(if hired on or after March 1, 2019)*. Union employees hired on or after March 31, 2019, however, were to continue to be enrolled into the pension plan sponsored by the city pending ratification by the various unions. Additionally, the PWSA defined contribution plan is not eligible for participation in the state aid program; and therefore, newly hired non-union employees are not eligible for certification on the AG 385 form. When filing the AG 385 forms in 2022 and 2023, the city failed to differentiate whether certain employees hired after March 31, 2019 were union or non-union causing some eligible members to be inadvertently omitted from the forms;

- Two police officers were certified on both the police and non-uniformed rosters; and

- For some employees, time on non-work related disability was incorrectly considered for certification.

Effect: The data submitted on these certification forms is used, in part, to calculate the state aid due to the municipality for distribution to its pension plans. Because the city's state aid allocations were based on unit value, the city received an underpayment of state aid as identified below:

Year	Type of Plan	Units Overstated (Understated)	Unit Value	State Aid Overpayment (Underpayment)
2022	Non-Uniformed	33	$ 5,180	$ 170,940
2023	Non-Uniformed	24	$ 5,828	$ 139,872
	Police	6	$ 5,828	34,968
				$ 174,840
2024	Non-Uniformed	10	$ 6,292	$ 62,920
	Police	(72)	$ 6,292	(453,024)
				$ (390,104)
	Net Underpayment of State Aid			$ (44,324)

Finding No. 1 – (Continued)

Although the additional state aid will be allocated to the city, the full amount of the 2024 state aid allocation was not available to be deposited timely and therefore resulted in the city having to make additional municipal contributions in order to meet the plan's funding obligation.

Recommendation: We again recommend that plan officials establish adequate internal control procedures, such as having at least two people review the data certified, to ensure compliance with the instructions that accompany Certification Form AG 385 to assist them in accurately reporting the required pension data.

Management Response: Municipal officials agreed with the finding without exception.

Auditor Conclusion: We are concerned that the municipality has not complied with the prior audit recommendation and encourage compliance at the earliest opportunity to do so.

Finding No. 2 – Incorrect Data On Certification Form AG 490 Resulting In An Excess Reimbursement For Special 1989 Ad Hoc Postretirement Adjustment

Condition: The city improperly certified $375 of special ad hoc postretirement adjustments for a surviving spouse who died on September 7, 2021, on the Certification Forms AG 490 filed in 2020 and 2023.

Criteria: Pursuant to Act 147, Certification Form AG 490 should report only the amount of special ad hoc postretirement adjustments paid in the previous year to eligible retirees and/or their surviving spouses.

Cause: The certification error is attributable to an oversight.

Effect: Because the city's reimbursement is determined based on amounts reported on the Form AG 490, the city received excess reimbursements in 2022 and 2023, as illustrated below:

Year	Reimbursement Certified	Reimbursement Due	Excess Reimbursement
2022	$ 60,903	$ 60,828	$ 75
2023	$ 50,520	$ 50,220	300
		Total	$ 375

Finding No. 2 – (Continued)

Recommendation: We recommend that the total excess reimbursement, in the amount of $375, be returned to the Commonwealth. A check in this amount, with interest compounded annually from date of receipt to date of repayment, at a rate earned by the pension plan, should be made payable to: Commonwealth of Pennsylvania and mailed to: Department of the Auditor General, Municipal Pension & Fire Relief Programs Unit, 321 Finance Building, Harrisburg, PA 17120. A copy of the interest calculation must be submitted along with the check.

We also recommend that in the future, plan officials carefully review the data certified for accuracy prior to submission of the form.

Management Response: Municipal officials agreed with the finding without exception.

Auditor Conclusion: The city's compliance with the finding recommendation will be monitored subsequent to the release of the audit report and through our next audit of the pension plan.

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS

Year Ended December 31	Actuarially Determined Contribution	Actual Contributions	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	$31,438,297	$ 51,914,297	$(20,476,000)	$202,853,143	25.59%
2015	42,860,296	63,758,477	(20,898,181)	211,962,778	30.08%
2016	43,073,288	73,149,762	(30,076,474)	215,018,989	34.02%
2017	49,202,651	70,487,381	(21,284,730)	184,625,860	38.18%
2018	49,662,394	86,414,394	(36,752,000)	204,883,102	42.18%
2019	51,011,799	95,189,427	(44,177,628)	198,814,274	47.88%
2020	51,519,387	99,099,273	(47,579,886)	207,900,314	47.67%
2021	52,264,801	98,819,645	(46,554,844)	244,889,900	40.35%
2022	53,286,876	99,841,720	(46,554,844)	245,056,487	40.74%
2023	56,541,494	102,709,498	(46,168,004)	255,966,727	40.13%

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULES OF FUNDING PROGRESS

Historical trend information about the plan is presented herewith as supplementary information. It is intended to help users assess the plan's funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other state and local government retirement systems.

The actuarial information is required by Act 205 biennially. The historical information, beginning as of January 1, 2019, is as follows:

POLICE PENSION PLAN

Actuarial Valuation Date	(1) Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) - Entry Age (b)	(3) Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	(4) Funded Ratio (a)/(b)
01-01-19	$ 265,925,503	$482,008,624	$ 216,083,121	55.2%
01-01-21	333,128,662	508,061,164	174,932,502	65.6%
01-01-23	374,863,019	532,386,092	157,523,073	70.4%

Note: The market values of the plan's assets at 01-01-19, 01-01-21, and 01-01-23 have been adjusted to reflect the smoothing of gains and/or losses using the tabular smoothing method subject to a minimum of 80% and a maximum of 120% of the market value of assets. These methods will lower contributions in years of less than expected returns and increase contributions in years of greater than expected returns. The net effect over long periods of time is to have less variance in contribution levels from year to year.

SCHEDULES OF FUNDING PROGRESS – (Continued)

FIREMEN'S PENSION PLAN

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)
01-01-19	$ 255,015,392	$453,850,369	$ 198,834,977	56.2%
01-01-21	311,199,806	537,722,743	226,522,937	57.9%
01-01-23	360,353,965	565,885,612	205,531,647	63.7%

Note: The market values of the plan's assets at 01-01-19, 01-01-21, and 01-01-23 have been adjusted to reflect the smoothing of gains and/or losses using the tabular smoothing method subject to a minimum of 80% and a maximum of 120% of the market value of assets. These methods will lower contributions in years of less than expected returns and increase contributions in years of greater than expected returns. The net effect over long periods of time is to have less variance in contribution levels from year to year.

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULES OF FUNDING PROGRESS – (Continued)

NON-UNIFORMED PENSION PLAN

Actuarial Valuation Date	(1) Actuarial Value of Assets (a)	(2) Actuarial Accrued Liability (AAL) - Entry Age (b)	(3) Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	(4) Funded Ratio (a)/(b)
01-01-19	$ 240,346,840	$ 388,411,894	$ 148,065,054	61.9%
01-01-21	286,646,044	431,720,531	145,074,487	66.4%
01-01-23	328,061,784	424,958,394	96,896,610	77.2%

Note: The market values of the plan's assets at 01-01-19, 01-01-21, and 01-01-23 have been adjusted to reflect the smoothing of gains and/or losses using the tabular smoothing method subject to a minimum of 80% and a maximum of 120% of the market value of assets. These methods will lower contributions in years of less than expected returns and increase contributions in years of greater than expected returns. The net effect over long periods of time is to have less variance in contribution levels from year to year.

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the actuarial accrued liability as a factor.

Analysis of the dollar amount of the actuarial value of assets, actuarial accrued liability, and unfunded (assets in excess of) actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the actuarial accrued liability (Column 4) provides one indication of the plan's funding status on a going-concern basis. Analysis of this percentage, over time, indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the plan.

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

POLICE PENSION PLAN

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2018	$ 16,280,159	120.1%
2019	16,122,726	132.5%
2020	14,868,348	140.4%
2021	15,096,572	137.9%
2022	14,990,492	153.7%
2023	8,161,974	208.4%

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

FIREMEN'S PENSION PLAN

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2018	$ 18,871,645	120.1%
2019	20,318,940	132.5%
2020	21,597,824	140.4%
2021	22,014,395	137.9%
2022	23,069,648	118.8%
2023	31,113,771	109.7%

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

NON-UNIFORMED PENSION PLAN

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2018	$ 14,510,590	120.1%
2019	14,570,133	138.4%
2020	15,053,215	140.4%
2021	15,153,834	137.9%
2022	15,226,736	148.7%
2023	17,265,749	143.4%

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
NOTES TO SUPPLEMENTARY SCHEDULES
(UNAUDITED)

The information presented in the supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation date follows:

POLICE PENSION PLAN

Actuarial valuation date	January 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	99 years
Asset valuation method	Tabular smoothing
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases *	4.25%

* Includes inflation at 2.75%

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
NOTES TO SUPPLEMENTARY SCHEDULES
(UNAUDITED)

FIREMEN'S PENSION PLAN

Actuarial valuation date	January 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	9 years
Asset valuation method	Tabular smoothing
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases *	5.50%

* Includes inflation at 2.75%

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
SUPPLEMENTARY INFORMATION
NOTES TO SUPPLEMENTARY SCHEDULES
(UNAUDITED)

NON-UNIFORMED PENSION PLAN

Actuarial valuation date	January 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	1 year
Asset valuation method	Tabular smoothing
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases *	4.00%

* Includes inflation at 2.75%

ACT 44 OF 2009

As noted in the Letter from the Auditor General, Act 205, as amended by Act 44, at Section 902(c) mandated the transfer of administration of the City of Pittsburgh's pension plans to the Pennsylvania Municipal Retirement System (PMRS) if the city was determined to be in Level III Severe Distress as of January 1, 2011. The January 1, 2011, actuarial valuation reports were to be filed with the former Public Employee Retirement Commission by September 1, 2011.

In an attempt to avert a takeover of the city's pension plans by PMRS, Pittsburgh City Council adopted Ordinance Nos. 42 and 44 and Resolution No. 882, effective December 31, 2010.

Ordinance No. 42 irrevocably dedicated to the Comprehensive Municipal Pension Trust Fund the receipts of revenue from the city's parking tax for the years 2011 through 2041. Ordinance No. 44 details the payment schedule which provides for annual deposits of $13,376,000 for the years 2011 through 2017, and $26,752,000 for the years 2018 through 2041, resulting in total deposits to the Fund in the amount of $735,680,000.

Resolution No. 882 requested that the Intergovernmental Cooperation Authority (ICA) authorize the transfer of $45,000,000 from the City Restricted Debt Fund to the Comprehensive Municipal Pension Trust Fund for the new purpose of improving the cash position of the Fund. The ICA subsequently approved the transfer of the funds in 2010.

Pursuant to Ordinance Nos. 42 and 44, the city recognized the fair market value of the future funding from the parking tax revenues in the amount of $238,572,759 as an asset in the revised January 1, 2011, actuarial valuation reports filed with the former Public Employee Retirement Commission. Consequently, the aggregate funding ratio of the city plans' increased to 62 percent. In a letter to the city dated September 19, 2011, the former Public Employee Retirement Commission accepted the city's revised actuarial valuation reports (noting that the original valuations were prepared based on asset information included in the city's Annual Comprehensive Financial Report, which did not include the fair value of future parking revenues) and notified the city that in accordance with the aggregated funding status of its plans as of January 1, 2011, the city was determined to be in Level II Moderate Distress Status.

During the current audit period for the years 2021, 2022, and 2023, the city made four separate deposits in each year of parking tax revenues in the amount of $6,688,000, totaling $26,752,000 for each year, pursuant to Ordinance No. 44. The Department of the Auditor General will continue to monitor the city's compliance with Act 205, as amended, and Ordinance Nos. 42 and 44 during future audits of the City of Pittsburgh Comprehensive Municipal Pension Trust Fund.

ACT 71 OF 2004

The Commonwealth of Pennsylvania declared the City of Pittsburgh financially distressed in 2004 pursuant to the provision of Act 47 and established the Intergovernmental Cooperation Authority (ICA) and an Act 47 oversight team to help city reach financial solvency. The mission/policy of ICA is described at Section 102 of Act 11 of 2004, titled Intergovernmental Cooperation Authority for cities of the Second Class.

Act 71 of 2004 specifically provides that the local share of gaming revenue from licensees located in the City of Pittsburgh shall be directed to the ICA. Act 71 directs the ICA to utilize gaming revenue to reduce debt, increase pension funding, or for any other purposes determined to be in the best interest of the City of Pittsburgh by the ICA.

The ICA has authorized the release of gaming revenues for deposit to the city's pension plans each year since 2011. During the current audit period, gaming revenues deposited into the pension plans were as follows:

Year	Amount	Disposition
2021	$ 19,802,844	Deposited into pension plans during 2021.
2022	19,802,844	Deposited into pension plans during 2022.
2023	19,416,004	Deposited into pension plans during 2023.

The Department of the Auditor General will continue to monitor the ongoing deposits of gaming revenue into the city's pension trust fund during future audits of the City of Pittsburgh Comprehensive Municipal Pension Trust Fund.

CITY OF PITTSBURGH COMPREHENSIVE MUNICIPAL PENSION TRUST FUND
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

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