

# CITY OF PITTSBURGH, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025



Rachael Heisler, City Controller  
CITY OF PITTSBURGH, PENNSYLVANIA

# CITY OF PITTSBURGH, PENNSYLVANIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED DECEMBER 31, 2025

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## **INTRODUCTORY SECTION**



CITY OF PITTSBURGH  
**OFFICE OF THE CITY CONTROLLER**  
Controller Rachael Heisler

Friday, April 24, 2026

To the Honorable Mayor, Members of City Council, and the Citizens of the City of Pittsburgh, Pennsylvania:

I am pleased to present the *Annual Comprehensive Financial Report (ACFR)* of the City of Pittsburgh (City) for the year ended December 31, 2025. The City's charter mandates that only a general-purpose financial statement be issued by May 1. However, we are issuing a full ACFR on April 24, 2026, which includes component units, statements mandated under Governmental Accounting Standards Board (GASB) Statement 34, footnotes, and the statistical section. This meets the Government Finance Officers Association (GFOA) standards and allows the City to get an unmodified opinion from the City's independent auditors.

We believe that the enclosed data is accurate in all material respects and fairly presents both the financial position and operational results of the City's various funds. This statement will enable the reader to gain an understanding of the City's financial activities. Responsibility for both the accuracy of data and the completeness and fairness of the presentation rests with the management of the City. This report contains all the funds of the City.

Maher Duessel Certified Public Accountants have issued an unmodified (i.e., "clean") opinion on the City's financial statements for the year ended December 31, 2025. This independent auditor's report is located in front of the Management's Discussion and Analysis (MD&A).

The MD&A immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The City, incorporated in 1816, is located in the southwestern part of the Commonwealth of Pennsylvania (Pennsylvania) occupying 55.37 square miles with a population of 302,971 according to the 2020 Census. Although ranked as the 68th most populous City in the country, the City is still considered more densely populated than five of the top ten populous cities due to its population density of 5,469 people per square mile. This is primarily because the City limits have remained virtually unchanged for nearly a century.

The City government is comprised of a strong elected mayor, a nine-member Council elected by district, and an elected Controller. The Mayor is the chief executive of the City who appoints the heads of various departments, and the Council has the legislative authority. The Mayor is elected to a four-year term and the Council members are elected to staggered four-year terms in which the even-numbered districts are elected



in one year and the odd-numbered districts are elected two years later. The Controller audits City government-related revenues and expenditures and conducts audits of all City departments and authorities. Like the Mayor, the Controller is elected to a four-year term.

The City is empowered to levy a variety of taxes including property taxes on real estate, earned income taxes on residents who live within the boundaries of the City, and other usage taxes charged when using certain facilities within the City. In addition, the City levies taxes on employees that work within the City and on businesses that operate within the City. Please see the revenue section in this letter for a more detailed explanation of the taxes collected.

The City provides a full range of services, including police, fire, and emergency medical services; construction and maintenance of City property and infrastructure; sanitation services; and recreation and cultural activities. Pittsburgh Water (formerly Pittsburgh Water and Sewer Authority [PWSA]), Urban Redevelopment Authority (URA), Stadium Authority, Pittsburgh Parking Authority (PPA), and the Pittsburgh Land Bank are component units of the City and are shown as such in the financial statements and the footnotes to the ACFR.

The Council is required to adopt a final operating and capital budget for the next year by the last day of the fiscal year, which is December 31. The annual budget is the basis of the City's financial planning and control. The operating budget is prepared on a departmental basis. The department heads may spend within a budget classification (e.g., salaries, supplies, rentals, miscellaneous) as they see fit. However, any transfers between classifications or departments have to be approved by Council. The Mayor's Office also prepares a five-year plan annually.

## **FINANCIAL INFORMATION**

The Financial Information is broken down into two categories: Internal Control and Budget Control, which are explained in further detail below.

**Internal Control:** Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting information is compiled to prepare financial statements in accordance with accounting principles generally accepted in the United States of America (U.S.). The internal control structure is designed to provide reasonable but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

**Budget Control:** Budget control is maintained at the line-item level on a departmental basis. Activities of the General Fund, the Special Revenue Fund (Community Development Fund only), and the Capital Projects Fund are controlled by an annual legally appropriated budget. Capital Projects are also controlled on a multi-year basis.



## **ECONOMIC BACKGROUND**

Located at the confluence of the Ohio, Monongahela, and Allegheny Rivers, the City serves as the seat for Allegheny County and is the largest of the County's 130 municipalities. Downtown Pittsburgh is commonly known as the Golden Triangle and serves as the regional center for Southwestern Pennsylvania, Eastern Ohio, and Northern West Virginia.

### **Pittsburgh Demographics**

According to data from the Census Bureau Population Estimates Program, the Pittsburgh metropolitan region decreased in population by 0.13%, or 3,160 residents, between 2024 and 2025. At 2.42 million residents, it was the 28<sup>th</sup> largest metro region in the U.S.

Allegheny County alone decreased in population by 0.17%, or 2,100 residents. Of the eight counties included in the Pittsburgh metro region, five declined in population, while Beaver, Butler, and Westmoreland counties saw slight increases. Over the previous period of 2023 to 2024, the Pittsburgh metro increased in population by 1,676 residents, largely driven by strong immigration gains at that time.

Of those eight counties, Allegheny County had the highest net gain of 2,485 international migrants in 2025, but this was offset by outmigration of 2,785 existing residents. International migration in 2025 significantly slowed not only in the Pittsburgh metro region but in 90% of counties nationwide. Though the entire region brought in 2,894 international migrants in 2024 – 2025, this number is significantly lower than the annual gains of 6,000 – 10,000 recorded in prior years.

The Pittsburgh region had the lowest birth-to-death ratio of the 40 largest metros in the nation, a drag on demographic growth that local leaders have struggled to reverse for decades. It was one of only four to experience net population loss (alongside Los Angeles, Miami, and San Diego) and one of only five losing population to natural decline (alongside Cleveland, Providence, St. Louis, and Tampa).

As the region's economic hub, the City plays a key role in shaping demographic trends for the entire surrounding area. With federal immigration law limiting international migration in the near-term, finding innovative strategies to attract new residents will remain imperative for local leaders.

### **Real Estate Revenue**

The impact of reassessment appeals on downtown real estate slowed significantly in 2025, and revenues stabilized for both real estate taxes and deed transfer taxes. Real estate tax revenue reached \$145 million in 2025, more than \$1.9 million over budget and a positive variance of approximately \$2 million from 2024. The Department of Finance implemented new collection strategies for real estate taxes, helping bolster City revenue.

Despite the stabilization of real estate revenues, the City remains vulnerable to increased depreciation of properties. In prior years, rapid reductions in revenue were attributable to the backlog of property assessment appeals at the Allegheny County Board of Property Assessment Appeals and Review (BPAAR). Many of these appeals were for downtown properties, which saw increased vacancy primarily attributable to the COVID-19 pandemic. BPAAR's backlog was largely cleared in 2025. However, the common level ratio (CLR), which sets the maximum assessable value of real estate in Allegheny County, continued to



decline. In 2024, the CLR was 52.7%. In 2025, the CLR was 50.14%. Until reassessment occurs, the CLR will reduce further.

Pittsburgh's deed transfer tax remains the highest in the country at 5% for the transfer of residential property in City limits. This is divided as 4% toward the City and 1% toward the State of Pennsylvania. In 2025, deed transfer tax revenue was \$47.6 million, a positive variance of over \$5.2 million from the budgeted projection. Pittsburgh is the only metropolitan city where it remains cheaper to buy a home than rent. Despite a sluggish national market, the City saw more inventory listed, with a median sales price of \$248,132.

### **Downtown Pittsburgh**

Since the pandemic, Downtown Pittsburgh has faced issues with increased vacant office space, and that trend has continued in 2025. Coldwell Banker Richard Ellis (CBRE) reports that overall Downtown vacancy rates have increased from 15.7% in Q4 2024 to 18.3% in Q4 2025. Vacancy rates in Class A office space increased from 17.7% to 20.7% in that same time period. Notably, BNY continued moving out of BNY Mellon Center, the second largest office building in Downtown Pittsburgh that makes up roughly 10% of Class A office space.

Efforts to reverse this trend have taken shape, including the new ownership and renovations of One Oxford Center. Since purchasing the 45-story office tower in March of 2025, Rugby Realty has made investments to upgrade amenities for building tenants including a new food hall; a new outdoor deck and event space; and improvements to the parking garage, conference center, and escalators. In this time, seven tenants have either renewed or expanded long term leases in the building.

Additional office space has been taken off the market in Downtown Pittsburgh, as developers take advantage of the Local Economic Revitalization Tax Assistance (LERTA) program that was approved by City Council in 2024. The Downtown LERTA provides tax benefits to developers converting office space to residential. Two major projects at the Gulf Tower and at First and Main broke ground in 2025 taking advantage of this program.

In addition to the work happening in office and residential spaces, significant investments have been made in Downtown venues aimed to entice visitors and increase foot traffic. Three major projects completed the majority of construction in 2025 and are poised to finish in the spring of 2026. Historic Market Square saw a \$15 million revitalization to create a safer, greener, and more welcoming town square that will support more events, markets, outdoor dining, and year-round activity. The state invested \$3.4 million into Point State Park at the confluence of our three rivers, making repairs and improvements to the 150-foot fountain, walkways, and upgraded lighting. In April, the Pittsburgh Cultural Trust broke ground on a \$31 million endeavor to create a new four-acre green space in Downtown Pittsburgh, that will be the future home of the Three Rivers Arts Festival and will include a playground, public art, pickleball courts, and a bandstand large enough to accommodate the Pittsburgh Symphony Orchestra.

All of these projects were made possible with help from the \$600 million revitalization plan for Downtown Pittsburgh announced by Governor Shapiro in 2024, with investments from the State, City, County, philanthropy, and the private sector.



## **Development Outside of Downtown**

Outside of the Golden Triangle of Downtown Pittsburgh, other developments have occurred throughout the rest of the City and greater Pittsburgh area. These investments have or will create thousands of jobs and bring more people to our City and region.

The Pittsburgh International Airport opened the new landside terminal in November of 2025, completing a \$1.7 billion project with simplified and streamlined operations and created a more pleasant experience for travelers to and from our fair City.

After years of planning, Piatt Companies broke ground on The Esplanade, a \$740 million multi-use development on 15-acre post-industrial site along the shore of the Ohio River in the North Side of the City. The development will be comprised of apartments, including affordable and luxury-end units, condominiums, retail space, office space, a 225-unit hotel, a marina, an amphitheater, and a 160-foot Ferris Wheel. Phase 1 of the project is estimated to open in 2028, with Phase 2 opening in 2029.

In the East End, retail spaces began opening at The Meridian. What had once been the Shady Hill Shopping Center has been converted into a mixed-use development with 74,000 square feet of retail space, including a new grocery store, a Barnes & Noble, and a Shake Shack. The development also includes a 231-unit apartment with 35 units dedicated to affordable housing that is expected to open for leasing in 2026.

In the Lower Hill District there were a number of updates to the developments planned for the site where the Civic Arena once stood. First National Bank opened their new headquarters, a \$300 million, 26-floor building opened in February of last year. The following month, Live Nation broke ground for Citizen's Live at the Wylie, a 4,000-seat music venue that is scheduled to open this October 2 with Pittsburgh native Wiz Khalifa playing the inaugural show. Since 2007, the Pittsburgh Penguins had held exclusive rights to development around the former Civic Arena site, but in October of last year, the NHL team let those rights expire, leaving questions around the next steps in the development.

## **Sports and Entertainment**

In 2025, Pittsburgh was once again able to call ourselves the City of "ChampYinz". Last year, the Pittsburgh Riverhounds SC won the United Soccer League Championship. Their sister club, the Pittsburgh Riveters SC, played their inaugural season. In August, the owner of both teams, Tuffy Shallenberger announced a \$125 million project to triple the number of seats in the teams' shared stadium.

The City's other three major sports teams saw a mixed bag. The Penguins missed the playoffs for third year in a row and had the lowest average attendance since the 2006–2007 season. Pirates Pitcher Paul Skenes won the Cy Young Award as the best pitcher in the National League, but the team still finished with a losing record for the seventh straight season. The Steelers, however, managed to win the NFC North and hosted their first home playoff game since 2020 during Mike Tomlin's last season as head coach.

The publicly owned stadiums in Pittsburgh also hosted a number of additional events. The Savannah Bananas played to two sellout crowds at PNC Park. Acrisure Stadium (formerly Heinz Field) hosted AC/DC for their Power Up tour. And a number of musical artists put their talents on display at PPG Paints Arena, including Linkin Park, Mumford & Sons, Sabrina Carpenter (two shows), Billy Strings, Pearl Jam, Sir Paul McCartney, and the Jonas Brothers.



Beginning in 2025, Pittsburghers who made notable contributions to American culture had their legacies honored in the inaugural class of the Pittsburgh Walk of Fame. On October 20, ten stars honoring local legends were unveiled in the sidewalk in Pittsburgh’s Strip District neighborhood, including Batman himself (actor Michael Douglas Keaton), who was in attendance to give remarks.

### **Agreements With Our Large Non-Profit Partners**

Pittsburgh City Council approved a 20% Citywide property tax increase at the end of 2025 in an effort to close a structural revenue imbalance driven most significantly by declines in Downtown property values. Even with this increase, City officials have warned that a number of budget items remain underfunded. A combination of new revenues and cuts to unnecessary spending will still be needed to stabilize the City’s finances.

A 2022 joint report from the City and Allegheny County Controllers found that the five largest nonprofits in the region owned \$4.3 billion in tax-exempt property within the City, reducing their cumulative tax bill by nearly 93%. Without tax exemption, these institutions would owe \$34.5 million in real estate taxes annually. Securing long-term voluntary agreements with these tax-exempt institutions would buffer City finances with a predictable revenue stream and reduce the likelihood of tax increases on residents in the future.

In January of 2026, UPMC, the region’s largest nonprofit, announced that it would provide a \$10 million contribution to the City, spread out over two years, “to support the replacement of the City’s aging fleet of Emergency Medical Services (EMS) vehicles and equipment.” According to UPMC, the monetary donation will be used to purchase nine ambulances and one rescue truck in 2026, followed by a similar amount in 2027. Mayor O’Connor stated that the donation would also allow the administration to redirect planned funds toward the purchase of 35 new vehicles in the Department of Public Works (DPW).

In March of 2026, the University of Pittsburgh, the region’s largest educational nonprofit, announced it would donate \$5 million to the City, spread out over five years toward three main initiatives: investments in neighborhood parks, the City’s “Main and Main” neighborhood business corridor program, and public safety improvements.

These donations mark the first time the region’s large nonprofits have provided voluntary, substantial, and direct support toward the City’s core services. Though the City has yet to secure long-term agreements covering all of the large nonprofits, the incumbent administration has stated it remains a top priority and that those conversations will continue throughout 2026.

### **Condition of the City’s Vehicle Fleet**

DPW continually struggled to meet snow-clearing needs throughout the winter of 2024 – 2025 due to multiple vehicle breakdowns. In the conversations with city leaders that followed, DPW and Equipment Leasing Authority (ELA) officials warned that the condition of the Citywide fleet was at a critical juncture: after years of underinvesting in the fleet’s full capital needs, the City would need to make substantial and immediate investments on a regular basis for the foreseeable future. Failing to do so would result in frequent and chronic service disruptions by 2030, with life-saving ambulances and fire trucks especially vulnerable.



The City Controller's Office worked with DPW, ELA, and fleet service staff to conduct an analysis of the Citywide fleet's overall condition. The resulting report, which was published in November of 2025, provided data-backed evidence that the fleet's condition was dire. Among the report's top findings, based on June 2025 data:

- Of the 1,339 vehicles in the inventory, 48.9% had exceeded recommended life cycles and nearly a third had been in service for at least a decade.
- Using a sample of DPW vehicles past life cycle, costs were 128 – 394% higher in the post-cycle period as compared to the within-cycle period.
- The only department fleet to see an improvement in overall condition was DPW's parks division, bolstered by the introduction of Parks Tax revenues in 2022.

Members of City Council and the incoming mayoral administration reiterated their support for strengthening fleet investments, including through direct nonprofit contributions as the Controller's report recommended. In January of 2026, two local institutions announced they would provide one-time donations to the City for that purpose: the \$10 million from UPMC for ambulances and rescue trucks was one and \$2 million from PNC for snowplow vehicles was the other, both to be spread over two years.

Though these contributions provide the City with some short-term fiscal relief, stabilizing the fleet's condition will still require significantly higher investment on an annual basis. Alongside nonprofit support, addressing the City's broader challenges (including a revenue imbalance and aging demographics that limit growth of the local tax base) would have a direct impact on City Council's ability to budget for the fleet's true needs.

### **The American Rescue Plan Act (ARPA)**

In 2025, the City continued to spend down its ARPA obligation by about \$20.1 million spent during the year on housing, infrastructure, and income equity. The City partnered with multiple organizations, such as the Urban Redevelopment Authority and New Sun Rising, to ensure that ARPA funding was being disbursed in a timely manner. ARPA guidelines state that all money received was required to be obligated by December 31, 2024 and must be spent by December 31, 2026.

Key 2025 ARPA-funded expenditures included:

- Work with the Urban Redevelopment Authority, including \$2.9 million spent on the OWNPGH Affordable Homeownership Program and \$944,985 for Land Bank efforts to acquire and stabilize properties.
- Investment in water and environmental infrastructure, including \$1.22 million to Pittsburgh Water for lead line and system improvements, along with equipment that supports composting and sustainability work.
- Continued support for food access through the Food Justice Fund, including \$913,000 spent by New Sun Rising, along with funding to Grow Pittsburgh, Just Harvest, and others, plus support for the Greater Pittsburgh Community Food Bank.
- Funding for arts and culture, including grants to the August Wilson African American Cultural Center, City Theatre, and smaller neighborhood-based organizations.



- Targeted relief efforts, including \$234,204 for medical debt relief and funding for lead-safe housing through the Redevelopment Authority of Allegheny County.
- Transfers to affiliated authorities, including \$175,000 to the ELA and support to the PPA for economic activity and electric vehicle infrastructure.

While the City’s Office of Management and Budget is responsible for federal compliance, the Controller’s Office continues its independent oversight role through year-by-year audits of the ARPA Trust Fund, project-level financial monitoring, and maintenance of the public-facing dashboard to promote transparency and accountability.

## **LABOR AND EMPLOYMENT**

### **Pittsburgh’s Labor Market**

Pittsburgh had an unemployment rate of 3.3% in December 2025, significantly below the broader region's unemployment rate of 4.1% and the national unemployment rate of 4.4%. However, both local and regional employment rates are yet to recover to their pre-pandemic levels.

The metropolitan statistical area’s labor market has remained strong, with 14,000 private service-providing jobs added between December 2024 and December 2025. Of these, 9,200 were in education and health services, highlighting the region's continued growth in “meds and eds.” An additional 2,500 jobs were added in the financial sector.

The City's labor force at the end of 2025 was 163,563, more than half of its total population. This reflects an overall increase in the labor force between December 2024 and December 2025, despite a small decrease in the City’s overall population.

In January 2026, WalletHub ranked Pittsburgh fifth overall in its annual “Best Cities for Jobs” ranking out of 182 cities. Pittsburgh was ranked first nationwide in job opportunities, demonstrating a high number of job openings proportionate to the labor force.

## **EDUCATION**

### **Colleges and Universities**

Pittsburgh’s economic growth is tied to its ability to attract and retain students through its schools and universities. The University of Pittsburgh, Carnegie Mellon University, Duquesne University, Point Park University, Chatham University, and Carlow University all provide robust opportunities for personal and educational growth within City limits.

The University of Pittsburgh’s Oakland campus experienced a record-breaking enrollment this last fall, with 5,870 students joining its first-year class. Point Park University similarly shattered its prior year enrollment, with an almost 25% increase. Duquesne University saw its highest ever number of applications at 13,000. Carnegie Mellon University had increased enrollment of domestic students in 2025 but decreased international student enrollment.



In 2025, both the University of Pittsburgh and Carnegie Mellon saw robust funding. The University of Pittsburgh ranked seventh in the country for National Institutes of Health (NIH) funding, bringing in nearly \$670 million. All six health sciences schools were ranked in the top 20 of their respective funding categories. Carnegie Mellon ranked second in the country for foreign funding and received approximately \$362 million in revenue from grants and contracts.

In 2025, Carnegie Mellon had seven total programs be ranked as number one in the country by U.S. News & World Report: analytics, programming languages, artificial intelligence, cybersecurity, information systems, mobile/web applications, and software engineering. The University of Pittsburgh's School of Nursing was a top ten program in the country.

### **Pittsburgh Public Schools**

Though Pittsburgh Public Schools (PPS) saw an overall decrease in total enrollment in 2025, early childhood education saw a slight increase in students. English Language Learners represent the fastest growing demographic of PPS students. Trends show that students tend to both join and leave PPS after fifth and eighth grade, with more students leaving than joining. After eighth grade, 8% of students transfer to charter schools, creating a growing cost burden on PPS through the statutory requirements for charter school funding.

In 2025, Pittsburgh Public Schools developed an initial draft of its Future-Ready Facilities Plan to address its goals of maximizing facility usage, improving feeder patterns, and strengthening institutional consistency. The plan has not yet been approved by the School Board.

### **2025 CONTROLLER'S OFFICE AUDITS**

The Controller's Office continues to regularly audit City departments and component units as we work to make City government more effective and efficient and prevent waste, fraud and abuse of tax dollars. In 2025, our office released the following audits and reports:

#### **2025 Fiscal Audits:**

- Citiparks P-Card Audit

#### **2025 Performance Audits:**

- Department of Public Safety: 911 Response Times and Wellness
- City Council and Office of City Clerk
- Department of Public Safety Bureau of Administration: Office of Film and Event Management

#### **2025 Special Reports:**

- Condition of the Citywide Vehicle Fleet
- Pittsburgh Public Schools Procurement Practices
- Department of Public Safety: ShotSpotter System
- Inclusionary Zoning and Affordable Housing Financing



- Housing Authority of the City of Pittsburgh: Activities Under the Moving to Work Demonstration
- Update on City Water Fountains

## AWARDS

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended December 31, 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR that conforms to program standards. Such an ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the last thirty-three consecutive years (fiscal years ended 1992 – 2024). We believe that our current ACFR continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

## ACKNOWLEDGEMENTS

The preparation of this report would not be possible without the concerted effort of the entire staff of the Controller's Office. The continued efforts of the Accounting Department are gratefully appreciated. I would like to thank the employees of the various departments and authorities of the City for their assistance in providing the Controller's staff and the independent auditors with the necessary information to complete this report.

Respectfully submitted,

A handwritten signature in cursive script that reads "Rachael Heisler".

Rachael Heisler  
City Controller  
City of Pittsburgh



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pittsburgh  
Pennsylvania**

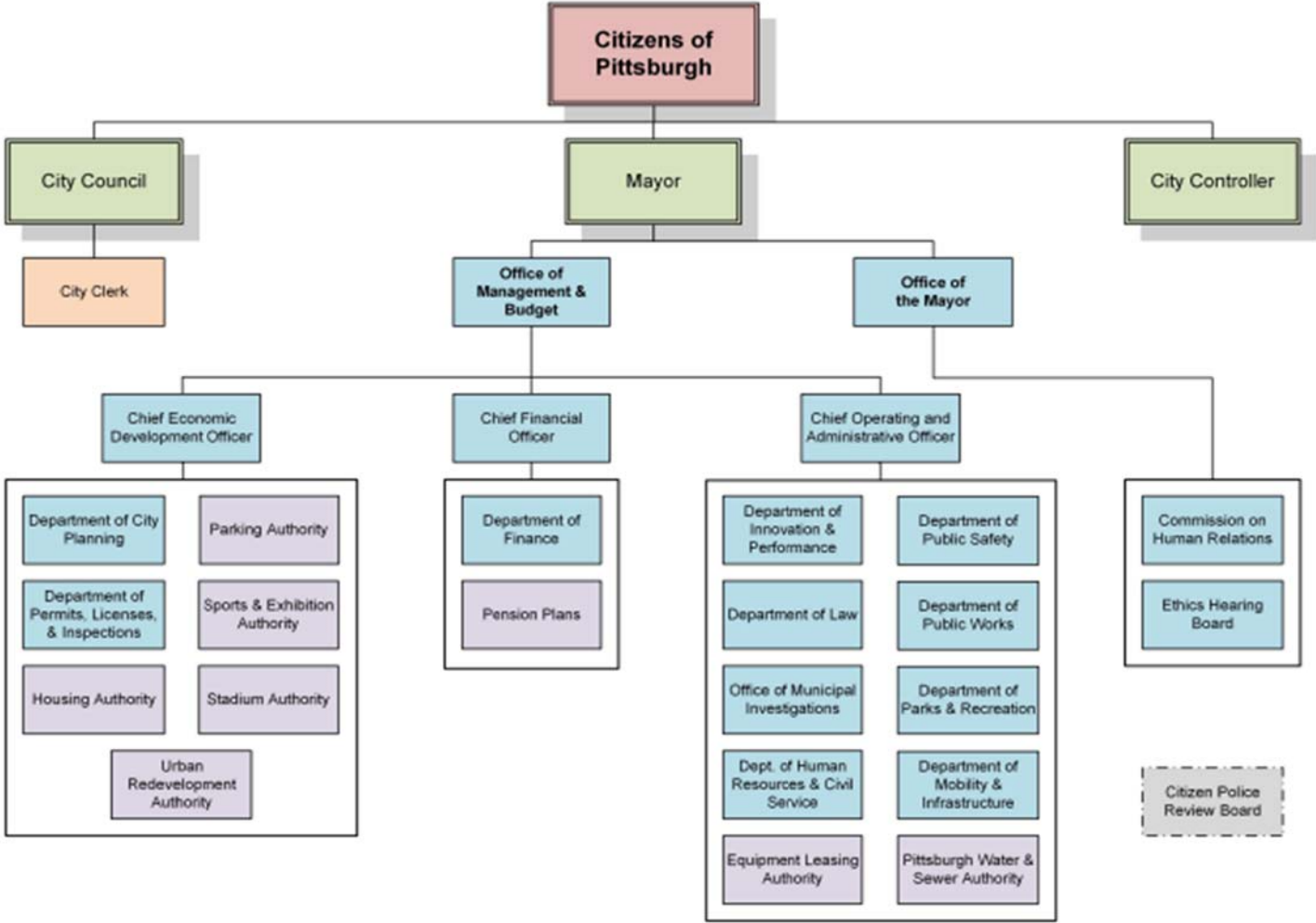
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2024

*Christopher P. Morill*

Executive Director/CEO

# City of Pittsburgh Organization Chart



**CITY OF PITTSBURGH, PENNSYLVANIA**

**ELECTED CITY OFFICIALS**

**As of April 24, 2026**

**MAYOR**

**Corey O'Connor**

**CONTROLLER**

**Rachael Heisler**

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**Barbara Warwick, District 5**  
**Deborah Gross, District 7**  
**Khari Mosley, District 9**

## **FINANCIAL SECTION**

## Independent Auditor's Report

The Honorable Members of Council  
City of Pittsburgh, Pennsylvania

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Pittsburgh, Pennsylvania (City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2025, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Community Development Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability

to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the introductory section, statistical section and other section (collectively "other information") listed in the table of contents. The other information listed in the table of contents does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.

The Honorable Members of Council  
City of Pittsburgh, Pennsylvania  
Independent Auditor's Report

If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Maheer Duessel*

Pittsburgh, Pennsylvania  
April 24, 2026

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

As management of the City of Pittsburgh (City), we offer the readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

### Financial Highlights

Government-wide unrestricted net position showed a deficit of \$1.2 billion in 2025. The accumulated deficit results principally from the City's Net Pension Liability of \$710.1 million, Other Postemployment benefits liabilities of \$321.9 million, outstanding general obligation bonds being issued over the years to finance projects that do not result in recording assets; specifically, to fund the City's borrowings to finance economic development efforts (including projects to the City's Authorities, principally the URA) and maintenance expenditures on City infrastructure and equipment needs. The deficiency will have to be funded from resources generated in future years.

- As of the close of the 2025 fiscal year, the City's governmental funds reported combined ending fund balances of \$451.8 million, a decrease of \$51.2 million from the previous year. Approximately 36.77% of this total amount or \$166.1 million is available for spending at the government's discretion (unassigned fund balance).
- At the end of the 2025 fiscal year, unassigned fund balance for the General Fund was \$166.1 million (compared to \$199.9 million in 2024) or 23.48% of total General Fund expenditures and debt service transfers for 2025, down from 27.9% in 2024.
- The City's outstanding general obligation bonds and notes including unamortized premium/discount amounted to \$512 million at the end of the fiscal year up from \$504 million in 2024.

### Overview of the Financial Statements

This Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements.

The financial section of this report consists of three parts: Management's Discussion and Analysis, the basic financial statements (including notes to the financial statements and detailed budgetary comparison schedules), and combining and individual fund statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements:

The first two statements (pages 1-3) are government-wide financial statements that provide short-term and long-term information about the City's overall financial status.

The remaining statements (pages 4 through 20) are fund financial statements that focus on individual parts of City government and report operations in more detail than the government-wide financial statements.

The governmental funds statements describe how general government services were financed such as public safety and sanitation.

Fiduciary fund statements provide information about pension, other post-employment benefit plans, private-purpose trust funds, and custodial funds for which the City acts solely as a trustee or agent for the benefit of others. Fiduciary funds are not reflected in the government-wide financial statements because the resources cannot be used to support City activities.

The financial statements include notes which provide an explanation for certain financial statement line items and also provide more details for this information. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, a section with combining statements provides details about the non-major governmental funds that are presented in single columns in the basic financial statements. The following diagram, labeled A-1, shows how the required components of this annual comprehensive financial report are arranged and relate to one another.

**Figure A-1**  
*REQUIRED COMPONENTS OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT*

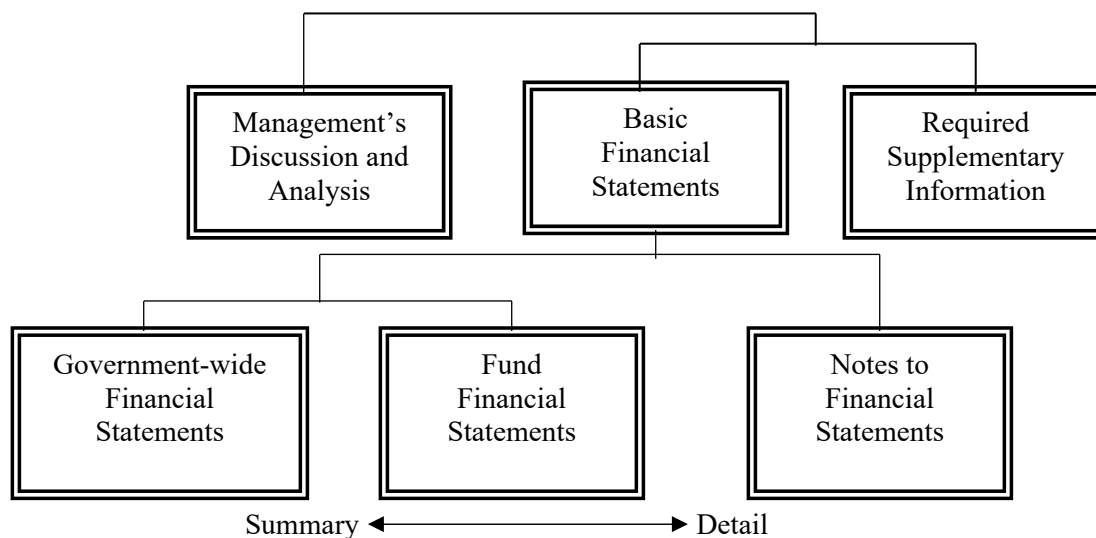


Figure A-2 summarizes the major features of the City's financial statements. The remainder of this overview section of Management's Discussion and Analysis explains the structure and contents of each of the statements.

**Figure A-2  
Major Features of City’s Government-Wide and Fund Financial Statements**

	<b>Fund Statements</b>		
	<b><u>Government-wide Statements</u></b>	<b><u>Governmental Funds</u></b>	<b><u>Fiduciary Funds</u></b>
Scope	Entire City government (except fiduciary funds)	The activities of the City that are not proprietary or fiduciary, such as police, fire, and recreation	Instances in which the City is the trustee or agent for someone else’s resources, such as the retirement plans for City employees
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenues, expenditures, and changes in fund balance</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> <li>• Combined statement of changes in fiduciary net position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; the City’s funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenditures during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenditures during the year, regardless of when cash is received or paid
	Deferred inflows and Outflows recognized	Deferred inflows recognized	

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City’s finances in a manner similar to a private-sector business. The government-wide financial statements include not only the City itself (known as the primary government), but also legally separate Urban Redevelopment Authority (URA), Pittsburgh Water, Public Parking Authority, the Stadium Authority, and the Pittsburgh Land Bank. Financial information for these component units reported separately from the financial information are presented for the primary government itself. The government-wide statements can be found in the financial section of this report.

Although there are a number of government-wide financial statements, for the purposes of this report, only two will be highlighted since they are closely related: the statement of net position and the statement of activities.

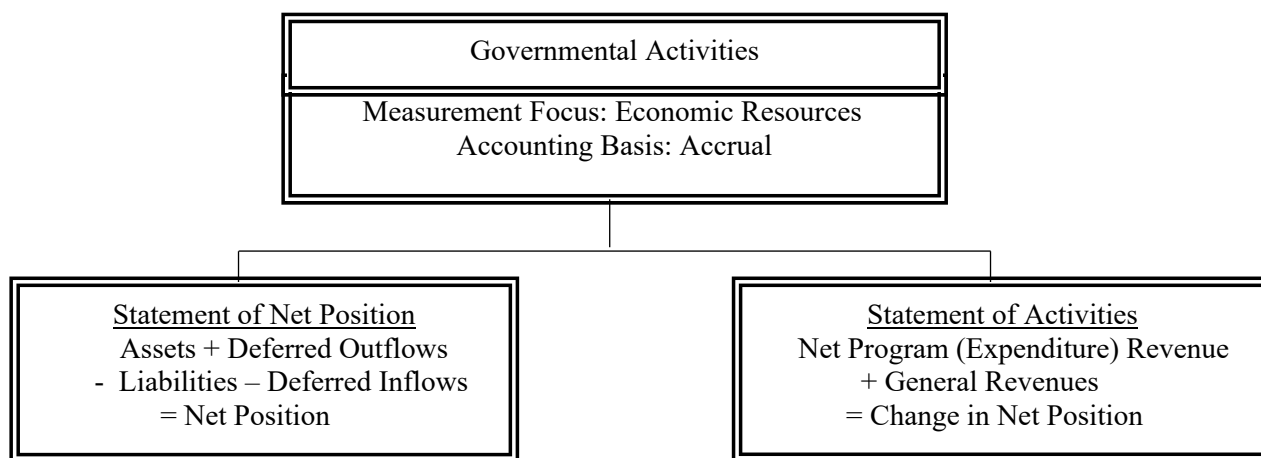
The statement of net position includes all of the City’s assets, liabilities, deferred inflows, and outflows, except fiduciary funds. Net position - the difference between the City’s assets and deferred outflows of resources and liabilities and deferred inflows of resources - is one way to measure the City’s financial health, or position. Over time, increases or decreases in the City’s

net position serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event gives rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Additional non-financial factors such as changes in the City’s real property tax base and general economic conditions must be considered to assess the overall position of the City.

The primary features of government-wide financial statements are reflected in Figure A-3.

**Figure A-3  
Government-wide Financial Statements**



- *Governmental activities* - Most of the City’s basic services are included here, such as the police, public works, recreation, and general administration. Property and earned income taxes, charges for services, and federal and state grants finance most of these activities.

### Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant funds, not the City as a whole. A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Funds are used to keep track of specific sources of funding and spending for particular purposes. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. However, not all funds are the result of city policy; some are required by state law. The funds of the City can be divided into two categories, governmental funds and fiduciary funds, and are explained in greater detail below:

- *Governmental Funds* - Most of the City’s basic services are included in governmental funds, which focus on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near

future to finance the City's programs. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The relationship between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation that follows the governmental fund financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund, the Capital Projects Fund, the Community Development Fund, the American Rescue Plan Act Fund, and the Debt Service Fund, all of which are considered to be major funds. Data from the other six governmental funds (non-major funds) are combined into a single, aggregated presentation (other governmental funds).

The City adopts an annual appropriated budget for its General Fund, Capital Projects Fund, and Community Development Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 4-15 of this report.

- *Fiduciary Funds - (Pension Trust Funds, OPEB Trust Funds, Private-Purpose Trust Funds and Custodial Funds)* – The Pension Trust Fund accounts for the operations of the City's pension plans for general municipal employees, police, and fire, covering essentially all full-time employees. The OPEB Trust Funds are used to report resources held in trust for post-employment benefits other than pension benefits. The City is responsible for ensuring that the assets reported in fiduciary funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The fiduciary fund financial statements can be found on pages 16-17 of this report.

**Notes to financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-136 of this report.

**Required supplementary information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 138-146 of this report.

### **Government-wide Financial Analysis**

The City's assets and deferred outflows of resources was \$938.2 million at the close of the most recent fiscal year. Net Pension and Other Postemployment benefits liabilities totaled \$1.031 billion. By far the largest portion of the City's deficit in net position is its unrestricted deficit of \$1.24 billion. This deficit is partially offset by investment in capital assets less any related debt still outstanding used to acquire those assets of \$202.5 million. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending and the assets have been financed with debt in an amount that exceeds the capital assets carrying value.

Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

## Summary of Condensed Net Position

The following table presents a condensed summary of net position:

### City of Pittsburgh's Net Position

At the end of the current fiscal year, the City reported a \$1.0 billion net deficit for the governmental activities due in large part to GASB 68 and 75 reporting requirements of Net Pension Liability and Net Other Postemployment Benefits as well as the City's debt burden outstanding.

(\$ millions)	Governmental Activities	
	2025	2024
<b>Assets:</b>		
Current assets	\$ 581	\$ 637
Non-current assets	7	7
Capital assets	275	254
Total Assets	863	898
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	43	60
Deferred outflows related to OPEB	26	37
Deferred change on refunding	7	7
Total Deferred Outflows of Resources	76	104
<b>Liabilities</b>		
Current liabilities	204	211
Long-term liabilities, outstanding	1,598	1,689
Total Liabilities	1,802	1,900
<b>Deferred Inflows of Resources</b>		
Deferred inflows related to pensions	92	33
Deferred inflows related to OPEB	64	87
Total Deferred Inflows of Resources	156	120
<b>Net Position</b>		
Net position in capital assets	202	166
Restricted	20	21
Unrestricted	(1,241)	(1,214)
	\$ (1,019)	\$ (1,017)

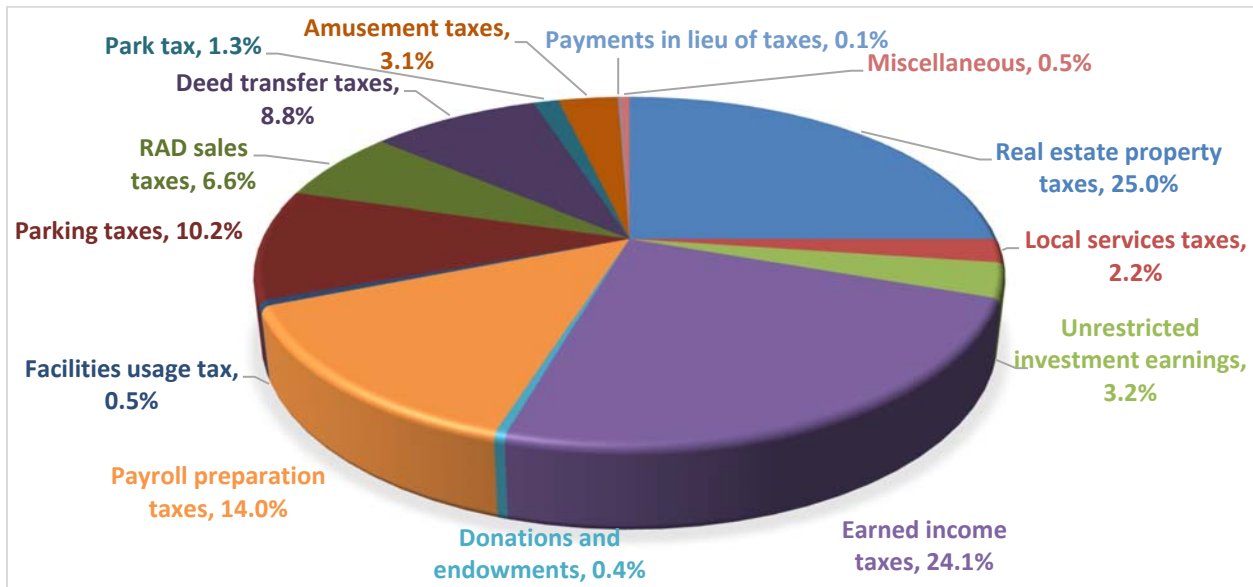
**Governmental activities** – Governmental activities decreased the City's net position by \$1.5 million in 2025 as expenditures were more than revenues. Year over year revenue was down mainly due to the end of the American Rescue Plan Act general fund transfers while expenditures

saw an increase due to large water bills and a higher legal accrual. The following table shows the revenues and expenditures of the primary government:

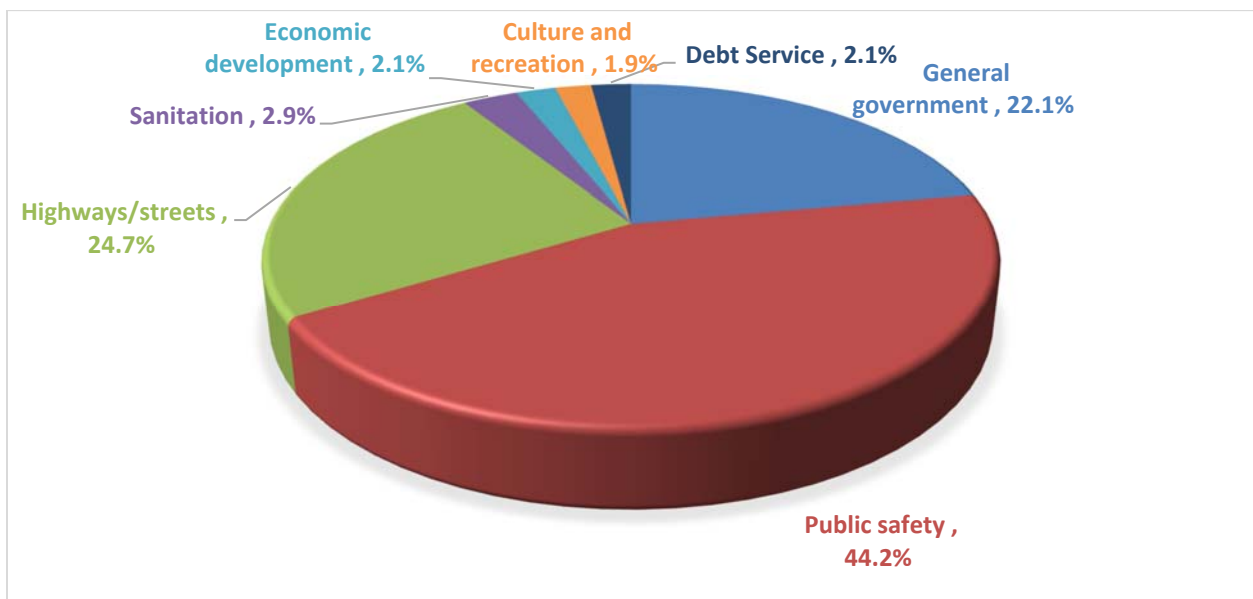
### City of Pittsburgh's Activities

(\$ millions)	Governmental Activities	
	2025	2024
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 91	\$ 80
Operating grants and contributions	92	170
Capital grants and contributions	57	54
Total program revenues	240	304
General revenues:		
Real estate property taxes	150	145
Earned income taxes	145	139
Local services taxes	13	12
Payroll preparation taxes	84	73
Parking taxes	61	57
RAD sales taxes	40	35
Deed transfer taxes	53	49
Park tax	8	7
Amusement taxes	18	21
Payment in lieu of taxes	1	2
Facilities usage tax	3	2
Unrestricted investment earnings	19	26
Donations and endowments	2	5
Investment earnings		
Other	3	4
Total general revenues	601	577
Total revenues	841	881
<b>Expenditures:</b>		
General government	186	198
Public safety	372	358
Highways/streets	208	183
Sanitation	24	20
Economic development	18	12
Culture and recreation	16	14
Interest on long-term debt plus amortz.		
of issuance cost and premium/discounts	18	18
Total expenditures	842	803
<b>Change in Net Position</b>	(2)	78
<b>Net Position:</b>		
Beginning of year	(1,017)	(1,095)
End of year	\$ (1,019)	\$ (1,017)

General revenues by type are presented below:



Expenditures of the statement of activities are shown below by functional area:



## Governmental Funds

*Governmental funds* - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City, with revenues and expenditures that are connected to every aspect of the City. Modified accrual revenues for the General Fund totaled \$684.7 million in 2025 (up \$12.2 million from 2024). Fiscal year 2025 saw tax revenue \$16.1 million above prior year tax revenues. The largest variance was deed transfer tax at over \$4 million more than the previous year, as well as parking tax which was \$4.3 million over 2024 and a stronger than expected earned income tax which was \$6.4 million over previous year. These gains were partially offset by negative variances in real estate tax revenues of \$3.8 million less than previous year and investment income which had a decrease of \$7.9 million.

In addition to the above General Fund tax revenues, the City earned \$21.7 million in the Community Development Fund, \$40.4 million in Capital Projects, and \$61.6 million in Non-major Governmental Funds, mostly from pass-through of federal and state monies. The City also recognized \$20.1 million American Rescue Plan Act Fund money as revenue for aiding recovery from the economic and health effects of the COVID-19 pandemic. The City created and adopted a four-year plan for utilizing the recovery funds in accordance with all regulatory and statutory requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$451.8 million, a decrease of \$51.2 million from 2024. Approximately 36.77% of this total fund balance, or \$166.1 million, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance that is restricted for endowments, employee benefits, State and Federal Purpose Grants, and capital projects is \$68.7 million, the amount committed to interfund advance and specific programs is \$36.2 million and the amount assigned for encumbrances and debt service is \$179.5 million.

At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$166.1 million, while total fund balance for the General Fund was \$203.7 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.69% of total General Fund expenditures and operating transfers, while total fund balance represents 27.82%.

The fund balance of the City's General Fund decreased by \$44.7 million during the 2025 fiscal year compared to an increase of \$7.1 million in 2024. This drop in the fund balance is primarily due to the reduction of the American Rescue Plan general fund contribution while expenditures, such as salaries and utilities, increased.

Expenditures and other uses, including debt service payments/transfers from the General Fund in 2025 remained fairly stagnant at \$732.2 million, compared to \$722.9 million in 2024 representing a small increase of 1.27% or \$9.3 million overall. Of that increase, \$6.9 million relates to an increase in the short-term legal accrual and \$8.9 million relates to increases in salaries (of which \$4.2 million was for to premium pay).

Transfers to the Debt Service Fund of \$66.5 million, combined with debt subsidies of \$3.6 million, totaled \$70.1 million, compared to \$66.6 million in 2024. The debt subsidies for the URA are commitments made by the City over the life of their bonds. Debt service and debt subsidies accounted for 8.09% of the total governmental expenditures, illustrating the magnitude of the City's annual debt service. The Debt Service Fund has a total fund balance of \$3.8 million, all of which is assigned for the payment of debt service.

The Community Development Fund had intergovernmental revenues of \$21.7 million and expenditures and transfers out of \$21.7 million. The Capital Projects Fund had \$40.4 million of revenues, and \$117.0 million in expenditures, \$61.1 million in new capital debt proceeds and \$6.5 million in net operating transfers. The Capital Projects Funds fund balance decreased by \$6.9 million to \$185.9 million in 2025 as compared to \$192.9 million as of December 31, 2024 due to the issuance of a new bond and an increase in transfers from other funds.

### **General Fund Budgetary Highlights**

Actual General Fund revenues were less than the budgeted revenues by \$10.4 million mainly due to a timing issue in receiving payroll preparation tax revenue, and a discontinued project with Allegheny County these were partially offset by favorable collections in deed transfer tax and parking tax revenue. The final budgeted General Fund expenditures were \$41.4 million higher than the original budget. Actual General Fund budgetary basis expenditures were \$1.4 million higher than the final budget.

During fiscal year 2025, City Council amended the budget primarily for the following reason:

- All encumbrances and obligations incurred prior to January 1, 2025 for which services have been rendered or supplies, materials or equipment actually delivered on or prior to December 31, 2024 and so reported to the City Controller shall be charged to the proper 2024 appropriation accounts against which encumbrances have been originally charged. Said encumbrances shall either be paid or cleared by the City Controller per the City's encumbrance policy.

## Capital Asset and Debt Administration

**Capital assets** - The City's investment in capital assets for its governmental-type activities as of December 31, 2025 amounts to \$275.2 million, net of accumulated depreciation. This investment in capital assets includes building and building improvements, land, machinery and equipment, furniture and fixtures, vehicles, infrastructure, capital lease, and construction-in-progress.

Major increases in assets included \$20 million infrastructure, \$15 million in buildings and building improvements, and additions of \$5 million in vehicles, along with a \$3 million increase in capital leases and subscription-based information technology arrangement contracts.

### City of Pittsburgh's Changes in Capital Assets

(\$ millions)	Governmental Activities	
	2025	2024
Land and land improvements	\$ 48	\$ 48
Construction in progress	65	70
Buildings and building improvements	105	90
Capital lease	35	37
SBITA	9	7
Infrastructure	277	257
Vehicles	124	116
Furniture and fixtures	5	5
Machinery and equipment	9	9
<b>Total capital assets</b>	<b>677</b>	<b>639</b>
Less accumulated depreciation for:		
Buildings	(89)	(89)
Infrastructure	(173)	(169)
Vehicles	(95)	(89)
Furniture and fixtures	(5)	(5)
Capital leases	(27)	(22)
SBITA	(5)	(3)
Machinery and equipment	(8)	(8)
<b>Total accumulated depreciation</b>	<b>(402)</b>	<b>(385)</b>
<b>Total capital net assets</b>	<b>\$ 275</b>	<b>\$ 254</b>

More detailed information about capital assets is provided in Note 6 to the financial statements.

**Long-term debt** - At the end of the current fiscal year, the City had total bonds and notes outstanding of \$512 million, which comprises debt backed by the full faith and credit of the government.

### City of Pittsburgh’s Outstanding Debt

(\$ millions)	Governmental Activities	
	2025	2024
General obligation bonds and notes:		
Beginning balance at January 1	\$ 504	\$ 502
Debt issued and other	61	53
Refinanced bonds	-	-
Principal payments and other	(53)	(51)
Ending balance at December 31	\$ 512	\$ 504

More detailed information about long-term debt is provided in Note 9 of the financial statements.

### Significant Events

Early in 2018, a resolution by the Commonwealth of Pennsylvania was adopted to allow the City to formally exit Act 47 oversight, thereby ending its designation as a “financially distressed municipality.” During 2025, the City continued efforts to control costs, maximize collections, and maintain solvency. The cash balance available for general operations of the City as of December 31, 2025 was \$166.4 million; this was enough to maintain normal function throughout the City in January 2026. As of December 31, 2025, the City had a General Fund unassigned fund balance of \$166.1 million. The City will continue to focus on strategies to fund long-term obligations, principally net pension obligations, net other post-employment obligations, general obligation debt and reduce its net deficit of \$1.0 billion in December 31, 2025. The City recognizes that the budgetary impact of the COVID-19 pandemic continues to be significant but remains optimistic that steps can be taken to manage city finances going forward.

### Pension Funding

Commonwealth of Pennsylvania Act 47 of 2009 required the City’s aggregate pension funding level to be at least 50 percent by December 31, 2010 to avoid having the City’s pension funds seized and administered by the Pennsylvania Municipal Retirement System. The City met this requirement by transferring \$45 million to the Comprehensive Trust Fund (Fund) in 2010 and

agreeing to dedicate parking tax revenues for the next 31 years per Council legislation. During 2021, Council legislation extended parking tax payments dedicated to pension funding to 2046. The City contributed \$13.4 million of the parking tax revenue to the Fund from 2011-2017, \$26.8 million from 2018 through 2025, and will continue to do so through 2046. In total, the City contributed \$102.7 million in 2023 and \$105.7 million in 2024. For 2025, the City contributed \$104.5 million, \$55.8 million more than its actuarially determined contribution of \$48.7 million.

### **Cash Position**

During 2025, the City continued efforts to stabilize and improve the City's financial condition, and continued adaptations to conditions stemming from the COVID-19 pandemic.

At the onset of 2026, the City expected cash flows to be sufficient to maintain a positive cash position.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Controller's Office, First Floor, City County Building, 414 Grant Street Pittsburgh, PA 15219.

## **BASIC FINANCIAL STATEMENTS**

# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF NET POSITION

DECEMBER 31, 2025

	Primary Governmental Activities	Component Units
<b>Assets</b>		
<b>Current assets:</b>		
Cash, cash equivalents, and investments	\$ 280,529,444	\$ 349,828,708
Restricted cash	156,767,214	16,824,276
Real estate taxes receivable (net of allowance for uncollectible accounts of \$9,571,427)	11,994,890	-
Accounts receivable, net	-	53,006,308
Accrued interest receivable	1,899,221	736,971
Due from other governments	16,579,056	5,170,838
Taxpayer - assessed taxes receivable	70,980,211	-
Inventory	-	3,852,000
Notes receivable	-	18,732
Lease receivables	-	327,936
Other receivables	34,041,681	20,726,377
Due from component unit	395,220	-
Advance to component unit	7,372,398	-
Prepaid expenses	-	4,028,212
Total current assets	580,559,335	454,520,358
<b>Noncurrent assets:</b>		
<b>Restricted assets:</b>		
Cash and cash equivalents	-	33,594,000
Investments	-	21,439,067
Accounts receivable - parking	-	2,269,500
Total restricted assets	-	57,302,567
Due from component unit	6,718,736	-
Investments - unrestricted	-	9,745,129
<b>Capital assets:</b>		
Capital assets not being depreciated:	113,093,758	394,287,181
Capital assets net of accumulated depreciation/amortization:	162,141,757	1,363,296,949
Total net capital assets	275,235,515	1,757,584,130
Leasehold improvements	-	5,137,253
Other assets	-	3,208,781
Loans/notes receivable	-	67,863,922
Net pension asset	-	7,262,805
Prepaid bond insurance	-	192,001
Hedging derivative - interest rate swap	-	15,775,000
Property held for redevelopment	-	15,744,425
Lease receivable	-	35,792,514
Total noncurrent assets	281,954,251	1,975,608,527
<b>Total Assets</b>	862,513,586	2,430,128,885
<b>Deferred Outflows of Resources</b>		
Deferred outflows related to pension	43,438,759	-
Deferred outflows related to OPEB - Retiree	20,344,207	-
Deferred outflows related to OPEB - Disabled Firefighters	5,241,141	-
Deferred charge on refunding	6,627,480	53,539,869
<b>Total Deferred Outflows of Resources</b>	75,651,587	53,539,869

(Continued)

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

STATEMENT OF NET POSITION

DECEMBER 31, 2025

(Continued)

	Primary Governmental Activities	Component Units
<b>Liabilities</b>		
Current liabilities:		
Accounts payable - wastewater treatment	-	27,705,000
Accounts and retainage payable	4,970,423	13,809,273
Accrued liabilities	66,358,259	68,919,788
Self-funded health insurance	3,588,000	-
Accrued interest payable	6,188,721	16,859,838
Accrued worker's compensation	11,232,414	-
Accrued compensated absences	15,449,214	-
Accrued claims and judgments	6,686,003	-
Unearned revenue	24,771,434	10,230,149
Due to primary government	-	395,220
Due to other governments	1,258,575	-
Lease/subscriptions liability, current portion	4,852,171	1,944,384
Bonds and loans payable, current portion	58,489,747	58,326,569
Total current liabilities	203,844,961	198,190,221
Noncurrent liabilities:		
Unearned revenue	-	121,000
Other liabilities	-	3,263,766
Accrued payroll - related obligations	-	168,000
Bonds and loans payable, net of unamortized premiums/discounts	457,305,136	1,576,407,116
Accrued workers' compensation	82,371,039	-
Net OPEB liability - Retiree	308,382,940	-
Net OPEB liability - Disabled Firefighters	13,479,214	-
Accrued compensated absences	6,963,285	-
Accrued claims and judgments	13,243,000	-
Lease/subscriptions liability	5,869,159	19,342,254
Net pension liability	710,064,068	-
Due to primary government	-	6,718,734
Advance from the City of Pittsburgh	-	22,775,168
Total noncurrent liabilities	1,597,677,841	1,628,796,038
<b>Total Liabilities</b>	1,801,522,802	1,826,986,259
<b>Deferred Inflows of Resources</b>		
Accumulated increase in fair value of hedging derivatives		
	-	15,775,000
Deferred inflows related to leases	-	34,454,412
Deferred inflows related to pension	91,734,208	1,787,683
Deferred inflows related to OPEB - Retiree	35,278,902	26,472
Deferred inflows related to OPEB - Disabled Firefighters	28,655,346	-
<b>Total Deferred Inflows of Resources</b>	155,668,456	52,043,567
<b>Net Position</b>		
Net investment in capital assets		
	202,495,788	251,719,255
Restricted for:		
Capital projects	-	13,924,327
Employee benefits	7,496,855	-
Endowment earnings - expendable	1,778,201	-
State and Federal Purpose Grants	10,253,869	-
Indenture funds	-	40,485,824
Pension	-	5,133,504
Sustainability Initiatives	-	548,772
Operating reserve	-	24,309,000
Urban development	-	37,530,075
Lending programs	-	120,081,196
Housing program	-	5,825,179
Unrestricted	(1,241,050,798)	105,081,796
<b>Total Net Position</b>	\$ (1,019,026,085)	\$ 604,638,928

(Concluded)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

Functions/Programs					Net (Expense) Revenue and Changes in Net Position	
	Expenses	Program Revenues			Primary	Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Primary government:</b>						
Governmental activities:						
General government	\$ 186,221,157	\$ 45,625,343	\$ 34,519,486	\$ 20,115,648	\$ (85,960,680)	\$ -
Public safety	372,078,845	36,585,231	35,826,143	-	(299,667,471)	-
Highway and streets	208,244,681	7,755,347	20,012,964	23,804,683	(156,671,687)	-
Sanitation	24,162,546	-	-	-	(24,162,546)	-
Economic development (includes debt subsidies to URA of \$3,617,874)	17,522,868	-	-	11,878,950	(5,643,918)	-
Culture and recreation	15,987,132	1,470,236	1,155,990	1,000,000	(12,360,906)	-
Interest on long-term debt, leases and amortization of premiums and discounts	18,108,354	-	-	-	(18,108,354)	-
<b>Total primary government</b>	<b>\$ 842,325,583</b>	<b>\$ 91,436,157</b>	<b>\$ 91,514,583</b>	<b>\$ 56,799,281</b>	<b>(602,575,562)</b>	<b>-</b>
<b>Total component units</b>	<b>\$ 500,506,361</b>	<b>\$ 447,180,249</b>	<b>\$ 76,542,068</b>	<b>\$ 31,393,000</b>		<b>54,608,956</b>
General revenues:						
Real estate taxes					150,441,650	-
Earned income taxes					144,921,673	-
Local services tax					12,972,591	-
Payroll preparation tax					84,197,424	-
Parking tax					61,215,299	-
Sales taxes from the Regional Asset District					39,858,131	-
Deed transfer tax					52,979,037	-
Park tax					7,916,871	-
Amusement tax					18,417,432	-
Facilities usage tax					2,906,417	-
Public service privilege					1,111,500	-
Nonprofit payment in lieu of taxes					737,529	-
Investment earnings					19,234,148	10,470,731
Miscellaneous					1,983,583	2,854,757
Donations and endowments					2,210,367	-
Total general revenues and donations and endowments					<u>601,103,652</u>	<u>13,325,488</u>
Special Item:						
Private lead line replacement					-	(16,551,000)
Total special item					<u>-</u>	<u>(16,551,000)</u>
<b>Change in Net Position</b>					(1,471,910)	51,383,444
Net position - beginning					<u>(1,017,554,175)</u>	<u>552,844,905</u>
Change to financial reporting entity					-	410,579
Net position - beginning, as restated					(1,017,554,175)	553,255,484
Net position - ending					<u>\$ (1,019,026,085)</u>	<u>\$ 604,638,928</u>

See accompanying notes to financial statements.

## **FUND FINANCIAL STATEMENTS**

# CITY OF PITTSBURGH, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2025

	General	Debt Service	Special Revenue CDBG	Capital Projects	Special Revenue American Rescue Plan Act Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 166,353,114	\$ 3,978,873	\$ 1,447,849	\$ 42,995,728	\$ 4,884,568	\$ 60,869,312	\$ 280,529,444
Cash and cash equivalents - restricted	378,881	-	-	156,388,333	-	-	156,767,214
Receivables:							
Real estate taxes (net of allowances for uncollectible accounts of \$9,571,427)	11,994,890	-	-	-	-	-	11,994,890
Taxpayer - assessed taxes receivable	70,980,211	-	-	-	-	-	70,980,211
Other receivables	32,629,124	-	-	-	-	1,412,557	34,041,681
Accrued interest	572,843	542,114	-	-	-	784,264	1,899,221
Advance to other fund	-	-	-	1,364,873	-	-	1,364,873
Advance to component unit	-	-	-	-	7,372,398	-	7,372,398
Due from other governments	-	-	936,397	3,215,844	-	12,426,815	16,579,056
Due from other funds	5,185,886	-	-	1,513,957	-	176,315	6,876,158
<b>Total Assets</b>	<b><u>\$ 288,094,949</u></b>	<b><u>\$ 4,520,987</u></b>	<b><u>\$ 2,384,246</u></b>	<b><u>\$ 205,478,735</u></b>	<b><u>\$ 12,256,966</u></b>	<b><u>\$ 75,669,263</u></b>	<b><u>\$ 588,405,146</u></b>

(Continued)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## BALANCE SHEET GOVERNMENTAL FUNDS

DECEMBER 31, 2025

(Continued)

	General	Debt Service	Special Revenue CDBG	Capital Projects	Special Revenue American Rescue Plan Act Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Liabilities, Deferred Inflows of Resources, and Fund Balance</b>							
<b>Liabilities:</b>							
Accounts payable	\$ 3,661,396	\$ -	\$ 41,536	\$ 1,240,260	\$ -	\$ 27,231	\$ 4,970,423
Accrued liabilities	49,259,420	-	554,858	11,538,682	-	5,005,299	66,358,259
Self-funded health insurance	3,588,000	-	-	-	-	-	3,588,000
Advance from other fund	-	-	1,364,873	-	-	-	1,364,873
Due to other funds	283,708	702,174	338,362	-	-	5,551,914	6,876,158
Due to other governments	148,729	-	-	-	-	1,109,846	1,258,575
Unearned revenue	-	-	-	6,761,518	12,256,966	5,752,950	24,771,434
Accrued claims and judgments	6,686,003	-	-	-	-	-	6,686,003
Total Liabilities	<u>63,627,256</u>	<u>702,174</u>	<u>2,299,629</u>	<u>19,540,460</u>	<u>12,256,966</u>	<u>17,447,240</u>	<u>115,873,725</u>
<b>Deferred Inflows of Resources:</b>							
Unavailable revenue - taxes	<u>20,764,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,764,072</u>
Total Deferred Inflows of Resources	<u>20,764,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,764,072</u>
<b>Fund Balance:</b>							
<b>Restricted:</b>							
Capital projects	-	-	-	49,112,920	-	-	49,112,920
Endowment earnings - expendable	1,778,201	-	-	-	-	-	1,778,201
Employee benefits	7,496,855	-	-	-	-	-	7,496,855
State and Federal Purpose Grants	-	-	84,617	-	-	10,169,252	10,253,869
<b>Committed:</b>							
Interfund advance	-	-	-	1,364,873	-	-	1,364,873
Specified program services	-	-	-	-	-	36,171,243	36,171,243
<b>Assigned:</b>							
General government	28,293,445	-	-	-	-	-	28,293,445
Debt service	-	3,818,813	-	-	-	-	3,818,813
Capital projects	-	-	-	135,460,482	-	-	135,460,482
Public safety	-	-	-	-	-	5,859,205	5,859,205
Community, recreation, and cultural	-	-	-	-	-	6,022,323	6,022,323
Unassigned	<u>166,135,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,135,120</u>
Total Fund Balance	<u>203,703,621</u>	<u>3,818,813</u>	<u>84,617</u>	<u>185,938,275</u>	<u>-</u>	<u>58,222,023</u>	<u>451,767,349</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<u>\$ 288,094,949</u>	<u>\$ 4,520,987</u>	<u>\$ 2,384,246</u>	<u>\$ 205,478,735</u>	<u>\$ 12,256,966</u>	<u>\$ 75,669,263</u>	<u>\$ 588,405,146</u>

(Concluded)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

DECEMBER 31, 2025

**Total Fund Balance - Governmental Funds** \$ 451,767,349

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets including construction-in-progress and right-to-use leased assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$677,632,726 and the accumulated depreciation/amortization is \$402,397,211. 275,235,515

Property taxes receivable and other revenues will be collected in the future, but are not available to pay for the current period's expenditures and, therefore, are treated as deferred inflows in the funds. Receivable amounts are shown net of allowances, but are not deferred inflows in the government-wide financial statements. 20,764,072

Long-term receivables, including due from component unit, are not due in the current period and, therefore, are not reported as receivable in the funds. 7,113,956

The net pension liability, and deferred inflows and outflows of resources for pension are not recorded on the fund financial statements. (758,359,517)

The net OPEB liabilities, and deferred inflows and outflows of resources for OPEBs are not recorded on the fund financial statements. (360,211,054)

The deferred outflows related to long-term debt are not reported in the funds. 6,627,480

Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Bonds and notes payable, net of unamortized premiums/discounts	\$	(515,794,883)	
Lease/subscription liability		(10,721,330)	
Accrued workers' compensation		(93,603,453)	
Accrued compensated absences		(22,412,499)	
Accrued interest payable		(6,188,721)	
Accrued claims and judgments		(13,243,000)	
		(661,963,886)	(661,963,886)

**Total Net Position - Governmental Activities** \$ (1,019,026,085)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2025

	General	Debt Service	Special Revenue CDBG	Capital Projects	Special Revenue American Rescue Plan Act Fund	Total Nonmajor Funds	Total Governmental Funds
<b>Revenues:</b>							
Taxes, including penalties and interest	\$ 551,072,713	\$ -	\$ -	\$ 3,362,581	\$ -	\$ 16,665,125	\$ 571,100,419
Payment in lieu of taxes	737,529	-	-	-	-	-	737,529
Interest and dividends	11,906,683	6,916,076	-	-	-	411,389	19,234,148
Fines and forfeits	9,956,896	-	-	316,367	-	11,502	10,284,765
Intergovernmental revenues	48,380,408	-	21,697,604	35,496,897	20,068,406	23,465,098	149,108,413
Charges for user services	60,765,272	-	-	-	-	20,386,120	81,151,392
Other	1,897,763	-	-	1,248,113	-	651,522	3,797,398
Total revenues	<u>684,717,264</u>	<u>6,916,076</u>	<u>21,697,604</u>	<u>40,423,958</u>	<u>20,068,406</u>	<u>61,590,756</u>	<u>835,414,064</u>
<b>Expenditures:</b>							
Current:							
General government	124,670,200	-	7,824,767	3,766,529	19,676,712	15,018,276	170,956,484
Public safety	369,223,480	-	-	759,190	-	27,512,007	397,494,677
Public works	93,292,824	-	765,777	71,261,114	-	30,547,973	195,867,688
Sanitation	23,610,285	-	-	131,464	-	-	23,741,749
Community, recreation, and cultural	10,567,898	-	675,765	-	-	4,787,732	16,031,395
Economic and physical development	-	-	12,273,795	1,631,199	-	-	13,904,994
Claims and judgments	7,723,894	-	-	-	-	-	7,723,894
Debt service:							
Principal retirement of bonds, finance purchases, and leases/SBITAs	5,253,639	54,420,000	-	-	-	1,661,925	61,335,564
Interest on bonds, finance purchases and leases/SBITAs	482,421	18,981,793	-	-	-	145,501	19,609,715
Bond issuance costs	-	-	-	584,802	-	-	584,802
Urban Redevelopment Authority subsidy	3,617,874	-	-	-	-	-	3,617,874
Capital outlay	2,729,300	-	-	38,914,910	-	-	41,644,210
Total expenditures	<u>641,171,815</u>	<u>73,401,793</u>	<u>21,540,104</u>	<u>117,049,208</u>	<u>19,676,712</u>	<u>79,673,414</u>	<u>952,513,046</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>43,545,449</u>	<u>(66,485,717)</u>	<u>157,500</u>	<u>(76,625,250)</u>	<u>391,694</u>	<u>(18,082,658)</u>	<u>(117,098,982)</u>
<b>Other Financing Sources (Uses):</b>							
Issuance of debt	-	-	-	61,095,000	-	-	61,095,000
Bond premium	-	-	-	2,104,448	-	-	2,104,448
Leases	1,226,249	-	-	-	-	-	1,226,249
Subscription-based information technology arrangements	1,503,051	-	-	-	-	-	1,503,051
Transfers from other funds	-	66,500,000	-	17,962,978	12,000	24,483,948	108,958,926
Transfers to other funds	(91,001,220)	-	(157,500)	(11,460,501)	(403,694)	(5,936,011)	(108,958,926)
Total other financing sources (uses)	<u>(88,271,920)</u>	<u>66,500,000</u>	<u>(157,500)</u>	<u>69,701,925</u>	<u>(391,694)</u>	<u>18,547,937</u>	<u>65,928,748</u>
<b>Net Change in Fund Balances</b>	<u>(44,726,471)</u>	<u>14,283</u>	<u>-</u>	<u>(6,923,325)</u>	<u>-</u>	<u>465,279</u>	<u>(51,170,234)</u>
<b>Fund Balances:</b>							
Beginning of year	248,430,092	3,804,530	84,617	192,861,600	-	57,756,744	502,937,583
End of year	<u>\$ 203,703,621</u>	<u>\$ 3,818,813</u>	<u>\$ 84,617</u>	<u>\$ 185,938,275</u>	<u>\$ -</u>	<u>\$ 58,222,023</u>	<u>\$ 451,767,349</u>

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2025

<b>Net Change in Fund Balance - Governmental Funds</b>	\$	(51,170,234)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of net capital outlays and depreciation/amortization expense:</p>		
Capital outlays	\$ 41,677,210	
Less: net deletions	-	
Less: depreciation/amortization expense	<u>(20,207,777)</u>	21,469,433
<p>Some levied taxes and other revenues will not be collected for several months after the City's year-end, they are not considered as "available" revenues in the governmental funds. Deferred inflows changed by this amount during the year.</p>		
		5,834,828
<p>Long-term receivables, including loan receivable due from component unit, are not due in the current period and, therefore, are not reported as receivable in the funds. Long-term receivables changed by this amount during the year.</p>		
		(395,220)
<p>Changes in the net pension liability and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements.</p>		
		21,275,413
<p>Changes in the net OPEB liabilities and related deferred inflows and outflows of resources do not affect current financial resources and, therefore, are not reflected on the fund statements.</p>		
		9,353,256
<p>The issuance of long-term obligations (e.g., notes, bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the statement of activities. Also, governmental funds report the effect of premiums, discounts, interest, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term obligations and related items.</p>		
		(2,503,289)
<p>In the statement of activities, certain expenses - workers' compensation, compensated absences, and claims and judgments are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the difference between the amount incurred versus the amount used.</p>		
		<u>(5,336,097)</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>(1,471,910)</u></b>

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND

YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands)

	Budgeted Amounts Original/Final	Actual	Variance with Final Budget
<b>Revenues:</b>			
<u>Taxes, net of refunds and banking fees:</u>			
Real estate	\$ 143,465	\$ 145,409	\$ 1,944
Non-profit payment for services	599	632	33
Payroll preparation	76,578	68,883	(7,695)
Amusement	19,373	18,375	(998)
Earned income	145,043	141,331	(3,712)
Deed transfer	42,341	47,574	5,233
Parking	53,609	58,126	4,517
Local Services Tax	13,242	12,426	(816)
Institution and service privilege	158	89	(69)
Facility usage fee	6,079	3,569	(2,510)
Public service	1,260	1,168	(92)
Penalties and interest	1,264	1,679	415
Act 77 - tax relief	27,335	27,799	464
	<u>530,346</u>	<u>527,060</u>	<u>(3,286)</u>
Total taxes, net of refunds and banking fees			
Interest earnings	14,878	11,706	(3,172)
Fines and forfeits	9,308	8,344	(964)
<u>Licenses and fees:</u>			
Liquor and malt beverage	404	398	(6)
General government	17,134	18,482	1,348
Rentals and charges	42,770	42,663	(107)
	<u>60,308</u>	<u>61,543</u>	<u>1,235</u>
Total licenses and fees			
Federal and state grants	5,741	4,235	(1,506)
Reimbursement, CDBG	213	239	26
Urban Redevelopment Authority	523	609	86
State utility tax	497	-	(497)
Allegheny County	5,555	270	(5,285)
Miscellaneous	236	1,112	876
Sale of public property	3	179	176
State aid - pension	31,226	33,041	1,815
2% Local share of slots revenue	10,000	10,000	-
Operating transfer	-	50	50
	<u>53,994</u>	<u>49,735</u>	<u>(4,259)</u>
Total other revenues			
Total budgeted revenues	<u>668,834</u>	<u>658,388</u>	<u>(10,446)</u>

(Continued)

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands)  
(Continued)

	Original Adopted Budget	Transfers and Prior Year Carryover	Final Budget	Expenditures	Encumbrances	Total Actual	Variance
<b>Expenditures:</b>							
Current Operating-General Government							
City Council Districts and City Council as a Body:							
City Council Districts:							
Salaries/Employee Benefits	3,457	-	3,457	3,378	-	3,378	79
Non-salaries	83	-	83	-	-	-	83
Total City Council Districts	3,540	-	3,540	3,378	-	3,378	162
City Council as a Body:							
Salaries/Employee Benefits	2,036	-	2,036	1,761	-	1,761	275
Non-salaries	506	87	593	439	74	513	80
Total City Council as a Body	2,542	87	2,629	2,200	74	2,274	355
Total City Council Districts and City Council as a Body	6,082	87	6,169	5,578	74	5,652	517
Mayor's Office:							
Office of the Mayor							
Salaries/Employee Benefits	3,655	-	3,655	3,283	-	3,283	372
Non-salaries	1,308	427	1,735	736	789	1,525	210
Total Office of the Mayor	4,963	427	5,390	4,019	789	4,808	582
Office of Management and Budget							
Salaries/Employee Benefits	3,306	-	3,306	3,293	-	3,293	13
Non-salaries	17,882	2,414	20,296	18,778	1,277	20,055	241
Total Office of Management and Budget	21,188	2,414	23,602	22,071	1,277	23,348	254
Total Mayor's Office	26,151	2,841	28,992	26,090	2,066	28,156	836
Innovation & Performance:							
Salaries/Employee Benefits	6,348	-	6,348	6,285	-	6,285	63
Non-salaries	16,377	8,476	24,853	14,387	9,482	23,869	984
Total Innovation & Performance	22,725	8,476	31,201	20,672	9,482	30,154	1,047
Commission on Human Relations:							
Salaries/Employee Benefits	711	-	711	705	-	705	6
Non-salaries	64	26	90	81	2	83	7
Total Human Relations	775	26	801	786	2	788	13
Office of City Controller:							
Salaries/Employee Benefits	5,194	-	5,194	4,914	-	4,914	280
Non-salaries	208	22	230	177	-	177	53
Total Office of City Controller	5,402	22	5,424	5,091	-	5,091	333
Department of Finance:							
Salaries/Employee Benefits	8,779	-	8,779	8,535	-	8,535	244
Non-salaries	3,537	114	3,651	3,674	101	3,775	(124)
Pension	106,791	-	106,791	106,672	-	106,672	119
Debt service	73,949	-	73,949	72,500	-	72,500	1,449
Total Department of Finance	193,056	114	193,170	191,381	101	191,482	1,688
Department of Law							
Salaries/Employee Benefits	4,190	-	4,190	3,730	-	3,730	460
Non-salaries	2,799	2,316	5,115	3,180	1,685	4,865	250
Total Law	6,989	2,316	9,305	6,910	1,685	8,595	710

(Continued)

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands)  
(Continued)

	Original Adopted Budget	Transfers and Prior Year Carryover	Final Budget	Expenditures	Encumbrances	Total Actual	Variance
Current Operating-General Government, cont:							
Department of Law - Ethics Board:							
Salaries/Employee Benefits	146	-	146	137	-	137	9
Non-salaries	45	4	49	14	4	18	31
Total Department of Law - Ethics Board	191	4	195	151	4	155	40
Department of Law - OMI							
Salaries/Employee Benefits	683	-	683	674	-	674	9
Non-salaries	83	-	83	45	1	46	37
Total - Department of Law - OMI	766	-	766	719	1	720	46
Total Department of Law	7,946	2,320	10,266	7,780	1,690	9,470	796
Department of Human Resources and Civil Service:							
Salaries/Employee Benefits	26,792	295	27,087	25,841	354	26,195	892
Non-salaries	3,384	1,861	5,245	4,134	643	4,777	468
Total Department of Human Resources and Civil Service	30,176	2,156	32,332	29,975	997	30,972	1,360
Department of City Planning:							
Salaries/Employee Benefits	4,787	-	4,787	4,795	-	4,795	(8)
Non-salaries	149	5,538	5,687	3,679	1,905	5,584	103
Total Department of City Planning	4,936	5,538	10,474	8,474	1,905	10,379	95
Department of Permits, Licenses, & Inspection:							
Salaries/Employee Benefits	10,298	-	10,298	9,123	-	9,123	1,175
Non-salaries	711	575	1,286	618	247	865	421
Total Department of Permits, Licenses, & Inspection	11,009	575	11,584	9,741	247	9,988	1,596
Total General Government	308,258	22,155	330,413	305,568	16,564	322,132	8,281
Public Safety - Department of Public Safety:							
Bureau of Administration:							
Salaries/Employee Benefits	6,132	-	6,132	6,606	-	6,606	(474)
Non-salaries	6,334	4,122	10,456	7,877	2,534	10,411	45
Total Bureau of Administration	12,466	4,122	16,588	14,483	2,534	17,017	(429)
Bureau of Emergency Medical Services:							
Salaries/Employee Benefits	26,567	-	26,567	29,581	-	29,581	(3,014)
Non-salaries	1,099	1,043	2,142	1,581	522	2,103	39
Total Bureau of Emergency Medical Services	27,666	1,043	28,709	31,162	522	31,684	(2,975)
Bureau of Police:							
Salaries/Employee Benefits	112,892	-	112,892	110,291	-	110,291	2,601
Non-salaries	7,750	409	8,159	7,216	498	7,714	445
Total Bureau of Police	120,642	409	121,051	117,507	498	118,005	3,046
Bureau of Fire:							
Salaries/Employee Benefits	96,077	-	96,077	102,703	-	102,703	(6,626)
Non-salaries	2,945	715	3,660	2,893	523	3,416	244
Total Bureau of Fire	99,022	715	99,737	105,596	523	106,119	(6,382)
Public Safety Animal Control:							
Salaries/Employee Benefits	1,401	-	1,401	1,362	-	1,362	39
Non-salaries	937	323	1,260	792	440	1,232	28
Total Bureau of Animal Care and Control	2,338	323	2,661	2,154	440	2,594	67
Public Safety Office of Community Health and Safety:							
Salaries/Employee Benefits	-	-	-	-	-	-	-
Non-salaries	58	3,820	3,878	764	3,043	3,807	71
Total Office of Community Health and Safety	58	3,820	3,878	764	3,043	3,807	71
Total Public Safety - Department of Public Safety	262,192	10,432	272,624	271,666	7,560	279,226	(6,602)

(Continued)

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) - GENERAL FUND**

YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands)  
(Continued)

	Original Adopted Budget	Transfers and Prior Year Carryover	Final Budget	Expenditures	Encumbrances	Total Actual	Variance
Department of Public Works:							
Bureau of Administration:							
Salaries/Employee Benefits	2,561	-	2,561	2,165	-	2,165	396
Non-salaries	11,708	4,405	16,113	9,032	12,490	21,522	(5,409)
Total Bureau of Administration	14,269	4,405	18,674	11,197	12,490	23,687	(5,013)
Operations:							
Salaries/Employee Benefits	21,930	-	21,930	23,253	-	23,253	(1,323)
Non-salaries	3,623	257	3,880	3,754	202	3,956	(76)
Total Operations	25,553	257	25,810	27,007	202	27,209	(1,399)
Environmental Services:							
Salaries/Employee Benefits	14,884	-	14,884	14,984	-	14,984	(100)
Non-salaries	4,772	141	4,913	4,879	6	4,885	28
Total Environmental Services	19,656	141	19,797	19,863	6	19,869	(72)
Facilities:							
Salaries/Employee Benefits	7,263	-	7,263	6,556	-	6,556	707
Non-salaries	4,805	3,443	8,248	5,839	2,753	8,592	(344)
Total Facilities	12,068	3,443	15,511	12,395	2,753	15,148	363
Mobility & Infrastructure:							
Salaries/Employee Benefits	10,586	-	10,586	10,484	-	10,484	102
Non-salaries	3,111	488	3,599	1,789	1,800	3,589	10
Total Mobility & Infrastructure	13,697	488	14,185	12,273	1,800	14,073	112
Total Public Works	85,243	8,734	93,977	82,735	17,251	99,986	(6,009)
Community, Recreational, and Cultural - Department of Parks and Recreation:							
Administration:							
Salaries/Employee Benefits	5,423	-	5,423	5,624	-	5,624	(201)
Non-salaries	3,569	86	3,655	610	41	651	3,004
Total Community, Recreational, and Cultural - Department of Parks and Recreation	8,992	86	9,078	6,234	41	6,275	2,803
Citizens Review Board:							
Salaries/Employee Benefits	751	-	751	650	-	650	101
Non-salaries	183	18	201	124	29	153	48
Total Citizens Review Board	934	18	952	774	29	803	149
Total Expenditures	665,619	41,425	707,044	666,977	41,445	708,422	(1,378)
<b>Excess (Deficiency) of Revenues over Expenditures</b>	48,596		(38,210)			(50,034)	(11,824)
Beginning budget basis fund balance	203,189					203,189	
Non-departmental Operating transfer out	35,204		35,204	35,371		35,371	(167)
Total expenditures and transfers - budgetary basis				\$ 702,348			\$ (11,991)
Ending budget basis fund balance	\$ 216,581					\$ 117,784	

(Continued)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) GENERAL FUND

YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands)  
(Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

### Sources/Inflows of Resources:

Actual amounts (budgetary basis) revenues from the statement of revenues, expenditures, and changes in fund balance - actual and budget.	\$ 658,388
Actual amounts not included on budgetary basis.	1,411
Transfer in	-
The adjustments to convert to GAAP basis, recording of receivables and revenues, not included in budget.	<u>27,648</u>
Total General Fund revenue and other financing sources on GAAP basis as reported on the statement of revenues, expenditures, and changes in fund balance.	<u>\$ 687,447</u>

### Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total expenditures" and budgeted transfers from the statement of revenues, expenditures, and changes in fund balance - budget and actual.	\$ 702,348
Actual amounts not included on budgetary basis.	688
The adjustments to convert to GAAP basis, recording of expenditures and liabilities not included in budget.	<u>30,017</u>
Total General Fund expenditures and transfers out as reported on the statement of revenues, expenditures, and changes in fund balance.	<u>\$ 733,053</u>

(Concluded)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$ 45,735,198	\$ 45,735,198	\$ 19,719,833	\$ (26,015,365)
Total revenues	45,735,198	45,735,198	19,719,833	(26,015,365)
<b>Expenditures:</b>				
General government:				
City Council Districts and City Council as a Body	2,046,767	2,046,767	651,512	1,395,255
Department of Personnel and Human Relations	1,535,249	1,535,249	659,084	876,165
Department of City Planning	521,959	521,959	292,301	229,658
Office of Management and Budget	5,150,913	5,150,913	2,227,758	2,923,155
Permits, licenses & inspections	4,764,075	4,764,075	1,713,880	3,050,195
Public works:				
Facilities	1,202,539	1,202,539	452,516	750,023
Mobility and infrastructure	700,436	700,436	349,546	350,890
Community, recreation, and cultural	2,000,000	2,000,000	1,000,000	1,000,000
Intergovernmental programs	27,813,260	27,813,260	12,076,959	15,736,301
Total expenditures	45,735,198	45,735,198	19,423,556	26,311,642
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 296,277</u>	<u>\$ 296,277</u>

(Continued)

See accompanying notes to financial statements.

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) COMMUNITY DEVELOPMENT FUND

YEAR ENDED DECEMBER 31, 2025  
(Amounts expressed in thousands)  
(Continued)

Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

**Sources/Inflows of Resources:**

Actual amounts (budgetary basis) revenues from the statement of revenues, expenditures, and changes in fund balance - actual and budget.	\$	19,720
Actual amounts not included on budgetary basis.		3,244
The adjustments to convert to GAAP basis, recording of receivables and revenues, not included in budget.		<u>(1,266)</u>
Total Community Development Fund revenue on GAAP basis as reported on the statement of revenues, expenditures, and changes in fund balance.	\$	<u><u>21,698</u></u>

**Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the statement of revenues, expenditures, and changes in fund balance - actual and budget.	\$	19,424
Actual amounts not included on budgetary basis.		3,227
The adjustments to convert to GAAP basis, recording of expenditures and liabilities not included in budget.		<u>(953)</u>
Total Community Development Fund expenditures and other financing uses as reported on the statement of revenues, expenditures, and changes in fund balance.	\$	<u><u>21,698</u></u>

(Concluded)

See accompanying notes to financial statements.

## **FIDUCIARY FUND STATEMENTS**

# CITY OF PITTSBURGH, PENNSYLVANIA

## STATEMENT OF NET POSITION FIDUCIARY FUNDS

DECEMBER 31, 2025

	Pension and OPEB Trust Funds	Private-Purpose Trust Funds	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 34,288,185	\$ 19,585,905	\$ 3,652,836
Investments:			
Common stock	66,055,454	-	-
U.S. government and agency obligations	71,251,131	-	-
Corporate and other obligations	51,928,132	-	-
Mutual funds:			
U.S. equities	249,392,651	-	-
Non-U.S. equities	152,684,603	-	-
Fixed income	136,474,864	-	-
Hedge funds	104,800,805	-	-
Real estate funds	28,144,952	-	-
Alternative strategies	-	-	-
Private equity	79,885,745	-	-
Other assets	-	88,307	-
Other receivables	-	-	745,598
Accrued interest and dividend receivables	1,242,435	-	-
<b>Total Assets</b>	<b>976,148,957</b>	<b>19,674,212</b>	<b>4,398,434</b>
<b>Liabilities</b>			
Benefits and related withholdings payable	2,124,733	-	-
Pool participants	-	14,083,897	-
Deposits held for others	-	-	112,456
Accrued liabilities and other payables	79,357	-	-
Escrow liability	-	-	4,285,978
<b>Total Liabilities</b>	<b>2,204,090</b>	<b>14,083,897</b>	<b>4,398,434</b>
<b>Net Position</b>			
Restricted for Pension	931,067,584	-	-
Restricted for OPEB	42,877,283	-	-
Restricted for Other Benefits	-	5,590,315	-
<b>Total Net Position</b>	<b>\$ 973,944,867</b>	<b>\$ 5,590,315</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS

YEAR ENDED DECEMBER 31, 2025

	Pension and OPEB Trust Fund	Private-Purpose Trust Funds	Custodial Funds
<b>Additions:</b>			
<hr/>			
Contributions:			
Employer - pension benefits	\$ 71,584,453	\$ -	\$ -
Employer - other benefits	21,944,038	81,848,401	-
State Aid	32,961,733	-	-
Plan members	17,502,983	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total contributions	143,993,207	81,848,401	-
Investment income:			
Net increase (decrease) in fair value of investments	147,978,979	-	-
Interest and dividends	15,213,590	984,623	-
	<hr/>	<hr/>	<hr/>
Total investment income (loss)	163,192,569	984,623	-
Investment expense	(1,306,861)	-	-
	<hr/>	<hr/>	<hr/>
Net investment income (loss)	161,885,708	984,623	-
Other:			
Collection of taxes for other entities	-	-	9,281,063
Other	74,903	5,631,253	2,007,873
	<hr/>	<hr/>	<hr/>
Total additions	305,953,818	88,464,277	11,288,936
<b>Deductions:</b>			
<hr/>			
Benefit payments - pension	113,067,536	-	-
Benefit payments - other benefits	26,944,038	94,395,762	-
Refund of employee contributions - pension	1,561,469	-	-
Administrative expense	1,943,076	1,625,320	-
Payment of taxes to other entities	-	-	9,281,063
Other	-	502,602	2,007,873
	<hr/>	<hr/>	<hr/>
Total deductions	143,516,119	96,523,684	11,288,936
<b>Change in Net Position</b>	162,437,699	(8,059,407)	-
<b>Net Position:</b>			
<hr/>			
Beginning of year	811,507,168	13,649,722	-
End of year	<u>\$ 973,944,867</u>	<u>\$ 5,590,315</u>	<u>\$ -</u>

See accompanying notes to financial statements.

**COMBINING STATEMENTS OF  
DISCRETE COMPONENT UNITS**

**CITY OF PITTSBURGH, PENNSYLVANIA**

COMBINING STATEMENT OF NET POSITION

COMPONENT UNITS

DECEMBER 31, 2025

	URA	Pittsburgh Water	Stadium Authority	Public Parking Authority	Pittsburgh Land Bank	Total
<b>Assets</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 82,771,352	\$ 127,559,000	\$ 260,356	\$ 449,019	\$ 1,245,583	\$ 212,285,310
Cash and cash equivalents - restricted	-	-	5,923,605	10,900,671	-	16,824,276
Investments - unrestricted	74,926,079	-	-	24,441,997	-	99,368,076
Investments - restricted	-	-	-	38,175,322	-	38,175,322
Accounts receivable, net	-	51,798,000	-	1,208,308	-	53,006,308
Due from other governments	5,170,838	-	-	-	-	5,170,838
Notes receivable	-	-	-	18,732	-	18,732
Inventory	-	3,852,000	-	-	-	3,852,000
Accrued interest receivable and other assets	-	-	-	736,971	-	736,971
Lease receivables	-	-	100,512	227,424	-	327,936
Other receivables	1,338,955	-	19,387,422	-	-	20,726,377
Prepays	-	3,979,000	49,212	-	-	4,028,212
<b>Total current assets</b>	<b>164,207,224</b>	<b>187,188,000</b>	<b>25,721,107</b>	<b>76,158,444</b>	<b>1,245,583</b>	<b>454,520,358</b>
<b>Noncurrent assets:</b>						
<b>Restricted assets:</b>						
Cash and cash equivalents	-	33,594,000	-	-	-	33,594,000
Investments	-	10,629,000	-	10,810,067	-	21,439,067
Reserve/loans escrow	-	-	2,269,500	-	-	2,269,500
<b>Total restricted assets</b>	<b>-</b>	<b>44,223,000</b>	<b>2,269,500</b>	<b>10,810,067</b>	<b>-</b>	<b>57,302,567</b>
Investments - unrestricted	-	-	-	9,745,129	-	9,745,129
<b>Capital assets:</b>						
Buildings and building improvements	52,860,504	-	55,702,702	-	-	108,563,206
Land and land improvements	3,681,726	1,317,000	-	25,200,125	-	30,198,851
Parking facilities	-	-	-	186,434,044	-	186,434,044
Machinery and equipment	-	-	43,588	13,513,186	-	13,556,774
Utility assets	-	1,632,287,000	-	-	-	1,632,287,000
Non-utility assets	-	63,118,000	-	-	-	63,118,000
Infrastructure	-	-	2,241,369	-	-	2,241,369
Right-to-use leased assets	-	-	1,075,922	-	-	1,075,922
Construction-in-progress	25,153,190	332,444,000	-	6,491,140	-	364,088,330
Less: accumulated depreciation/amortization	(21,170,446)	(471,945,000)	(22,098,943)	(128,764,977)	-	(643,979,366)
<b>Total net capital assets</b>	<b>60,524,974</b>	<b>1,557,221,000</b>	<b>36,964,638</b>	<b>102,873,518</b>	<b>-</b>	<b>1,757,584,130</b>
Leasehold improvements, net	-	-	-	5,137,253	-	5,137,253
Other assets	3,208,781	-	-	-	-	3,208,781
Property held for redevelopment/sale	14,970,554	-	-	-	773,871	15,744,425
Hedging derivative - interest rate swap	-	15,775,000	-	-	-	15,775,000
Loans/notes receivable, net	64,842,083	-	-	3,021,839	-	67,863,922
Net pension asset	-	-	-	7,262,805	-	7,262,805
Prepaid bond insurance	-	-	-	192,001	-	192,001
Lease receivable	33,275,794	-	552,832	1,963,888	-	35,792,514
<b>Total noncurrent assets</b>	<b>176,822,186</b>	<b>1,617,219,000</b>	<b>39,786,970</b>	<b>141,006,500</b>	<b>773,871</b>	<b>1,975,608,527</b>
<b>Total Assets</b>	<b>341,029,410</b>	<b>1,804,407,000</b>	<b>65,508,077</b>	<b>217,164,944</b>	<b>2,019,454</b>	<b>2,430,128,885</b>
<b>Deferred Outflows of Resources</b>						
Accumulated decrease in fair value of hedging derivatives	-	-	-	-	-	-
Deferred outflows related to OPEB plan	-	-	-	-	-	-
Deferred outflows related to pension plan	-	-	-	-	-	-
Deferred charge on refunding	-	52,999,000	-	540,869	-	53,539,869
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>52,999,000</b>	<b>-</b>	<b>540,869</b>	<b>-</b>	<b>53,539,869</b>

(Continued)

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

COMBINING STATEMENT OF NET POSITION  
COMPONENT UNITS

DECEMBER 31, 2025  
(Continued)

	URA	Pittsburgh Water	Stadium Authority	Public Parking Authority	Pittsburgh Land Bank	Total
<b>Liabilities</b>						
Current liabilities:						
Bonds and loans payable, current portion	1,202,000	52,076,000	1,063,569	3,985,000	-	58,326,569
Accrued payroll and related obligations	-	1,137,000	-	-	-	1,137,000
Accounts payable - City of Pittsburgh	-	-	-	13,809,273	-	13,809,273
Accounts payable - wastewater treatment	-	27,705,000	-	-	-	27,705,000
Unearned revenue	9,321,353	-	-	905,966	2,830	10,230,149
Due to primary government	395,220	-	-	-	-	395,220
Accounts payable and other accrued expenses	14,643,878	47,596,000	1,157,608	4,277,777	107,525	67,782,788
Accrued interest payable	-	16,444,000	352,700	63,138	-	16,859,838
Lease/subscriptions liability, current portion	-	1,923,000	21,384	-	-	1,944,384
<b>Total current liabilities</b>	<b>25,562,451</b>	<b>146,881,000</b>	<b>2,595,261</b>	<b>23,041,154</b>	<b>110,355</b>	<b>198,190,221</b>
Noncurrent liabilities:						
Unearned revenue	-	121,000	-	-	-	121,000
Other liabilities	478,892	-	-	2,784,874	-	3,263,766
Accrued payroll and related obligations	-	168,000	-	-	-	168,000
Lease/subscription liability	-	18,380,000	962,254	-	-	19,342,254
Bonds and loans payable, net of current portion	36,280,449	1,499,472,000	17,072,678	23,581,989	-	1,576,407,116
Due to primary government	6,718,734	-	-	-	-	6,718,734
Advances from the City of Pittsburgh	-	-	22,775,168	-	-	22,775,168
<b>Total noncurrent liabilities</b>	<b>43,478,075</b>	<b>1,518,141,000</b>	<b>40,810,100</b>	<b>26,366,863</b>	<b>-</b>	<b>1,628,796,038</b>
<b>Total Liabilities</b>	<b>69,040,526</b>	<b>1,665,022,000</b>	<b>43,405,361</b>	<b>49,408,017</b>	<b>110,355</b>	<b>1,826,986,259</b>
<b>Deferred Inflows of Resources</b>						
Accumulated increase in fair value of hedging derivatives	-	15,775,000	-	-	-	15,775,000
Deferred inflows related to leases	32,048,295	-	551,744	1,854,373	-	34,454,412
Deferred inflows related to OPEB plan	-	-	-	26,472	-	26,472
Deferred inflows related to pension plan	-	-	-	1,787,683	-	1,787,683
<b>Total Deferred Inflows of Resources</b>	<b>32,048,295</b>	<b>15,775,000</b>	<b>551,744</b>	<b>3,668,528</b>	<b>-</b>	<b>52,043,567</b>
<b>Net Position</b>						
Net investment in capital assets	43,188,945	91,667,000	38,360,900	78,502,410	-	251,719,255
Restricted for:						
Capital projects	-	-	5,554,072	8,370,255	-	13,924,327
Indenture funds	-	-	-	40,485,824	-	40,485,824
Pension	-	-	-	5,133,504	-	5,133,504
Sustainability Initiatives	-	-	-	548,772	-	548,772
Operating reserve	-	24,309,000	-	-	-	24,309,000
Urban development	37,530,075	-	-	-	-	37,530,075
Lending programs	120,081,196	-	-	-	-	120,081,196
Housing program	5,825,179	-	-	-	-	5,825,179
Unrestricted	33,315,194	60,633,000	(22,364,000)	31,588,503	1,909,099	105,081,796
<b>Total Net Position</b>	<b>\$ 239,940,589</b>	<b>\$ 176,609,000</b>	<b>\$ 21,550,972</b>	<b>\$ 164,629,268</b>	<b>\$ 1,909,099</b>	<b>\$ 604,638,928</b>

(Concluded)

See accompanying notes to financial statements.

**CITY OF PITTSBURGH, PENNSYLVANIA**

STATEMENT OF ACTIVITIES

COMPONENT UNITS

YEAR ENDED DECEMBER 31, 2025

	Program Revenues				Urban Redevelopment Authority							Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	URA Component Unit	Pittsburgh Water	Stadium Authority	Public Parking Authority	Pittsburgh Land Bank	Total
<b>Urban Redevelopment Authority:</b>												
Governmental activities:												
Urban development	\$ 87,559,242	\$ 1,616,664	\$ 69,936,585	\$ -	\$ (16,005,993)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,005,993)
General government	10,956,281	6,985,178	2,791,205	-	(1,179,898)	-	-	-	-	-	-	(1,179,898)
Interest on long-term debt	1,991,603	-	-	-	(1,991,603)	-	-	-	-	-	-	(1,991,603)
Total governmental activities	100,507,126	8,601,842	72,727,790	-	(19,177,494)	-	-	-	-	-	-	(19,177,494)
Business-type activities:												
Lending programs	3,499,065	1,231,667	-	-	-	(2,267,398)	-	-	-	-	-	(2,267,398)
Property management	2,805,530	2,509,788	-	-	-	(295,742)	-	-	-	-	-	(295,742)
Total business-type activities	6,304,595	3,741,455	-	-	-	(2,563,140)	-	-	-	-	-	(2,563,140)
URA Component Unit	5,184,329	2,977,181	1,970,622	-	-	(236,526)	-	-	-	-	-	(236,526)
Total URA	111,996,050	15,320,478	74,698,412	-	(19,177,494)	(2,563,140)	(236,526)	-	-	-	-	(21,977,160)
<b>Pittsburgh Water</b>	320,709,000	356,976,000	-	31,393,000	-	-	-	67,660,000	-	-	-	67,660,000
<b>Stadium Authority</b>	6,506,739	9,820,631	-	-	-	-	-	-	3,313,892	-	-	3,313,892
<b>Public Parking Authority</b>	60,241,755	64,383,054	-	-	-	-	-	-	-	4,141,299	-	4,141,299
<b>Pittsburgh Land Bank</b>	1,052,817	680,086	1,843,656	-	-	-	-	-	-	-	1,470,925	1,470,925
<b>Total Component Units</b>	<u>\$ 500,506,361</u>	<u>\$ 447,180,249</u>	<u>\$ 76,542,068</u>	<u>\$ 31,393,000</u>	<u>(19,177,494)</u>	<u>(2,563,140)</u>	<u>(236,526)</u>	<u>67,660,000</u>	<u>3,313,892</u>	<u>4,141,299</u>	<u>1,470,925</u>	<u>54,608,956</u>
General revenues:												
Investment income, net					2,954,516	738,948	-	3,246,000	240,198	3,290,366	703	10,470,731
Miscellaneous revenue (expense)					-	-	-	-	-	2,827,865	26,892	2,854,757
Transfer in (out)					18,813	(18,813)	-	-	-	-	-	-
Total general revenues					<u>2,973,329</u>	<u>720,135</u>	<u>-</u>	<u>3,246,000</u>	<u>240,198</u>	<u>6,118,231</u>	<u>27,595</u>	<u>13,325,488</u>
Special item:												
Private lead line replacement					-	-	-	(16,551,000)	-	-	-	(16,551,000)
Total special item					<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,551,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,551,000)</u>
<b>Change in Net Position</b>					<u>(16,204,165)</u>	<u>(1,843,005)</u>	<u>(236,526)</u>	<u>54,355,000</u>	<u>3,554,090</u>	<u>10,259,530</u>	<u>1,498,520</u>	<u>51,383,444</u>
Net position - beginning					<u>132,983,176</u>	<u>119,179,404</u>	<u>6,061,705</u>	<u>122,254,000</u>	<u>17,996,882</u>	<u>154,369,738</u>	<u>-</u>	<u>552,844,905</u>
Change to financial reporting entity					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>410,579</u>	<u>410,579</u>
Net position - beginning, as restated					<u>132,983,176</u>	<u>119,179,404</u>	<u>6,061,705</u>	<u>122,254,000</u>	<u>17,996,882</u>	<u>154,369,738</u>	<u>410,579</u>	<u>553,255,484</u>
Net position - ending	<u>\$ 116,779,011</u>	<u>\$ 117,336,399</u>	<u>\$ 5,825,179</u>	<u>\$ 176,609,000</u>	<u>\$ 21,550,972</u>	<u>\$ 164,629,268</u>	<u>\$ 1,909,099</u>	<u>\$ 604,638,928</u>				

See accompanying notes to financial statements.

**NOTES TO  
FINANCIAL STATEMENTS**

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### 1. Summary of Significant Accounting Policies

#### Primary Government Disclosures:

##### Description of City

The City of Pittsburgh, Pennsylvania (City or primary government) was incorporated on July 20, 1816 and chartered as a home rule municipality on January 5, 1976. The City operates under a strong mayor form of government and provides the following services as authorized by its charter: public safety (police, fire, and emergency medical services), highways and streets, sanitation, economic development, cultural and recreational, public improvements, planning and zoning, and general administrative services.

The major accounting principles and practices followed by the City are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

#### **(A) The Financial Reporting Entity**

The criteria used by the City to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) outside of the legal City entity within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the City reviews the applicability of the following criteria:

The City is financially accountable for:

1. Legally separate organizations if City officials appoint a voting majority of the organization's governing body and the City is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
  - a. Impose its Will – If the City can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization.
  - b. Financial Benefit or Burden – Exists if the City (1) is entitled to the organization's resources, (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization, or (3) is obligated in some manner for the debt of the organization.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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2. Legally separate organizations that are fiscally dependent on the City and a financial benefit or burden relationship are present. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges or issue bonded debt without approval by the City.

Based on the foregoing criteria, the reporting entity has been defined to include all the legally separate-government entities for which the City is financially accountable or for which there is a significant relationship (component units). Specific information on the nature of the various potential component units and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such organizations in the City's financial statements are provided in the following paragraphs. Audited financial statements for all of the component units are available for public inspection in the City Controller's office.

### **(B) Net Position Deficit and Liquidity**

As of December 31, 2025, the City had a general fund unassigned fund balance of \$166.1 million and a general fund cash balance of \$166.4 million. The City will continue to focus on strategies to fund long-term obligations, principally net pension obligations, net other post-employment obligations, general obligation debt and reduce its net position deficit of \$1.0 billion at December 31, 2025.

### **(C) Individual Component Unit Disclosures**

#### **Blended Component Units**

Some component units, despite being legally separate from the City government, are so intertwined with the City government, whether through sharing common governing boards with the City or through providing services solely to the City that they are, in substance, the same as the City government and are reported as part of the City government. The blended component units reported in this way are the following:

City of Pittsburgh Equipment Leasing Authority  
City Pension Trust

#### **City of Pittsburgh Equipment Leasing Authority (ELA)**

The ELA was incorporated in 1980 to serve as a financing vehicle for the acquisition of equipment. The Board consists of the City's Chief Operating and Administrative Officer, the Finance and Law Chair of Pittsburgh City Council, an additional member of Pittsburgh City Council, the City's

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Director of the Department of Public Safety, and the City's Director of the Department of Public Works.

Although it is legally separate from the City, the ELA is reported as if it were part of the City government, because its sole purpose is to finance the City equipment needs. Its operations are included within other government funds. It operates on a December 31 fiscal year.

### **City Pension Trust**

As described in Note 7, the City has a comprehensive pension trust for financial reporting purposes that is comprised of three defined benefit pension plans: the Municipal Pension Plan (Municipal), the Policemen's Relief and Pension Plan (Police); and the Firemen's Relief and Pension Plan (Fire); which together cover substantially all City employees. As required by Pennsylvania Law, a comprehensive Board oversees funding and investing activities. This Board consists of seven members, four of whom are appointed by the Mayor.

Plan benefit matters are administered by separate boards which include, for all plans, the president of the City Council and the City Controller and additionally, in the case of the Municipal and Fire plans, the Mayor.

The pension plans operate on a fiscal year ending December 31. Their operations are included in the Pension Trust Fund, as a fiduciary fund.

### **Discretely Presented Component Units**

Discretely presented component units are entities that are legally separate from the primary government but the omission of which would cause the primary government's financial statements to be misleading or incomplete. As these component units do not meet the criteria for blended presentation, they are reported separately from the primary government. The component units presented in this manner are the following:

Pittsburgh Water  
Stadium Authority of the City of Pittsburgh  
Public Parking Authority of Pittsburgh  
Urban Redevelopment Authority of Pittsburgh  
Pittsburgh Land Bank

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Pittsburgh Water**

The Pittsburgh Water and Sewer Authority d/b/a Pittsburgh Water was incorporated in February 1984 under the Municipality Authorities Act of 1945 to assume responsibility for the operation and improvement of the City's water distribution and wastewater collection systems. In 1984, pursuant to a Lease and Management Agreement, Pittsburgh Water leased the entire City water supply, distribution, and wastewater collection system (System) from the City and assumed responsibility for establishing and collecting user fees and charges and for maintaining and improving the System. The Lease and Management Agreement provided for the City to operate and maintain the System for Pittsburgh Water subject to the general supervision of Pittsburgh Water.

The City and Pittsburgh Water agreed to terminate the 1984 Lease and Management Agreement in July 1995 and concurrently entered into a Cooperation Agreement and a Capital Lease Agreement (collectively referred to as the Agreements). The effect of these Agreements was to substantially transfer financial and management responsibility for the System to Pittsburgh Water. The renegotiated Cooperation Agreement is more fully described in Note 4.

Pittsburgh Water is legally separate from the City and is reported as a component unit. A Board of Directors, appointed by the Mayor of the City, and approved by City Council, governs Pittsburgh Water. A financial benefit/burden relationship exists between the City and Pittsburgh Water. Pittsburgh Water operates on a fiscal year ending December 31.

Prior to April 1, 2018, Pittsburgh Water had the right to establish user fees and charges without being subject to the approval of any department, board, or agency of Pennsylvania or the City. Effective April 1, 2018, the Public Utility Commission (PUC) began oversight of Pittsburgh Water. PUC oversight requires compliance and conformity with their established regulations regarding administration, finances, operations, reporting, capital expenditures, and customer service for water and wastewater utilities. The PUC now approves all Pittsburgh Water rates and fees through tariff filings.

### **Stadium Authority of the City of Pittsburgh (Stadium Authority)**

The Stadium Authority was organized on March 9, 1964 to provide increased commerce and prosperity and to promote educational, cultural, physical, civic, social, and moral welfare to the general public.

The Stadium Authority was responsible for the management of the former Three Rivers Stadium (Stadium) located in the City. The Stadium was home to the Pittsburgh Pirates (Pirates) and

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Pittsburgh Steelers (Steelers) professional sports teams and was also utilized for various concerts and other events until it was razed in February 2001. Subsequent to the razing of the Stadium, the Stadium Authority is responsible for development of the land between the Steelers football stadium, (Acrisure Stadium) and PNC Park.

The Board of Directors (Board) of the Stadium Authority, a five-member group, is appointed by the Mayor of the City. The Board is responsible for all the activities and operations of the Stadium Authority. The City is the guarantor of the Authority's debt. The Stadium Authority operates on a fiscal year ending December 31.

### **Public Parking Authority of Pittsburgh (Parking Authority)**

The Parking 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 Parking Authority is responsible for the enforcement of city and state parking codes throughout the City, including the responsibility for the operations of parking court. The Parking Authority is administered by a five-member Board, all of whom are appointed by the Mayor. The Parking Authority obtains its revenue from user charges and from street parking meter revenues. As discussed further in Note 13, the City and the Parking Authority are governed by the 2015 Governmental Cooperation Agreement as amended September 1, 2021. Payments made to the City under this agreement during 2025 totaled approximately \$19.2 million. This agreement expires January 31, 2050. Accordingly, the City derives a financial benefit from the Parking Authority. Note 13 describes related transactions between the Parking Authority and the City.

### **Urban Redevelopment Authority of Pittsburgh (URA)**

The URA was established in 1946 under the Pennsylvania Urban Redevelopment Law. The URA acquires and clears blighted property; initiates rebuilding with the private sector; negotiates with the federal, state, county, and local governments for public funds and facilities; and works to maintain and improve the City's neighborhoods and business districts. Funding for the URA projects and programs is obtained primarily through revenue bonds and intergovernmental grants.

The URA is considered to be a component unit of the City as the Mayor of Pittsburgh appoints the Board of Directors of the URA, and a financial benefit/burden relationship exists between the City and the URA.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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The reporting entity of the URA includes the accounts of all URA operations as well as two entities that qualify as component units of the URA. The component units of the URA are the Pittsburgh Housing Development Corporation (PHDC) and Pittsburgh Urban Initiatives (PUI).

The URA and its component units operate on a fiscal year ending December 31. Separate financial statements for the component units can be obtained through the Finance Department of the URA.

### **Pittsburgh Land Bank (Land Bank)**

During the year ended December 31, 2025, the City determined that the Land Bank should be included in the reporting entity as a discretely presented component unit. In prior years, this organization was not included in the reporting entity because management concluded that its omission was not material to the basic financial statements.

The Land Bank is a separate legal entity created for the purpose of acting as a land bank under the Land Bank Act (Pennsylvania Act 153-2012). The Land Bank is administered by a nine-member Board, three appointed by the Mayor, three appointed by the City Councilperson representing the districts with the most distressed and vacant parcels, and three community members elected by the first appointed six. The City will not have ownership interest in real property owned by the Land Bank.

The Land Bank operates on a fiscal year ending December 31. Separate financial statements for the component unit can be obtained through the Finance Department of the URA.

### **Administrative Offices**

City of Pittsburgh  
Equipment Leasing Authority  
City-County Building, 5<sup>th</sup> Floor  
414 Grant Street  
Pittsburgh, PA 15219

Pittsburgh Water  
Penn Liberty Plaza I  
1200 Penn Avenue  
Pittsburgh, PA 15222

City of Pittsburgh Finance Department  
Combined Pension Trust Funds  
City-County Building  
414 Grant Street  
Pittsburgh, PA 15219

Public Parking Authority of Pittsburgh  
232 Boulevard of the Allies  
Pittsburgh, PA 15219

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Stadium Authority of the City  
of Pittsburgh  
171 10<sup>th</sup> Street, 2<sup>nd</sup> Floor  
Pittsburgh, PA 15222

Urban Redevelopment Authority  
of Pittsburgh  
412 Boulevard of the Allies  
Pittsburgh, PA 15219

Pittsburgh Land Bank  
412 Boulevard of the Allies  
Pittsburgh, PA 15219

### **Joint Venture**

#### **The Sports and Exhibition Authority of Pittsburgh and Allegheny County (formerly the Public Auditorium Authority)**

The Public Auditorium Authority of Pittsburgh and Allegheny County (Authority) was incorporated on February 3, 1954 pursuant to the Public Auditorium Law Act of July 29, 1953 as a joint authority organized by the City and Allegheny County to provide educational, cultural, physical, civic, and social events for the benefit of the general public. Effective November 1999, the Public Auditorium Authority legally changed its name to the Sports and Exhibition Authority of Pittsburgh and Allegheny County (SEA). SEA is currently responsible for the management of the David L. Lawrence Convention Center (Convention Center) and leases the PPG Paints Arena, the Benedum Center and the John Heinz History Center to other entities located in the City. SEA was also responsible for the construction of the Pittsburgh Steelers Sports, Inc. (Pittsburgh Steelers) football stadium (now known as Acrisure Stadium), the Pittsburgh Associates' (Pittsburgh Pirates) baseball park (PNC Park), the Convention Center expansion project, PPG Paints Arena, and various associated infrastructure improvements referred to collectively as the Regional Destination Financing Plan.

The Board of Directors (Board) of SEA, a seven-member group, is appointed by the City and Allegheny County. Each executive appoints three members and the Mayor and County Executive jointly appoint the seventh member. The Board is responsible for the overall activities and operations of SEA. The Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters.

In 2004, SEA borrowed \$20 million from local banks to be used for both operating and capital needs. These borrowings were refinanced with the 2010 Bank Loans. The following revenues are pledged for repayment of this loan: parking revenues generated at the Convention Center and

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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North Shore parking garages and two North Shore lots, gaming revenues, and residual/discretionary hotel tax receipts. Additionally, as part of the transaction, the City and Allegheny County reaffirmed their responsibilities under a 1978 Cooperation Agreement to finance the Convention Center's operating deficits. The 2010 Bank Loans were refinanced on May 1, 2017, then again on November 30, 2017 with the SEA and Allegheny County Parking System Revenue Bonds, Series of 2017. No liability has yet been recorded for any such payments as the City does not anticipate payment during 2026 and no future payments are currently deemed more likely than not.

SEA operates on a fiscal year ending December 31. Complete financial statements for SEA can be obtained from its administrative office at 171 10<sup>th</sup> Street, 2<sup>nd</sup> Floor, Pittsburgh, PA 15222.

### **Related Organizations**

#### **Housing Authority of the City of Pittsburgh (HACP)**

HACP was established to acquire and maintain properties for the purpose of providing low-income housing for residents of the City. Rental charges and subsidies from Federal Housing and Urban Development grants are the principal revenue sources.

HACP is administered by a seven-member Board, all of whom are appointed by the Mayor. City Council approves five of the seven appointments. The City does not subsidize the operations of the HACP and does not guarantee its debt service. HACP operates on a fiscal year ended December 31.

#### **Jointly Governed Organizations**

The Allegheny County Sanitary Authority (ALCOSAN) was organized under the Municipal Authorities Act of 1945 to collect, transport, and treat wastewater for the City and seventy-seven (77) other Allegheny County municipalities. ALCOSAN's Board has seven members: three are appointed by the City, three are appointed by Allegheny County, and one is appointed jointly by Allegheny County and the City. The City has no direct ongoing financial interest or responsibility for ALCOSAN.

East Liberty Transit Revitalization Investment District Revitalization Authority (ELTRIDRA) is a governmental authority which was formed to manage the East Liberty Revitalization Investment District. ELTRIDRA's five-member Board of Directors includes one representative each from the URA, the City, Pittsburgh Public Schools, Port Authority of Allegheny County d/b/a Pittsburgh Regional Transit, and Allegheny County. The URA provides administrative support to ELTRIDRA.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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ELTRIDRA is considered a related entity of the representative entities. Financial information is available for ELTRIDRA at the URA's offices.

### **(D) Financial Statement Presentation**

**Government-Wide Financial Statements** – Financial statements prepared using the economic resources measurement focus and full accrual basis of accounting for all the government's activities are required. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses of the primary government and its component units, excluding fiduciary activities.

The effect of City inter-fund activity has been eliminated from these statements. The City does not allocate indirect expenses. The government-wide statements segregate governmental activities, which are normally supported by taxes and intergovernmental revenues, and business-type activities, if any, which rely on user fees and charges for support. Component units, which are legally separate and discretely presented, are also segregated.

**Statement of Net Position** – presents both governmental and business-type activities, if any, on the full accrual, economic resource basis, which incorporates long-term assets and receivables, deferred outflows of resources; long-term debt and obligations; and deferred inflows of resources.

**Statement of Activities** – presents the net cost of each individual function. Program revenues are presented as a reduction of the total cost of providing program services. Program revenues include charges for services, operating grants and contributions and capital grants that are directly associated with a specific function. Taxes and other revenue sources not reported as program revenue are included as general revenue.

**Fund Financial Statements** – The City's accounts are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operation of each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund balances or net position, revenues, and expenditures or expenses, as appropriate.

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the basic financial statements in this report into two broad fund categories as follows:

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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**Governmental Funds** account for expendable financial resources. Governmental fund types use the flow of current financial resources measurement focus. The major governmental funds are:

**General Fund** – The General Fund is the general operating fund of the City. It finances the regular day-to-day operations of the City. It is used to account for all financial revenues and expenditures, except those required to be accounted for in another fund.

**Debt Service Fund** – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

**Special Revenue Community Development Block Grant Fund** – Community Development Block Grant Fund is used to account for the cost of neighborhood development and improvement projects. These programs are financed primarily by the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) program. A substantive portion of the funds received under the program have been allocated to the Urban Redevelopment Authority of Pittsburgh.

**Capital Projects Fund** – A Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Special Revenue American Rescue Plan Act Fund** – American Rescue Plan Act Fund is used to account for financial resources to be used for expenditures allowable under the American Rescue Plan Act.

**Nonmajor Governmental Funds** – These funds include all other non-major governmental funds.

**Fiduciary Funds** account for assets held by the City in a trustee capacity or as an agent for individuals and other governmental units. The fiduciary funds are:

**Pension Trust Funds** – The Comprehensive Fund accounts for the operations of the City's pension plans as described in Note 7. This is accounted for in the same manner as a proprietary fund type. Measurement focus is upon determination of the change in net position and financial position.

**OPEB Trust Fund** – Used to report resources held in trust for post-employment benefits other than pension benefit for both the OPEB retiree plan and disabled firefighters plan.

**Private-Purpose Trust Fund** – Accounts for assets held in trust for healthcare and worker's compensation benefits.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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**Custodial Funds** – Accounts for assets held for, and due to other governments or individuals for whom it was collected. These funds are custodial in nature for holding tax refunds due to other governments, escrow funds, and funds for a jointly governed entity. Custodial funds use the economic resources measurement focus.

The basic financial statements also include the statement of net position and statement of activities of the following component units:

Pittsburgh Water  
Stadium Authority of the City of Pittsburgh  
Public Parking Authority of Pittsburgh  
Urban Redevelopment Authority of Pittsburgh  
Pittsburgh Land Bank

**Budgetary Comparison Statements** – The statements are presented to demonstrate whether resources were obtained and used in accordance with the government’s legally adopted budget for the General Fund and the Community Development Fund. The City revises the original budget over the course of the year for various reasons. Under the current reporting model, budgetary information continues to be provided and includes a comparison of the government’s original adopted budget to the current comparison of final budget and actual results. The City’s budget is prepared on a non-GAAP basis as described in Note 2.

### **(E) Basis of Accounting**

Basis of accounting refers to the point at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental activities in the government-wide statement are presented using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recognized when earned, and expenses are recognized when a liability has been incurred, regardless of the timing of related cash flows.

Governmental funds are accounted for using the current resource measurement focus and the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. General Fund tax revenues are considered measurable when they have been levied. To be considered available and thus susceptible to accrual, the real estate taxes must be collected within the City’s period of availability of sixty (60) days. The portion of uncollected real estate taxes that are deemed to be collectible at the end of this period are reported as deferred

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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inflows of resources. Interest income and intergovernmental receivables (state and federal grants to the extent of allowable expenditures) are considered susceptible to accrual. The City considers all non-real estate taxes and other revenues reported in the governmental fund to be available if the revenues are collected within sixty (60) days. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, debt service expenditures, including expenditures for lease and subscription-based information technology agreements, and other long-term liabilities, such as workers' compensation, accrued claims and judgements, and both short- and long-term compensated absences are recorded only when payment is due and payable. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

The City generally uses restricted assets first for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific situation.

Non-exchange transactions, in which the City receives value without directly giving value in return, include real estate and other taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the City must provide local resources to be used for specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must be available before it can be recognized.

### **(F) Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid investments, including trust and restricted assets, with an original maturity of three months or less. Note 3, Deposits and Investments, provides a detailed disclosure regarding cash, cash equivalents, and investments held by the City.

### **(G) Investments**

Investments in all funds are carried at fair value or amortized cost, as applicable. Investments consist of a variety of investments including direct obligations of the U.S. government, money market funds, corporate and other obligations, guaranteed investments, money market trust

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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funds, and repurchase agreements. Note 3, Deposits and Investments, provides a detailed disclosure regarding cash, cash equivalents, and investments.

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

### **(H) Due To/From Other Governments**

Outstanding balances between the City and other governments are reported as due to/from other governments.

### **(I) Taxpayer Assessed Taxes Receivable**

Local wage taxes, payroll preparation tax, parking tax and other miscellaneous City taxes are recorded in the City's accounts as taxpayer assessed receivables and revenue at the time of the underlying transactions. In the governmental fund statements, taxes for which there is an enforceable legal claim as of December 31, 2025 which were levied to finance fiscal year 2025 operations have been recorded as deferred inflows of resources until such time as the taxes become available on a modified accrual basis. Local wage taxes are collected by a third party in accordance with PA Act 32.

### **(J) Other Receivables**

Other City accounts receivable, primarily charges for services, are recorded in the City's accounts as other receivables when earned, less an allowance for uncollectible accounts.

### **(K) Capital Assets, Leases and Subscription-Based Information Technology Arrangements**

#### **Capital Assets**

Capital assets acquired or constructed by the City are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost (except for the intangible right-to-use leased assets and subscription assets, the measurement of which is discussed under Leases below). Capital assets are those assets with an initial individual cost of more than \$5,000 and estimated useful life in excess of one year. Gifts or contributions are recorded at acquisition value when received. Depreciation is recorded on a straight-line basis

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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over the estimated useful life of each capital asset. No depreciation expense is recorded for land and construction-in-progress. The value of the City's art collection is indeterminate and would not be material to capital assets as a whole. The estimated useful lives for capital assets are as follows:

Furniture and fixtures	3-5 years
Building and structures	25-50 years
Equipment	2-10 years
Infrastructure	20-50 years
Vehicles	2-10 years
Right-to-use leased assets	3-7 years

### Leases

The City is a lessee for noncancellable leases of property and equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements for each of these leases. The City recognizes lease liabilities with an initial individual value of \$100,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Lease assets are reported with capital assets and lease liabilities are reported with current and non-current liabilities on the statement of net position.

### **Subscription-Based Information Technology Arrangements (SBITAs)**

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The only component unit that determined it had material SBITAs to report was Pittsburgh Water. The City and Pittsburgh Water use various SBITA assets that it contracts through cloud computing arrangements, such as software as a service and platform as a service. At the commencement of a new SBITA, the City and Pittsburgh Water initially measure the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. There were no variable payments (fixed in substance or based on an index or rate), or termination penalties included within the subscription liability of any SBITAs. Variable payments based on future performance of a government, usage of the underlying IT assets, or number of user seats are not included in the measurement of the subscription liability and instead are recognized as outflows of resources in the period in which the obligation for those payments is incurred. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the term of the SBITA.

Key estimates and judgments related to SBITAs include the determination of (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City and Pittsburgh Water use an estimated incremental borrowing rate as the discount rate for SBITAs unless the interest rate charged by the provider is stated. The discount rate is used to determine the present value of subscription payments over the subscription term.
- The subscription term is the noncancellable period of the SBITA. This includes periods in which there is an option to extend or terminate the subscription if it is reasonably certain that the option will or will not be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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The City and Pittsburgh Water monitor changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

The City's subscription assets are reported with capital assets and Pittsburgh Water subscription assets are reported with non-utility capital assets. Subscription liabilities are reported with leases/subscriptions payable on the statement of net position and component unit combining statement of net position, respectively.

### **(L) Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position, and/or the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City and component units have three items that qualify for reporting in this category:

- A deferred charge 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.
- In conjunction with pension accounting requirements, deferred amounts relate to differences between estimated and actual investment earnings, changes in actuarial assumptions and other pension related changes. This amount is determined based on the actuarial valuation performed for the plan as described further in Note 7.
- In conjunction with OPEB accounting requirements, deferred amounts relate to differences between estimated and actual investment earnings, changes in actuarial assumptions and other OPEB related changes. These amounts are determined based on the actuarial valuation performed for the plans as described further in Note 8.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, payroll preparation taxes and other taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Under the

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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full accrual basis, the City and component units have items that qualify for reporting in these categories:

- In conjunction with pension accounting requirements, deferred amounts relate to differences between estimated and actual investment earnings, changes in actuarial assumptions and other pension related changes. These amounts are determined based on the actuarial valuation performed for the plan as described further in Note 7.
- In conjunction with OPEB accounting requirements, deferred amounts relate to differences between estimated and actual investment earnings, changes in actuarial assumptions, and other OPEB related changes. These amounts are determined based on the actuarial valuation performed for the plans as described further in Note 8.
- Deferred amounts related to leases held as a lessor.
- Accumulated changes in fair value of hedging derivatives

### **(M) Workers' Compensation and Other Risk Management**

The City is self-insured for purposes of workers' compensation benefits. Both short-and-long-term amounts payable are reported within the government-wide financial statements only.

In order to qualify for and maintain self-insurance status, the City must comply with certain Commonwealth requirements. The requirements for 2025 are as follows:

- Maintain an irrevocable trust fund. The City's contribution to the fund is determined annually in negotiations with the Commonwealth Department of Labor.
- Satisfy the financial responsibility requirements of the Commonwealth of Pennsylvania.
- Establish liability reserves based upon expected future payments for all claims outstanding one year or more at the end of any fiscal year.

Presently, the irrevocable trust may be used by the State of Pennsylvania only in the event of default by the City under the self-insurance regulations. No risk financing activity is currently being recorded in this trust fund.

The City is self-insured for purposes of health insurance coverage. An estimate of incurred but not reported liability is reported within the General Fund.

### **Component Unit:**

Pittsburgh Water is also self-insured for general liability coverage and has established a Self-Insured Escrow Fund (general liability) to cover potential liability claims.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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### **(N) Compensated Absences**

In the government-wide financial statements, the City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, personal, and sick leave. The liability for compensated absences includes salary-related benefits, where applicable. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements and for payout of personal time over 72 hours at year-end.

### **(O) Pensions and Other Post-Employment Benefits**

In the government-wide financial statements, the City recognizes pension and other post-employment expenses in accordance with applicable standards. These expenditures are recognized under the modified accrual basis within governmental funds to the extent of the City contributions. Contributions made to the Pension Plan represent 100% of the PA Act 205 minimum municipal obligation plus, starting in 2010, additional contributions to increase the funding level of the Plan. See Note 7 for pension and Note 8 for other post-employment benefits for further disclosures.

### **(P) Long-term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in governmental activities in the statement of net position in the government-wide financial statements. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method that approximates the effective interest method or the effective interest method itself. Bond premiums and discounts are recorded as current period costs in the governmental funds.

### **(Q) Interfund Transactions**

On fund financial statements, receivables and payables resulting from outstanding balances involving other funds are classified as “Due from other Funds and Due to other Funds.” These amounts are eliminated in the governmental column of the statement of net position. Flow of cash or goods from one fund to another without a requirement for repayment is reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **(R) Encumbrances**

The City uses encumbrance accounting for budgetary reporting, wherein purchase orders, contracts, and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Funding for all encumbrances lapses at year-end and re-appropriation is required by the City Council with the exception of capital fund project encumbrances.

### **(S) Net Position**

Net position represents the difference between assets, deferred outflows and inflows of resources and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, leases, and related debt used in the acquisition or construction of capital assets. Net position is reported as restricted when there are limitations imposed on its use through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Unrestricted net position is available for use in the current period. The City may defer the use of restricted assets based on a review of the specific situation.

### **(T) Use of Estimates**

Management of the City has made a number of estimates and assumptions relating to the reporting of assets, liabilities, deferred inflows and outflows, revenues, expenses, and the disclosure of contingent assets and liabilities to prepare their financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results may differ from those estimates, particularly given the ongoing social and economic disruptions and uncertainties, and such differences may be material.

### **(U) Fund Balance**

In the fund financial statements, governmental funds report fund balance in categories based on the level of restriction placed upon the funds. These levels are as follows:

- Nonspendable – This category represents funds that are not in spendable form.
- Restricted – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending that are legally enforceable by outside parties. This category includes funds that are legally restricted for endowment earnings, employee benefits, state and federal specific grants purposes, and for capital projects.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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- Committed – This category represents funds that are limited in use due to constraints on purpose and circumstances of spending imposed by City Council. Such commitment is made via a Council resolution and must be made prior to the end of the fiscal year. Removal of this commitment requires an equal action by Council. Committed funds include funds for specified program services as defined by the creation of the fund and interfund advance.
- Assigned – This category represents intentions of the City to use the funds for specific purposes. This category includes encumbrances and funds remaining for debt service. The City’s Charter requires City Council to approve a Resolution to set up encumbrances. The encumbrances are then submitted to individual department Directors for execution.
- Unassigned – This category represents all other funds not otherwise defined for the General Fund. The General Fund is the only fund that reports a positive unassigned fund balance amount.

It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **(V) Pending Pronouncements**

GASB has issued the following statements that will become effective in future years as shown below. Management has not yet determined the impact of these statements on the City’s financial statements:

GASB Statement No. 103, *“Financial Reporting Model Improvements,”* is effective for fiscal years beginning after June 15, 2025. This statement objective is to improve key components of the financial reporting model including MD&A, unusual or infrequent items, proprietary fund statements, major component unit information and budgetary comparison information.

GASB Statement No. 104, *“Disclosure of Certain Capital Assets,”* is effective for fiscal years beginning after June 15, 2025. This statement requires certain types of capital assets to be disclosed separately and requires additional disclosures for assets held for sale.

GASB Statement No. 105, *“Subsequent Events,”* is effective for fiscal years beginning after June 15, 2026. This statement is to improve the financial reporting requirements for subsequent events.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **(W) Adoption of Pronouncements**

GASB Statement No. 102, “*Certain Risk Disclosures*,” was adopted for the year ended December 31, 2025. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of substantial impact. The effects of this adoption were not material.

### **Component Unit Disclosures:**

#### **Property Held for Redevelopment - URA**

Property held for redevelopment relates mainly to land and buildings held by the URA that is available for redevelopment. Depending on the nature of the redevelopment activity, the transfer of this property may consist of many forms: grant, subsidized or below-market sale, or an independent, market-based sale. This property is held at cost or estimated net realizable value, if less than cost. Estimated net realizable value is calculated once plans or disposition agreements are in place to dispose of property at less than cost. When assets are sold, the proceeds are either returned to the program to further its purposes or returned to the grantor agency that funded the original purchase.

#### **Loans Receivable - URA**

URA loans receivable are recognized when the loan is established for loans with terms of thirty years or less. Loans with amortization terms greater than thirty years or which are repayable on a contingent basis, such as the sale of the property or completion of development, are treated as grants for accounting purposes and are recorded as expenditures when disbursed or are fully reserved.

It is the URA’s policy to provide for future losses on loans based on an evaluation of the current loan portfolio, current economic conditions, and such other factors which, in the URA’s judgement, may impact collectability. As of December 31, 2025, the total allowance for uncollectible loans, including those only repayable on a contingent basis and fully reserved at the time of issuance, was \$226 million.

#### **Other Long-term Liabilities – Parking Authority**

An Agreement of Sale in Lieu of Condemnation (Agreement) was executed on April 14, 2004 between the Public Parking Authority and Greyhound Lines, Inc. (Greyhound). As stipulated in

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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the Agreement, the Public Parking Authority purchased from Greyhound the property located at the corner of Liberty Avenue and 11<sup>th</sup> street for the purchase price of \$6,242,000, which was immediately remitted to the Public Parking Authority for the construction of the bus terminal. Greyhound leases the bus terminal from the Public Parking 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 balance of unearned rent/revenue at December 31, 2025 is \$2,652,851. The lease portion of this transaction is not considered material and is thus not reflected under GASB 87.

### **Lease Receivables – Parking Authority, URA and Stadium Authority**

The Parking Authority is a lessor for several noncancellable leases of space within their buildings and parking garages, the Stadium Authority is a lessor for a noncancellable lease of retail space and the URA is a lessor for various noncancellable leases of parking garage/lots and land. Each Authority recognizes a lease receivable and a deferred inflow of resources on the statement of net position for those lease agreements that extend beyond a 12-month period.

At the commencement of a qualifying lease, each 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. As of December 31, 2025, the Parking Authority's receivable for lease payments was \$2,191,312 and deferred inflow of resources was \$1,854,373. As of December 31, 2025, the Stadium Authority's receivable for lease payments was \$653,344 and deferred inflow of resources was \$551,744. As of December 31, 2025, the URA's receivable for lease payments was \$33,275,794 and deferred inflow of resources was \$32,048,295.

### **Special Item – Pittsburgh Water**

Pittsburgh Water has recorded a special item for private line lead replacements. In accordance with GASB No. 62, a special item is an event or transaction that is distinguished by its unusual nature or by the infrequency of its occurrence, or both. Pittsburgh Water has determined that private lead line replacements qualify as a special item. For the year ended December 31, 2025, Pittsburgh Water received approximately \$0.1 million in federal grants for private lead line replacement that is recorded net of the special item expense.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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### **Property Held for Resale – Land Bank**

The Land Bank's property held for resale is valued at the lower of cost or market. The properties are inventoried at the amount of acquisition costs for the properties plus any costs incurred for rehabilitation or demolition to a particular property which do not exceed market value. If the costs exceeds market value, the property is adjusted down to market value.

## **2. Budgets and Budgetary Accounting**

**1. General Budget Policies** – As required by the Home Rule Charter, the City follows these procedures in establishing the budgetary data reflected in the financial statement:

a. On the second Monday of November preceding the fiscal year, the Mayor presents to City Council a General Fund and Community Development Fund operating budget and a capital budget for the succeeding fiscal year.

b. Public hearings are conducted to obtain the advice of other officials and citizens as part of the preparation of these budgets.

c. Before the beginning of the fiscal year, City Council adopts, by resolution, these budgets.

d. The adoption of the operating and capital budgets constitutes an appropriation or setting apart of funds from general resources of the City for purposes set forth in the budgets.

e. City Council may amend, by resolution, the operating budget within five weeks after the beginning of the fiscal year, but not thereafter except with the approval of the Mayor. The capital budget may, by resolution, be amended by City Council at any time.

f. City Council at all times may, by resolution, transfer funds from one account to another if the total operating budget amount is not exceeded. No revision to the budget may be made without City Council approval. The operating budget shall, in any event, remain balanced at all times.

g. The capital budget is generally based on a proposed six-year capital program, which must be updated each year and submitted to City Council by the Mayor at least 30 days prior to the day the operating budget is submitted. The capital budget also includes appropriations for the Community Development Fund. Budget and actual data for the Community Development Fund is reflected in the Community Development Fund. The remainder of the capital budget is reflected in the Capital Projects Fund.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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h. Formal budgetary integration is employed as a management control device for the General, the Community Development, and the Capital Projects Funds. Formal budgetary integration is not employed for the debt service fund since effective budgetary control is alternatively achieved through general obligation bond indenture provisions, nor for the other governmental funds since control is prepared on a project basis. For the American Rescue Plan Act Fund, the City has prepared a City Council approved spending plan based on allowable expenditures. The General, Community Development, and Capital Projects Funds have legally adopted annual budgets.

i. All budgets are prepared and controlled at the department level by subclass. The Budget Office reviewed all budget deficits and monitored budget to actual by subclass during the year. Further refinement of the budget control matters is expected to be addressed in a future year. Due to the voluminous number of projects, separately issued line item capital budget reports are available from the City Controller's Office.

j. Operating appropriations lapse at year-end. City Council can, however, authorize, by resolution, the carryover of appropriations to the following year. The Community Development and Capital Projects Funds appropriations carry over to subsequent years without formal re-appropriation.

k. Operating budget figures are amended by City Council with Mayoral approval. These budget amendments represent additional unanticipated federal funding, line item transfers between expenditures accounts and carryover of appropriations from the previous year. The approved original General Fund budget includes revenues of \$668.8 million and expenditures of approximately \$665.6 million in 2025. The budgetary expenditures, as amended, increased for carryover appropriation and other changes approved by City Council during 2025 of \$41.4 million.

**2. Budgetary Basis of Accounting** – The General Fund budget is adopted on a cash basis. Budgeted encumbrances for purchase commitments are treated as restrictions of available cash and as expenditures. Budgets in Capital Projects Funds are also adopted on a cash basis, except that budgets for each project are adopted on a project basis, which may encompass a period longer than one year. Accordingly, budget figures, as amended, for Community Development and Capital Projects Funds reflect current year appropriations and unexpended prior year's appropriations.

**3. Excess Expenditures over Appropriations** - The City had negative ("overspent") variances in the General Fund salaries and benefits line item for three public safety departments (Bureau of Administration, Emergency Medical Services, and Bureau of Fire), two public works departments (Operations and Environmental Services) and Department of Parks and Recreation-Administration. In addition, the City had one non-salaries line items with negative variances for

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Department of Finance and three for public works department (Bureau of Administration, Operations, and Facilities).

The excess expenditures were covered primarily by favorable budget variances in other expenditure categories. For 2025, the City decided to show the variances rather than amend the budget.

### 3. Deposits and Investments

Both Pennsylvania statutes and City code provide guidelines for investment of governmental funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, short term commercial paper issued by a public corporation, banker's acceptances, insured or collateralized time deposits, and certificates of deposit. Both allow the pooling of funds for investment purposes. Neither the statutes, nor City code prescribe regulations related to demand deposits; however, all depositories of City funds must meet qualifying criteria set forth in Section 223 of the City code.

The investment policy of the City complements state statutes and adheres to prudent business practice. There were no investment transactions during the year that were in violation of either the state statutes or the policy of the City.

#### (A) Primary Government Funds and Custodial Funds

Cash and cash equivalent balances available for investment by most City funds are maintained in pooled bank and investment accounts to improve investment opportunities. Income from investment of pooled cash is recorded in the General Fund. Certain unrestricted and restricted cash and short-term investment balances in the accompanying balance sheet represent the undivided interest of each respective fund in the pooled accounts.

Investment policies permit the City to invest in the following:

1. U.S. Treasury Securities (bills, notes, bonds).
2. Obligations of specific agencies of the federal government where principal and interest are guaranteed by the U.S. government.
3. Fully insured or collateralized certificates of deposit at commercial banks and savings and loan associations accepted as depository institutions under the Pittsburgh City Code.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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4. Money market mutual funds authorized by City Council whose portfolio consists of government securities issued by the U.S. government and that are fully guaranteed as to principal and interest.
5. Local government investment pools and or trusts as approved by the state legislature or City Council from time to time.
6. Repurchase agreements collateralized by the U.S. Treasury securities and marked to market. In order to participate in the repurchase agreement market, a depository must execute a master repurchase agreement contract with the City.

To ensure adequate liquidity, at least 10% but no more than 40% of the portfolio shall be in overnight repurchase agreements, money market funds, or other secure and liquid forms of acceptable investments. Unless specifically matched to a cash flow, at least 20% of the portfolio shall mature within 91 days with the maximum maturity of any investment to be no longer than one year from the date of purchase unless specifically approved in writing by the Director of Finance.

The City maintains compensating balances with some of its depository banks to offset specific charges for check clearing and other services.

As of December 31, 2025, cash and cash equivalents include PLGIT, PA INVEST, and money market funds for presentation on the statement of net position and governmental funds balance sheet. PLGIT and PA INVEST are reported at amortized cost, which approximates market. The City can withdraw PLGIT and PA INVEST funds without limitations or fees with the exception of PLGIT Prime (\$40,032,666 at December 31, 2025) which is limited to two withdrawals per month.

### **Governmental Funds**

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank or counterparty failure, the City’s funds may not be returned to it. The City policy does not specifically address custodial credit risk. As of December 31, 2025, \$292,095,059 of the City’s combined bank balances of \$294,095,059 subject to custodial credit risk were exposed to custodial credit risk, which is 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.

*Interest Rate Risk* – The City’s investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; the City

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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investments must have maturities no greater than ten years within the constraint of meeting cash flow requirements. As of December 31, 2025, the City's exposure to interest rate risk was limited to \$42,000,000, 14% of deposit and investment funds available, with a weighted average maturity period of 229 days.

*Credit Risk* – The City's investment policy limits its investment choices based on government backed instruments and credit ratings by nationally recognized statistical rating organizations. As of December 31, 2025, the City's investments in PA INVEST and PLGIT totaling \$143,749,838 were rated AAAM by S&P Global Ratings.

### **Private-Purpose Trust and Custodial Funds**

*Custodial Credit Risk* – As of December 31, 2025, all of the City's Private-Purpose and Custodial Funds' combined bank balances of \$23,238,741 were exposed to custodial credit risk, which is 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.

*Interest Rate Risk* – The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates; the City's investments must have maturities no greater than ten years within the constraint of meeting cash flow requirements. As of December 31, 2025, the City's Private-Purpose Trust and Custodial Funds had no exposure to interest rate risk.

*Credit Risk* – The City's investment policy limits its investment choices based on government backed instruments and credit ratings by nationally recognized statistical rating organizations. \$8,500,000 of the City's Private-Purpose Trust and Custodial Funds cash and cash equivalents are held in U.S. Treasuries and are therefore not exposed to this type of risk.

### **(B) Pension Trust**

Deposits are maintained by all entities within the Funds. The Comprehensive Municipal Pension Trust Fund (CMPTF) holds all investment vehicles on behalf of the Funds. The CMPTF was established on January 1, 1988 by combining the assets and liabilities of the three prior investment plans representing the City of Pittsburgh Police and Fire Departments and Non-uniformed Municipal workers in order to provide a consolidated investment strategy to support the City of Pittsburgh pension obligation.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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The CMPTF is governed by a formal investment policy established by its Board of Directors (Board). The policy dictates that investments must be managed in a manner consistent with the Pennsylvania Municipal Pension Plan Funding Standard and Recovery Act (Act 205) and the Pennsylvania Fiduciaries Code. The policy covers the two components of the CMPTF: 1) the Operating Fund and 2) the Long-Term Assets. The Operating Fund is a liquidity pool to accept employee, employer and supplemental state contributions and to make benefit disbursements. As such, the Operating Fund investments are restricted to high quality, very short duration fixed income instruments whose average maturity must not exceed six months and whose quality is restricted to investment grade and above securities. The Long-Term Asset component includes restrictions on both fixed income and equity investments as discussed below in further detail in this footnote.

### **Deposits**

*Custodial Credit Risk* – For a deposit, custodial credit risk is the risk that in the event of a bank failure, the combined deposits of the City’s pension funds may not be returned to it. There are no formal deposit policies specifically addressing custodial credit risk.

As of December 31, 2025, \$884,833 of the City’s pension cash account deposits of the \$4,783,975 combined bank balance was insured by the Federal Deposit Insurance Corporation. The remaining bank balance was exposed to custodial credit risk, which is 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. \$4,292,252 of cash and cash equivalents were held at December 31, 2025 in the separate pension funds.

### **Investments**

Long-term investments are all held by the CMPTF and are stated at fair value. These investments are assigned to professional asset managers that specialize in certain types of investments with oversight by an outside investment consultant and the Board in order to achieve an appropriate, diversified and balanced asset class mix to minimize portfolio risk.

The Investment Policy of the CMPTF dictates an allocation of 60% equity, 40% fixed income with a variation of 10% above or below these targets for each classification. At December 31, 2025, the CMPTF had been in compliance with this policy. Within each investment category there are specific policies to further address various types of risk compared to return. The investment advisors monitor compliance with the City’s investment policy on a granular level that is different from the table below.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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The CMPTF's pension trust fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The pension trust funds have the following recurring fair value measurements at December 31, 2025:

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Money market funds	\$ 28,546,248	\$ 28,546,248	\$ -	\$ -
Debt securities:				
Corporate and other obligations:				
Corporate	44,138,639	-	44,138,639	-
Other	7,789,493	-	7,789,493	-
Total corporate and other obligations	51,928,132	-	51,928,132	-
U.S. government and agency obligations:				
U.S. Treasury Notes	51,543,666	51,543,666	-	-
Agency (GNMA, FNMA, FHLM)	19,707,465	-	19,707,465	-
Total U.S. government and agency obligations	71,251,131	51,543,666	19,707,465	-
Total debt securities	123,179,263	51,543,666	71,635,597	-
Mutual funds:				
U.S. Equities - large-cap core	235,423,159	235,423,159	-	-
Non-U.S. equities:				
Large blend	127,667,514	127,667,514	-	-
Emerging markets	19,744,059	19,744,059	-	-
Total Non-U.S. equities	147,411,573	147,411,573	-	-
Fixed income:				
Core fixed income	56,906,373	56,906,373	-	-
Short-term	54,335,823	54,335,823	-	-
Other	3,047,451	3,047,451	-	-
Total Fixed Income	114,289,647	114,289,647	-	-
Total mutual funds	497,124,379	497,124,379	-	-
Common stocks:				
Industrial	14,436,734	14,436,734	-	-
Consumer Discretionary	5,227,721	5,227,721	-	-
Consumer Staples	1,742,222	1,742,222	-	-
Energy	2,102,098	2,102,098	-	-
Financials	8,476,858	8,476,858	-	-
Materials	4,157,168	4,157,168	-	-
Information Technology	15,854,585	15,854,585	-	-
Real Estate	2,001,629	2,001,629	-	-
Utilities	681,319	681,319	-	-
Health Care	9,985,045	9,985,045	-	-
Telecommunications	1,362,095	1,362,095	-	-
Unclassified	28,121	28,121	-	-
Total common stocks	66,055,595	66,055,595	-	-
Private equity - partnerships	79,885,745	-	-	79,885,745
Total investments by fair value hierarchy	794,791,230	\$ 643,269,888	\$ 71,635,597	\$ 79,885,745
Investments measured at NAV:				
Hedge funds	104,800,805			
Real estate funds	28,144,952			
	132,945,757			
Total investments measured at fair value	\$ 927,736,987			

Money market funds, mutual funds, U.S. treasury notes, and common stocks are valued using prices quoted in active markets for those securities and are included in the Level 1 fair value hierarchy. Corporate debt is valued using a matrix pricing model and is included in the Level 2 fair value hierarchy. The fair values of FNMA, GNMA, and FHLM securities are priced by third party pricing services using observable market data and are included in the Level 2 fair value hierarchy.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

As the yields for the risk-free yield curve and the spreads for these securities are observable market inputs, the fair values are included in the Level 2 fair value hierarchy.

For Level 3 items, the CMPTF's valuation is determined in good faith from information provided by the General Partner of the limited partnerships. Fair value for the limited partnerships is based on the best information available and is determined using information including, but not limited to, the following: projected sales, net earnings, earnings before interest, taxes, depreciation and amortization, balance sheets, public or private transactions, valuations for publicly-traded comparable companies, and/or other measures, and consideration of any other pertinent information including the types of securities held and restrictions on disposition. Quantitative unobservable inputs of Level 3 items are not developed by the CMPTF for measuring fair value.

### **Investments Measured Using the Net Asset Value per Share Practical Expedient**

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient:

<u>Instrument</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
ABS Emerging Markets	\$ 19,459,351	None	Monthly	45 days
ABS Offshore SPC Global	22,996,161	None	Monthly	45 days
Entrust Three Rivers Partnership	30,860,926	None	Quarterly	90 days
Parametric Defensive Equity Fund	31,484,367	None	Monthly	1 to 2 weeks
Barings Core Property Fund	7,337,667	None	Quarterly	45 days
RREEF America REIT II	20,807,285	None	Quarterly	45 days
Total	<u>\$ 132,945,757</u>			

These investments have the following strategies:

The *ABS Emerging Markets Fund* is an exclusive emerging markets fund of hedge funds.

The *ABS Offshore SPC Global Fund* is a portfolio of several direct hedge fund investments, all in long/short equity strategies.

*Entrust Three Rivers Partnership* is a multi-strategy hedge fund of funds.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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The *Parametric Defensive Equity Fund* seeks to outperform S&P 500 index, reduce volatility versus the S&P 500 Index, and reduce magnitude of drawdowns and recover faster from stress events.

*Barings Core Property Fund* is a real estate fund that specializes in property investments in the United States.

*RREEF America REIT II* is a real estate investment trust launched and managed by RREEF America L.L.C. The fund invests in the real estate markets of the United States.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of the future fair values. Furthermore, although the trust fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

*Concentration of Credit Risk* – The Comprehensive Trust investment guidelines address this risk by requiring diversity and investment percentage limits. With the exception of Federal Government and Agency obligations, no one issue will comprise more than 10% of the aggregate fixed-income portfolio without the Board’s prior approval. In addition, equity investment concentration in any single industry and in any company shall not exceed 25% and 5%, respectively, of the market value of the plan assets. To further reduce risk, diversification will also be achieved by using multiple managers whose styles and strategies are sufficiently distinctive. International managers may be allocated up to 30% of the plan’s equity assets, and up to 50% of this allocation may be allocated to emerging markets investments. As of December 31, 2025, the Comprehensive Trust is in compliance with these limits.

*Interest Rate Risk* – The Comprehensive Trust has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The schedule below details maturity by investment type.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Cash or Investment Type	Fair Value	Investment Maturities from December 31, 2025			
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. government and agency obligations	\$ 71,251,131	\$ 9	\$ 13,888,066	\$ 32,153,969	\$ 25,209,087
Corporate debt	44,138,639	1,668,018	15,118,810	17,268,242	10,083,569
Other	7,789,493	24,806	412,343	144,883	7,207,461
<b>Total debt securities</b>	<b>\$ 123,179,263</b>	<b>\$ 1,692,833</b>	<b>\$ 29,419,219</b>	<b>\$ 49,567,094</b>	<b>\$ 42,500,117</b>

Credit Risk – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The policy guidelines of the Comprehensive Trust limit investments to Federal Government and Agency issues and corporate issues having a Moody’s rating of Aaa to Baa, with the exception that up to 20% of the fixed income assets may be allocated to high yield fixed-income securities. The Pension Trust Fund’s December 31, 2025 investments in fixed income securities have received the following ratings from Moody’s; the City’s remaining investments were unrated:

Fair Value	Credit Rating	Income Investments
\$ 36,558,978	Aaa	29.68%
23,216,772	Aa1	18.85%
1,100,134	Aa2	0.89%
2,462,997	Aa3	2.00%
2,974,349	A1	2.41%
4,060,321	A2	3.30%
6,185,361	A3	5.02%
17,406,444	Baa1 - Baa3	14.13%
1,085,220	Ba1 - Ba3	0.88%
28,128,687	Unrated	22.84%
<b>\$ 123,179,263</b>		<b>100.00%</b>

The City’s investment in mutual funds and U.S. Government agencies implicitly guaranteed by the U.S. Government were unrated.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### **Private Equity Capital Commitments**

The CMPTF has entered into agreements to commit capital into various private equity funds. The callable capital can be requested at any time by the fund. The remaining capital commitments as of December 31, 2025 are estimated as follows:

	Amount Committed	Amount Drawn	Amount Distributed	Remaining Capital Commitment	
Draper Triangle Ventures III	\$ 2,000,000	\$ 2,181,286	\$ 180,118	\$ -	**
Crescent Mezz Partners VI	10,000,000	10,793,543	14,214,043	741,407	**
Crescent Mezz Partners VII	10,000,000	11,122,923	9,874,174	3,002,949	**
Siguler Guff Small Buyout IV	15,000,000	14,084,771	7,407,139	1,720,210	**
Siguler Guff Small Buyout V	15,000,000	10,689,430	1,152,078	4,677,416	**
Siguler Guff Small Buyout VI	15,000,000	-	-	15,000,000	**
Crescent Credit Solutions VIIIA	10,000,000	8,665,163	3,482,678	2,142,115	**
Magarac Ventures	3,000,000	1,740,000	-	1,260,000	**
Brightwood Capital Fund V	20,000,000	17,774,773	2,225,962	4,000,000	**
	<u>\$ 100,000,000</u>	<u>\$ 77,051,889</u>	<u>\$ 38,536,192</u>	<u>\$ 32,544,097</u>	

\*\* A portion of this fund's distributions can be recalled.

### **(C) OPEB Trusts**

The City's OPEB trust funds (all assets are related to the Retiree and Fire OPEB plans discussed in Note 8) categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. As of December 31, 2025, the OPEB trust funds had the following recurring fair value measurements:

Investments by Fair Value Level	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Bond mutual funds	\$ 22,185,218	\$ 22,185,218	\$ -	\$ -
Equity mutual funds	19,242,380	19,242,380	-	-
Total investments	41,427,598	41,427,598	\$ -	\$ -
Cash and cash equivalents	1,449,685			
Total OPEB Trusts	<u>\$ 42,877,283</u>			

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Mutual funds and money market funds classified in Level 1 are valued using prices quoted in active markets for those securities.

The following is a description of the OPEB Trust Funds deposit and investment risks:

*Credit Risk* – The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The OPEB Trust Funds' investment policy dictates that investments shall include Federal Government and Agency issues and corporate issues having a Standard and Poor's rating of BBB to AAA or a Moody's rating of Baa to Aaa with the exception that up to 20% of fixed income assets may be allocated to high yield fixed-income securities. The target S&P credit rating of the aggregate portfolio shall be A or better.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the value of investments. Through its investment policy, the OPEB Trust Funds manage exposure to interest rate risk by utilizing certain criteria in selecting particular investment funds. U.S. government and agency funds mature in 1-9 years.

The asset allocation policies shall seek to produce a net, inflation adjusted, positive total return. The asset allocation policy shall be consistent with the investment objectives of the plan and based on the capital market assumptions.

The Investment Policy of each OPEB Trust Fund dictates an allocation for the Long-Term Assets of 60% equity, 40% fixed income with a variation of 10% above or below these targets for each classification. At December 31, 2025, the OPEB Trust Funds had been in compliance with this policy. Within each investment category there are specific policies to further address various types of risk compared to return.

The OPEB Trust Funds' investment in mutual funds was unrated.

### **(D) Pittsburgh Water**

Pittsburgh Water is authorized to invest in obligations of the U.S. government and government-sponsored agencies and instrumentalities; fully insured or collateralized certificates of deposit; commercial paper of the highest rating; repurchase agreements collateralized by government obligations or securities and highly rated bank promissory notes or investment funds or trusts; and, as to trustee assets, as otherwise permitted by the trust indenture as supplemented and amended in 2020. Throughout the year ended December 31, 2025, Pittsburgh Water invested its funds in such authorized investments. Pittsburgh Water has a formal investment policy that addresses custodial credit risk, interest rate risk, credit risk, or concentration of credit risk.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, Pittsburgh Water’s deposits may not be returned to it. As of December 31, 2025, \$132,210,000 of Pittsburgh Water’s bank balance of \$132,710,000 was exposed to custodial credit risk. The amounts exposed to custodial credit risk are 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. These deposits have a carrying amount of \$127,559,000 as of December 31, 2025, all of which is reported as current assets in the statement of net position.

At December 31, 2025, Pittsburgh Water held the following investment balances (in 000s):

	Carrying value	Maturity in years Less than 1 year
PA INVEST	\$ 10,629	\$ 10,629
Money market	33,594	33,594
Total Investments	\$ 44,223	\$ 44,223

The carrying value of Pittsburgh Water’s investments is the same as their fair value amount.

Pittsburgh Water’s investments in money markets and PA INVEST (external investment pool) are the same as the value of the pool shares and are reported at amortized cost, which approximates market. All investments in an external investment pool that are not SEC-registered are subject to oversight by the Commonwealth. Pittsburgh Water can withdraw funds from INVEST without limitations or fees.

*Interest Rate Risk* – Interest rate risk, the risk that changes in the interest rates will adversely affect the fair value of the Pittsburgh Water’s investments. Pittsburgh Water is not subject to interest rate risk, as all of its investments at December 31, 2025 had maturities of less than one year.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. As of December 31, 2025, Pittsburgh Water’s investments in PA INVEST were rated AAAM by S&P Global Ratings. Pittsburgh Water’s investments in U.S. Treasury bills at December 31, 2025 were rated AA+ by S&P Global Ratings.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Concentration of Credit Risk* – Concentrations of credit risk is the risk of loss attributed to the magnitude of a government’s investments in a single issuer. Pittsburgh Water places limits on the amount it may invest in any one issuer. Pittsburgh Water was in compliance with the established limits at December 31, 2025.

### **(E) The Stadium Authority of the City of Pittsburgh (Stadium Authority)**

The Stadium Authority’s policy is to maintain all cash deposits in qualified public depositories and is authorized to invest in securities of the United States government, other instruments that are collateralized by United States government securities, repurchase agreements subject to certain restrictions and other debt instruments set forth by the office of the State Treasurer of the Commonwealth.

*Interest Rate Risk* – The Stadium Authority limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. All the Stadium Authority’s investments have maturities of one year or less.

*Credit Risk* – The Stadium Authority is subject to credit risk on investments. The maximum amount of loss the Stadium Authority would incur, if any, if the parties failed to perform on their obligation is limited to the amount recorded in the financial statements. The Stadium Authority does not hold any type of collateral on these investments.

*Concentration of Credit Risk* – The Stadium Authority places no limit on the amount that may be invested in any one institution. The Stadium Authority maintains its cash and cash equivalent balances at three financial institutions. At December 31, 2025, all of the Stadium Authority’s cash and cash equivalent deposits were either insured under federal insurance programs or collateralized.

### **(F) Public Parking Authority of Pittsburgh (Parking Authority)**

#### **Cash and Deposits**

The Parking Authority’s cash deposits are insured by the Federal Deposit Insurance Corporation or were not insured or collateralized in the Parking 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. At December 31, 2025, the Parking Authority had a bank and book balance of \$11,014,271 and \$11,349,690 (including \$10,900,671 of restricted cash), respectively.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### **Investments**

As of December 31, 2025, the Parking Authority had the following investments, of which \$48,985,389 is restricted as to their use.

Investment	Amount	Percentage of Total Investment	Maturity	December 31, 2025 Rating	
				Standard & Poor's	Moody's Investors Service
Blackrock Fed Fund	\$ 34,187,126	41%	n/a	AAAm	Aaa-mf
Blackrock Treasury Trust Fund	47,041,580	57%	n/a	AAAm	AAA-mf
Morgan Stanley Liquid Trust Fund	1,943,809	2%	n/a	AAAm	Aaa-mf
Total	\$ 83,172,515	100%			

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

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

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

*Concentration of Credit Risk* – The Parking Authority places no limit on the amount the Parking Authority may invest in any one issuer.

### **(G) Urban Redevelopment Authority (URA)**

The URA is authorized to make investments of the following types pursuant to the Redevelopment Act which requires investments meet a “reasonable man” standard. Under the URA’s policy, authorized investments include (1) United States Treasury bills, (2) short-term obligations of the United States government or its agencies or instrumentalities, (3) deposits in savings accounts or time deposits or share accounts of institutions which are insured, (4) obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities or any political subdivision thereof, and (5) shares of an investment company registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, provided that the investments of that company meet the criteria of (1) through (4) above.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

The deposit and investment practices of the URA and its component units adhere to statutory and contractual requirements and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or savings accounts, and certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the trust indentures.

*Custodial Credit Risk* – Custodial credit risk is the risk that in the event of a bank failure, the URA’s deposits may not be returned to it. The URA does not have a formal policy for custodial credit risk. As of December 31, 2025, \$80,594,432 of the URA’s bank balance of \$81,865,491 was exposed to custodial credit risk, which is 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. As of December 31, 2025, the carrying amounts of the URA’s deposits were \$81,838,444.

As of December 31, 2025, \$1,285,970 of the component unit’s bank balance was exposed to custodial credit risk. As of December 31, 2025, the carrying amounts of the component unit’s deposits were \$1,535,790.

In addition to the deposits noted above, included in the investments were the following:

	Fair market value	Maturity in years				
		Less than 1 year	1-5 years	6-10 years	11-15 years	16-20 years
Money Market Funds	\$ 74,416,998	\$ 74,416,998	\$ -	\$ -	\$ -	\$ -
Freddie Mac	145,192	-	-	-	128,069	17,123
GNMA	333,731	-	-	-	333,731	-
FNMA	30,158	-	-	-	30,158	-
<b>Total</b>	<b>\$ 74,926,079</b>	<b>\$ 74,416,998</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 491,958</b>	<b>\$ 17,123</b>

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the URA’s investments. The URA’s policy is to attempt to match its investments with anticipated cash flow requirements. Unless matched to specific cash flow requirements, the URA will not directly invest in securities maturing more than five years from the date of purchase or in accordance with state and local statutes and ordinances.

Freddie Mac, FNMA, and GNMA investments are composed of assets securitized in the secondary market from loans issued from the loan programs. The maturities noted in the table above reflect

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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the final maturity of the respective security and does not take into consideration non-routine repayments on principal as it is not possible to forecast these repayments. It is management's intention to hold these securities until maturity. Interest rates on these investments are fixed and principal and interest repayments from these investments will be used to repay the related debt service.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The URA has an investment policy that limits its investment choices based on credit qualifications by investment type. As of December 31, 2025, the URA's investments in Money Market Funds were rated AAAM by Standard and Poor's. The URA's remaining investments were not rated as of December 31, 2025.

*Concentration of Credit Risk* – There is no limit on the amount that may be invested in any one issuer. None of the URA's investments are more than 5% with the same issuer.

Money Market Funds are valued using quoted market prices (Level 1 inputs). The fair values of Freddie Mac, GNMA, and FNMA securities are priced by third party pricing services using observable market data and are included in the Level 2 fair value hierarchy.

### **(H) Pittsburgh Land Bank (Land Bank)**

As of December 31, 2025, the Land Bank had uninsured cash balances of \$995,583.

## **4. Transactions with Pittsburgh Water**

In July 1995, the City entered into a Cooperation Agreement and a Capital Lease Agreement (collectively referred to as the Agreements with Pittsburgh Water). The Cooperation Agreement was renegotiated by the Pittsburgh Water Board of Directors and the City Mayor's Office.

### **(A) Cooperation Agreement**

Under the terms of the original Cooperation Agreement, City Water Department employees became employees of Pittsburgh Water. As a result, Pittsburgh Water assumed various obligations from the City. The City and Pittsburgh Water provided various services to each other in accordance with the Cooperation Agreement, and Pittsburgh Water reimbursed the City for direct and indirect costs attributed by the City to the operation and maintenance of the System.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Under the original Agreement, Pittsburgh Water provided up to 600 million gallons of water annually for the City's use without charge. Also, Pittsburgh Water assumed the City's obligation for the cost of subsidizing water service to those residents of the City situated beyond Pittsburgh Water's service area so that those water users pay charges that mirror the rates of Pittsburgh Water.

On February 4, 2019, Pittsburgh Water's Board issued a resolution that the existing Cooperation Agreement shall be terminated in accordance with the terms of the agreement, 90 days after the approval of the resolution. City and Pittsburgh Water officials collaborated on a new Cooperation Agreement to further implement efficiencies and improvements, including: permitting Pittsburgh Water to reimburse the City for pension costs for Pittsburgh Water employees covered by the City's pension plans, allowing the City to charge the Pittsburgh Water the usual rates that other utilities pay for permit fees, and charging the City for water, stormwater, wastewater conveyance, and ALCOSAN usage, with a five-year phase-in starting in 2020 for water and wastewater charges only. The Pittsburgh Water Board implemented the new Cooperation Agreement as of October 3, 2019. This agreement has been filed with the Pennsylvania Public Utility Commission (Commission) according to Title 66, §507 of the Public Utility Code, and can be modified by order of the Commission. On July 23, 2020, Pennsylvania Act 70 (Act 70) was signed into law. Act 70 provides that the Cooperation Agreement shall have the force and effect of law until January 1, 2025, or an earlier termination date to which the City and Pittsburgh Water mutually agree. Pittsburgh Water and the City are currently working in negotiations regarding the term of the extension and both parties are abiding by the expired agreement until an extension can be reached.

### **(B) System Lease**

The City and Pittsburgh Water entered into a Capital Lease Agreement (Capital Lease), effective July 27, 1995, with a term of thirty years, commencing as of July 15, 1995 and ending on September 1, 2025. The Capital Lease stipulates minimum lease payments of approximately \$101,000,000, including interest, all of which were satisfied during the initial three years of the capital lease. Pittsburgh Water has the option to purchase the System September 1, 2025 for \$1. Pittsburgh Water exercised its option on September 1, 2025. On December 12, 2025, Pittsburgh Water filed the Bill of Sale, Assignment, and Indenture between it and the City pursuant to 66 Pa. C.S. §507 which requires public utilities to file a municipal contract. Pittsburgh Water received PUC approval on the Bill of Sale, Assignment, and Indenture on January 21, 2026.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **(C) Pension**

As of December 31, 2025, the City has retained the pension obligation for Pittsburgh Water's employees who participate in the City's Municipal Pension Plan. The extent of Pittsburgh Water's participation in such obligation with respect to these employees whose membership continued upon becoming employees of Pittsburgh Water, as well as new members, is determined by the Cooperation Agreement.

The City and Pittsburgh Water determined upon a payment of approximately \$3.7 million for Pittsburgh Water's share of the City's current pension costs for the year ended December 31, 2025. Pittsburgh Water's payment was calculated based on the percentage of its covered payroll to the total covered payroll, which approximates 13.8%.

See additional related party transaction disclosures for the URA, Stadium Authority, and Parking Authority in Note 13.

## **5. Real Estate Taxes**

### **Real Estate Taxes**

The City has the power to levy and collect ad valorem taxes on all taxable real estate within its boundaries. Real estate is assessed by Allegheny County Office of Property Assessment pursuant to the terms of the General County Assessment Law and the Second Class County Assessment Law, which require property to be assessed at actual market value. Property is assessed by the Board at 100% of fair market value. The taxable assessed value for 2025 was \$21,614,842,000.

A unified tax levy for land and buildings is made annually on January 1 and collected by the City. Taxes are payable annually or in three installments, at the taxpayers' option, normally due the last day of February, April 30, and July 31. A 2% discount is allowed on either the first installment or the full year tax payment, normally if paid by February 10. If no payment is received by the last day of February, the installment payment privilege is forfeited, and the entire tax for the year is considered delinquent. Penalty and interest are imposed on the property at time of lien.

### **Property Tax Reassessments**

The City taxes land and buildings at the same unified rate and plans to maintain a unified rate unless land values are reassessed in the future. A court-ordered reassessment for Allegheny County, including the City of Pittsburgh, occurred during 2012. These reassessed values will

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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continue to be used until the next reassessment. No “windfall” to the municipality can occur due to state law.

City and School Real Estate Taxes (property taxes) are based on the assessed value of the property as determined by the Allegheny County Board of Assessors. The assessed value of a property is broken down by land value and building value. For 2025, the City’s tax rate was 8.06 mills for general purposes and 0.50 for parks on the assessed value of the property. The School District of Pittsburgh’s tax rate was 10.25 mills on the assessed value. A mill is 1/10 of a cent. For example, on a property assessed at \$1,000, the City Real Estate tax would be \$8.56. The School District of Pittsburgh Real Estate Tax would be \$10.25.

Taxes are billed on a calendar year.

The City has accrued for tax refunds and tax credits within accounts payable on the statement of net position and governmental funds balance sheet (General Fund) for payments received that are subject to refund.

### **Tax Abatements**

The City’s tax abatements are authorized by City Council ordinance. Recipients are eligible for tax abatement for various reasons such as development costs, property location, or renovations that would otherwise result in increased property assessment. All tax abatements are a set dollar amount and are received as tax credits with the exception of Act 42 abatements which reduce the assessed value. The following are City’s tax abatement programs:

- 3-year Act 42 – available Citywide for residential properties for sale or rental;
- 10-year Act 42 Enhanced – available in 28 defined Targeted Growth zones for residential properties for sale or rental;
- 5-year Commercial LERTA – available Citywide for commercial properties or industrial properties for sale or rental;
- Chapter 265 abatement program is an assessment reduction for owner-occupied residential or for sale development projects. The standard abatement is for 3 years, while the enhanced offers a 10 year abatement if at least 10% of units are affordable and at or below 80% AMI, or are located in the Lower Hill District.
- Chapter 267 abatement program is a tax credit for commercial residential (not owner-occupied), industrial, or other business structures. The standard abatement is for 3 years, while the enhanced offers a 10 year tax credit if at least 10% of units are affordable and occupied by households at 50% AMI, or includes 60% if its units at 80% AMI, or are located in the Lower Hill District, or the project creates at least 50 full-time jobs.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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- 10-year Residential LERTA – available in 4 defined areas for residential properties rental or hotels;
- 10-year Residential Enhanced LERTA – available in 4 defined areas for residential properties separately assessed units;
- 5-year Visitability Credit (Disability Access) – available Citywide for residential properties single family, duplex, triplex, adaptive reuse (none at December 31, 2025);
- 10-year Local Economic Stimulus – available citywide for large developments residential properties, commercial properties or industrial properties.

The City's tax abatement agreements do not contain recapture provisions for non-compliance. There were no amounts received or receivable from other governments in association with the forgone taxes. The City did not make other commitments other than to reduce taxes as part of the tax abatement agreements.

During 2025, real estate tax abatements (in dollars) were as follows:

Act 42	\$	-
Act 42 Enhanced		668,735
Chapter 265 Base		244,732
Chapter 265 Enhanced		52,537
Chapter 267 Base		3,747
Chapter 267 Enhanced		177,476
Commercial LERTA		967
Residential LERTA		888,893
Residential Enhanced LERTA		424,507
Local Economic Stimulus		<u>3,924,301</u>
Total tax abatements	\$	<u>6,385,895</u>

### **Other Tax Arrangements**

Other tax arrangements include the following:

- Homestead – Exemption for first \$15,000 of assessed value for residential property that is owner occupied. The Homestead application must be filed at the Allegheny County office of Property Assessment.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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- Tax Increment Financing – Real estate tax revenue is diverted to another entity to cover bond payments for debt used for re-development and other community improvement projects.
- Act 77 – Senior Tax Relief – The City offers a senior tax relief program for eligible owner occupants. Current qualifications are: (A) at least 60 years of age; (B) must have owned and occupied a home in Allegheny County for ten consecutive years preceding application; (C) total household income cannot exceed \$30,000 (using 50% of your social security benefits); (D) owner must be a natural person.

During 2025, other real estate tax arrangements as defined above resulted in the following forgone tax amounts (in dollars):

Homestead Exemption	\$	6,116,999
Tax Increment Financing		322,733
Act 77 Exemption		<u>1,381,061</u>
Total tax other arrangements	\$	<u><u>7,820,793</u></u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 6. Capital Assets

	Balance January 1, 2025	Additions	Deletions	Balance December 31, 2025
Governmental activities:				
Non-depreciable assets:				
Land	\$ 47,865,089	\$ -	\$ -	\$ 47,865,089
Construction-in-progress	69,539,715	32,636,049	36,947,095	65,228,669
Total non-depreciable assets	117,404,804	32,636,049	36,947,095	113,093,758
Depreciable assets:				
Buildings and systems	90,391,265	14,717,270	-	105,108,535
Furniture and fixtures	4,845,984	-	-	4,845,984
Machinery and equipment	9,163,387	-	-	9,163,387
Vehicles	119,225,854	8,065,904	2,804,216	124,487,542
Infrastructure	256,785,002	20,475,782	-	277,260,784
Right-to-use leased assets - (a)	33,906,542	1,226,249	-	35,132,791
Subscription-based IT arrangements	7,036,894	1,503,051	-	8,539,945
Total depreciable assets	521,354,928	45,988,256	2,804,216	564,538,968
Less accumulated depreciation/amortization:				
Buildings and systems	(88,959,992)	(367,932)	-	(89,327,924)
Furniture and fixtures	(4,845,984)	-	-	(4,845,984)
Machinery and equipment	(8,312,978)	(100,912)	-	(8,413,890)
Vehicles	(89,330,698)	(7,982,792)	(2,804,216)	(94,509,274)
Infrastructure	(168,570,760)	(4,707,649)	-	(173,278,409)
Right-to-use leased assets - (a)	(22,441,665)	(4,516,919)	-	(26,958,584)
Subscription-based IT arrangements	(2,531,573)	(2,531,573)	-	(5,063,146)
Total: accumulated depreciation/ amortization	(384,993,650)	(20,207,777)	(2,804,216)	(402,397,211)
Total Net depreciable/amortizable assets	136,361,278	25,780,479	-	162,141,757
Governmental activities, capital assets, net	\$ 253,766,082	\$ 58,416,528	\$ 36,947,095	\$ 275,235,515

Note: (a) - Right-to-use leased assets includes equipment with a value of \$2,462,634 and had accumulated amortization of \$2,462,634 as of December 31, 2025.

The remainder relates to space.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Depreciation/amortization expense was charged to functions/programs of the primary government as follows:

General government	\$ 5,889,289
Public safety	5,947,106
Highways, streets, and other capital improvements	5,994,500
Sanitation	1,738,334
Public works	431,542
Culture and recreation	55,109
Mobility and infrastructure	151,897
	\$ 20,207,777

Component unit capital asset activity as presented for the year ended December 31, 2025 was as follows:

	Balance January 1, 2025	Transfers/ Additions	Transfers/ Deletions	Balance December 31, 2025
Component Units:				
Non-depreciable assets:				
Land	\$ 29,925,568	\$ 1,317,000	\$ 1,043,717	\$ 30,198,851
Construction-in-progress	323,954,090	242,135,224	202,000,984	364,088,330
Total	353,879,658	243,452,224	203,044,701	394,287,181
Depreciable assets:				
Building and building improvements	107,982,218	580,988	-	108,563,206
Parking facilities	186,347,726	149,232	62,914	186,434,044
Machinery and equipment	13,661,676	143,277	248,179	13,556,774
Utility assets	1,467,305,000	175,686,000	10,704,000	1,632,287,000
Non-utility assets	21,127,000	42,244,000	253,000	63,118,000
Infrastructure	2,241,369	-	-	2,241,369
Right-to-use leased assets	1,075,922	-	-	1,075,922
Total	1,799,740,911	218,803,497	11,268,093	2,007,276,315
Less: accumulated depreciation	(605,878,750)	(49,549,262)	(11,448,646)	(643,979,366)
Net	\$ 1,547,741,819	\$ 412,706,459	\$ 202,864,148	\$ 1,757,584,130

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### 7. Pension Plans

#### (A) Organization and Description of Plans

The City is responsible for the funding of retirement benefits for the three pension plans described below. Investments of the plans are held by the Comprehensive Municipal Pension Trust Fund (Comprehensive Trust), in accordance with the Municipal Pension Plan Funding Standard and Recovery Act of 1984 (Act 205) and are administered under the direction of that fund's Board.

In accordance with Act 205 and the Acts under which the Municipal Pension Plan of the City of Pittsburgh, the Policemen's Relief and Pension Plan of the City of Pittsburgh, and the Firemen's Relief and Pension Plan of the City of Pittsburgh were established; a separate accounting for the activities of these three plans is maintained including the employees' contributions, allocation of state aid and the City's annual contribution and a calculation of each Plan's undivided interest in the investments held by the Comprehensive Trust. Additionally, separate actuarial valuations are performed annually for each plan. However, the individual plans do not record the undivided interest in the investments in their individual plans since the assets of the Comprehensive Trust are available for the payments of benefits and expenses of any of the three pension plans without limitations. Therefore, in accordance with Governmental Accounting Standards, the City is considered to be administering a single plan for financial reporting purposes. The three pension plans plus the Comprehensive Trust constitute the City's Pension Plan.

The retirement plans issue a publicly available combined financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the following:

City of Pittsburgh  
Combined Pension Fund  
C/O Department of Finance  
City/County Building  
Pittsburgh, PA 15219

Key provisions of the Municipal Pension Fund, the Policemen's Fund, and the Firemen's Fund are summarized below. The actual plan provisions should be reviewed to capture all the details.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **The Municipal Pension Plan**

The Municipal Pension Plan of the City of Pittsburgh (Municipal Plan) was established by Act 259 of May 28, 1915, P.L. 596. Every full-time employee of the City and Pittsburgh Water who is not covered by the Policemen's Plan or the Firemen's Plan is required to join the Municipal Plan after serving a 90-day probationary period. Participation in the Municipal Plan is closed to non-union PWSA employees hired after March 1, 2019. The Municipal Plan is a single employer defined benefit plan, and its purpose is to provide retirement, disability, and other benefits to its members. The City and members of the Municipal Plan are required to make contributions to the Municipal Plan for the purpose of paying benefits and administrative expenses. At January 1, 2025, the date of the most recent actuarial valuation for funding purposes, the Municipal Fund has 4,044 total members, of which 1,929 are active members; 1,729 are inactive plan members or beneficiaries currently receiving benefits; and 386 are inactive plan members entitled to but not yet receiving benefits.

Effective January 1, 1995, the City terminated employment of the 255 employees of its Water Department. As part of a Cooperation Agreement with Pittsburgh Water, the 255 terminated employees became employees of Pittsburgh Water. Pittsburgh Water employees' membership in the Municipal Plan continued with no break in service, as provided for by the Municipal Pension Act, because Pittsburgh Water had no retirement plan. The City considers Pittsburgh Water a part of the reporting entity and thus the Plan continues to be a single employer plan. Contributions are calculated based on the Cooperation Agreement. As of the date of these financial statements, the Plan has not reported or attributed measurements of assets or the net pension liability on the basis of the group of members who are Pittsburgh Water employees. As of December 31, 2025, Pittsburgh Water and the City have not determined the ultimate amount to be paid (Pittsburgh Water's proportion of the City's net pension liability) by Pittsburgh Water pending completion of an actuarial study. Pittsburgh Water is estimating its proportion of the net pension liability to be between \$20 and \$30 million.

As discussed in Note 4, on February 4, 2019, Pittsburgh Water's Board issued a resolution that the existing Cooperation Agreement shall be terminated in accordance with the terms of the agreement, 90 days after the approval of the resolution. City and Pittsburgh Water officials have collaborated on a New Cooperation Agreement to further implement efficiencies and improvements, including requiring Pittsburgh Water to reimburse the City for pension costs for Pittsburgh Water employees covered by the City's pension plan, with a five-year phase-in starting in 2020. Pittsburgh Water Board implemented the new Cooperation Agreement as of October 3, 2019. The City and Pittsburgh Water agreed upon payment of approximately \$3.7 million for Pittsburgh Water's share of the City's pension costs, prior to adjustment for Pittsburgh Water's portion of the state aid received by the City for pension costs, for the year ended December 31,

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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2025. Pittsburgh Water's payment was calculated based on the percentage of its covered payroll to the total covered payroll, which approximates 13.8%.

Retirement benefits are available, for all employees other than Emergency Medical Services, at the employee's option upon the later of attainment of age 60 or completion of 8 years of service, normal retirement. For Emergency Medical Service employees, normal retirement is available at the later of attainment of age 55 or 8 years of service. A plan member is eligible for early retirement upon attainment of age 50 and completion of eight years of service. For early retirees, benefit payments may be deferred until 60 years of age, or paid immediately at reduced amounts, as defined by the Plan. Upon completion of eight years of service and attainment of age 40, an employee may terminate at any age after 15 years of service and be vested by continuing contributions to age 50.

Employees who become permanently disabled during the performance of their duties and who are unable to continue to perform those duties are eligible to receive a disability pension. Employees who become otherwise disabled are eligible for a disability pension if eight years of service have been completed.

Normal monthly retirement benefit is equal to 50% of average compensation (as defined) and service increment, if any. The service increment is an additional monthly benefit of 1 percent of average compensation for each completed year of service in excess of 20 years to a maximum of \$100 per month. The monthly benefit is prorated for service less than 20 years. On a limited basis, reductions could apply for certain plan members related to social security benefits received after reaching 65 years of age and certain other benefit provisions could apply for members hired prior to January 1, 1975.

A survivor benefit is available to the surviving spouse upon the death of an active member eligible for early retirement. The benefit amount is equal to 50% of the member's pension had the member retired at the date of death. A survivor benefit equal to the excess of the member's contributions over the retirement benefits paid is provided to the beneficiary of a member whose death occurs after the retirement date. The member's contributions are returned to the beneficiary of a member whose death occurs prior to eligibility for early retirement.

Prior to January 1, 2002, upon termination and prior to vesting, a member's contributions were refundable without interest to the member. Beginning January 1, 2002, contributions were refundable with 5% interest for certain classes of employees. Employee contributions to the Plan are 5% of pre-tax pay for those hired thereafter. Effective January 1, 2022, the Plan was amended to require member contributions of 6% for employees hired on or after January 1, 2022 and to

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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allow members to elect for the computation of benefits without the offset for Social Security benefits.

### **The Policemen's Relief and Pension Plan**

The Policemen's Relief and Pension Plan of the City of Pittsburgh (Policemen Plan) was established by Act 99 of May 25, 1935, P.L. 233. The Policemen Plan is a single employer defined benefit plan and its purpose is to provide retirement, disability, and other benefits to its members. P.L. 233 requires the City and members of the Policemen Plan to make contributions to the Policemen Plan for the purpose of paying benefits and administrative expenses.

All employees of the Bureau of Police, including substitute uniformed employees, are eligible for membership in the Plan. At January 1, 2025, the date of the most recent actuarial valuation for funding purposes, the Policemen's Fund has 2,208 total members, of which 756 are active members; 1,419 are inactive plan members or beneficiaries currently receiving benefits; and 33 are inactive plan members entitled to but not yet receiving benefits.

Retirement benefits are available at the employee's option upon completion of the later of 20 years of service or attainment of age 50. Employees who become permanently disabled in the line of duty, and who are unable to perform the duties of their position, are eligible to receive a disability pension. Employees who become permanently disabled other than in the line of duty become eligible to receive a disability pension if they have completed ten years of service.

The normal monthly retirement benefit is equal to 50% of average compensation (as defined) plus service increment, if any.

Service increments of \$20 per month for each year of service between 20 and 25 years and \$25 per month for each year in excess of 25 years are included in the retirement benefit. If so elected, a death benefit is available for the survivors, as defined by the plan, of any member who dies in the performance of his duties. A surviving spouse benefit, which is applicable to deaths not in the line of duty, may also be elected by plan participants.

An employee, who terminates employment after 20 years of service, and before age 50, may collect the normal retirement benefit based on average compensation at termination, providing the terminated member continues contributions at the rate in effect at termination. The benefit is deferred until age 50. If contributions continue at the same rate in effect at termination and continue to age 50, the member may receive monthly benefit based on rate of pay in effect had the officer worked until the age of 50. If a member terminates employment before completing 20 years of service, accumulated employee contributions are refundable.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Employee contributions to the Policemen Fund are 6% of pay plus \$1 per month, until age 65. Those electing the surviving spouse benefit contribute an additional 1/2% of pay.

### **The Firemen's Relief and Pension Plan**

The Firemen's Relief and Pension Plan of the City of Pittsburgh (Firemen Plan) was established by Act of May 25, 1933, P.L. 1050. The Firemen Plan is a single employer defined benefit plan. Its purpose is to provide retirement, disability, and other benefits to its members. P.L. 1050 requires the City and members of the Firemen Plan to make contributions to the Firemen Plan for the purpose of paying benefits and administrative expenses.

Any uniformed employee of City of Pittsburgh Bureau of Fire is eligible for membership in the Firemen Plan. At January 1, 2025, the date of the most recent actuarial valuation for funding purposes, the Fund has 1,741 total members, of which 696 are active members; 1,040 are inactive plan members or beneficiaries currently receiving benefits; and 5 are inactive plan members entitled to but not yet receiving benefits.

Normal retirement benefits are available at the employee's option upon completion of 20 years of service for any participant employed before January 1, 1976, or for those years employed thereafter, the later of completion of 20 years of service or attainment of age 50. Employees who become permanently disabled in the line of duty and who are unable to perform the duties of their position are eligible to receive a disability pension. Employees who become permanently disabled other than in the line of duty become eligible to receive a disability pension if they have completed 10 years of service.

The regular pension benefit is equal to 50% of the average compensation (as defined). A service increment of \$20 per month for each year of service in excess of 20, excluding years of service after age 65, is also payable for those members hired before January 1, 2005. For those hired on or after January 1, 2005, the service increment is \$10 per month for each completed year of service in excess of 20 years, excluding years of service after age 65. The service increment is only payable after age 50. A surviving spouse benefit may also be elected by plan participants. A lump-sum death benefit of \$1,200 is paid to the beneficiary of any deceased member.

Normal vesting occurs upon attainment of 20 years of service. If a retiree is under the age of 50, they must make contributions to the plan until the age of 50 to qualify for a monthly pension at age 50. Upon termination of employment, a member's contributions, without accumulation of interest, are refundable.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Employee contributions to the Firemen Plan are 6.5% of pay plus \$1 per month until age 65. Those electing the surviving spouse benefit contribute an additional 1/2% of pay.

### **(B) Funding Status and Progress**

In accordance with the Municipal Pension Plan Funding Standard and Recovery Act of 1984 (Act 205), the City established the Comprehensive Municipal Pension Trust Fund Board (Comprehensive Trust) in August 1987. The Board's purpose is to oversee the activities of the City's pension plans and to receive and invest the City's pension assets.

The City has three defined benefit pension plans (Municipal, Policemen, and Firemen), which are administered by respective pension boards, the majority of whose members are elected by the employees. The Policemen and Firemen Plans cover all employees of the Bureau of Police and the Bureau of Fire, respectively. Each full-time employee not covered under either the Policemen's or Firemen's Plan is required to join the Municipal Plan after serving a 90-day probationary period.

Act 205 contains both mandatory and optional remedies for municipalities to design a program for dealing with unfunded pension liabilities. The mandatory remedies implemented by the City were the development and adoption of an administrative improvement plan for its pension fund, the establishment of lower cost pension plans for new hires, and the aggregation of all the City's pension assets for investment purposes under the guidance of an oversight board (the Comprehensive Municipal Pension Trust Fund Board). The Comprehensive Trust, which is comprised of seven members, four appointed by the Mayor and approved by Council and one elected from each plan, manages the investments of all pension assets and provides funds for each plan's monthly payment of benefits and administrative expenses from plan net position. The optional remedies initially selected by the City were: 40-year amortization of the unfunded liability, level percent amortization, and a 15-year phase-in allowing the City to gradually increase its pension contributions.

The Plans are funded by the City on an annual basis pursuant to the provisions of Act 205. Act 205 requires that annual contributions be based upon the calculation of the Minimum Municipal Obligation (MMO). Employees are not required to contribute under Act 205; such contributions are subject to collective bargaining and can be reduced or eliminated each year by Ordinance or Resolution subject to the Plans meeting certain financial conditions. The Commonwealth of Pennsylvania (Commonwealth) allocates certain funds to assist in pension funding. Any financial requirement established by the MMO which exceeds the Commonwealth of Pennsylvania allocation must be funded by the City. The MMOs for each of the three plans for December 31, 2025 were \$15,279,974 Municipal, \$6,080,389 Policemen, and \$27,359,542 Firemen.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

Commonwealth of Pennsylvania Act 44 of 2009 required the City’s aggregate pension funding level to be at least 50 percent by December 31, 2010 to avoid having the City’s pension funds seized and administered by the Pennsylvania Municipal Retirement System. The City’s plan to meet this level of funding included transferring approximately \$45 million to the Comprehensive Trust Fund which was in the Debt Service Reserve Fund in 2010 and dedicating parking tax revenues for the next 31 years per Council legislation. During 2021, Council legislation extended the parking tax payments five more years. The City contributed parking tax revenues of \$13.4 million per year from 2011 through 2017 and \$26.8 million from 2018 through 2021. The City will continue to contribute \$26.8 million per year from 2022 through 2046. While the present value of the dedicated future parking tax revenues for future pension contributions did not meet the criteria for recognition as an asset in the City’s financial statements or those of the Comprehensive Trust Fund, it was treated as an actuarial asset for purposes of funding levels under Commonwealth of Pennsylvania Act 44 of 2009 and the City was determined to have met the required funding level to avoid takeover of the City pensions by the Pennsylvania Municipal Retirement System and the parking revenue stream continues to be treated as an actuarial asset for funding purposes.

For the year ended December 31, 2025, on an accrual basis, the City did contribute \$106.8 million to the Pension Trust Fund paid from the General Fund. Contribution funding by the General Fund is consistent with prior years. Contributions made to the Plan represent 100% of the Act 205 MMO of \$48.7 million plus additional contributions of \$58.1 million including \$26.8 million of dedicated parking tax revenue, \$29.1 million in other revenue, and \$2.2 million related to other benefits.

### **Net Pension Liability (NPL)**

The components of the net pension liability of the City at December 31, 2025, were as follows:

	Municipal	Policemen	Firemen	Total
Total pension liability	\$ 459,279,190	\$ 580,892,746	\$ 600,959,716	\$ 1,641,131,652
Plan fiduciary net position (allocated)	(321,585,507)	(260,940,968)	(348,541,109)	(931,067,584)
Net pension liability	\$ 137,693,683	\$ 319,951,778	\$ 252,418,607	\$ 710,064,068
Plan fiduciary net position as a percentage of the total pension liability	70.02%	44.92%	58.00%	56.73%

The plan fiduciary net position allocations are based on the method provided in Act 205.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### Changes in the NPL

As indicated earlier in this footnote, in accordance with Governmental Accounting Standards, the City is considered to be administering a single plan for financial reporting purposes.

Changes in the net pension liability of the City for the year ended December 31, 2025, were as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at 12/31/24	\$ 1,575,349,643	\$ 768,866,330	\$ 806,483,313
Changes for the year:			
Service cost	36,901,022	-	36,901,022
Differences between expected and actual experience	33,758,803	-	33,758,803
Changes in assumptions	837,802	-	837,802
Changes in benefit terms	-	-	-
Interest	108,913,387	-	108,913,387
Contributions - employer	-	71,584,453	(71,584,453)
Contributions - member	-	17,502,983	(17,502,983)
Contributions - state aid	-	32,961,733	(32,961,733)
Net investment income (loss)	-	156,645,035	(156,645,035)
Benefit payments, including refunds of member contributions	(114,629,005)	(114,629,005)	-
Administrative expense	-	(1,938,848)	1,938,848
Other changes	-	74,903	(74,903)
Balances at 12/31/25	\$ 1,641,131,652	\$ 931,067,584	\$ 710,064,068

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Actuarial assumptions* – The total pension liability was determined by an actuarial valuation on January 1, 2025 using the following actuarial assumptions, applied to all periods in the measurement:

	<u>Municipal</u>	<u>Policemen</u>	<u>Firemen</u>
Actuarial valuation date	1/1/2025	1/1/2025	1/1/2025
	Entry Age	Entry Age	Entry Age
Actuarial cost method	Normal	Normal	Normal
Actuarial assumptions:			
Investment rate of return	7.00%	7.00%	7.00%
Projected salary increases	3.75-4.75%	5.25-5.5%	5.00-5.25%
Underlying inflation rate	2.75%	2.75%	2.75%

Actuarial assumptions based on the 2025 actuarial experience study.

General Pub-2010/PubS-2010 amount weighted table with generational projection using MP2021 with adjustment to reflect Pension Plan mortality experience as confirmed by experience studies

*Changes in actuarial assumptions* – The following actuarial assumptions have changed for the January 1, 2025 Actuarial Reports: Updated mortality Scale and salary scale and made adjustments to retirement, withdrawal and disability rates.

*Changes in benefit terms* – There were no changes to benefit terms made in connection with the 1/1/2025 actuarial valuations.

*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 pension plan 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.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

The following was the asset allocation policy and best estimates of arithmetic real rates of return for each major asset class included in the Plans' target asset allocation as of December 31, 2025:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	29.00%	4.5-5.4%
International equity	17.00%	5.0-5.4%
Hedge funds	10.00%	4.8-8.5%
Real assets	7.00%	4.8-8.5%
Private equity	5.00%	4.8-10.2%
Private debt	5.00%	4.8-8.5%
Fixed income	27.00%	1.6-2.6%
Cash	0.00%	0.0-1.5%
	100.00%	

*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, 2025, the annual money-weighted rate of return on the Plan investments, net of investment expense, was 11.6%.

*Discount Rate* – The discount rate used to measure the total pension liability for the Municipal, Policemen, and Firemen funds was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, parking tax revenue will be deposited in accordance with Ordinances 42 and 44 of 2010, and that the City's contributions will be made equal to the yearly MMO calculation. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion is projected to occur).

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

*Sensitivity of the net pension liability to changes in the discount rate* – The following presents the net pension liability of the City calculated using the discount rates described above, as well as what the City’s net pension liabilities would be if they were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rates:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Municipal	\$ 184,205,544	\$ 137,693,683	\$ 98,289,291
Policemen	384,266,316	319,951,778	265,793,569
Firemen	316,995,571	252,418,607	197,661,428
Total	\$ 885,467,431	\$ 710,064,068	\$ 561,744,288

### **Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended December 31, 2025, the City recognized pension expense of \$(21,275,413). At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Municipal	Policemen	Firemen	Total
Deferred outflows of resources:				
Changes of assumptions	\$ 3,221,172	\$ 7,246,340	\$ 1,910,690	\$ 12,378,202
Difference between expected and actual experience	8,350,868	21,921,982	787,707	31,060,557
Total deferred outflows of resources	\$ 11,572,040	\$ 29,168,322	\$ 2,698,397	\$ 43,438,759
Deferred inflows of resources:				
Net difference between projected and actual earnings on pension plan investments	\$ (20,593,917)	\$ (16,059,106)	\$ (23,377,211)	\$ (60,030,234)
Changes of assumptions	-	-	(8,966,335)	(8,966,335)
Difference between expected and actual experience	(18,622,548)	(676,811)	(3,438,280)	(22,737,639)
Total deferred inflows of resources	\$ (39,216,465)	\$ (16,735,917)	\$ (35,781,826)	\$ (91,734,208)

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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

	<u>Municipal</u>	<u>Policemen</u>	<u>Firemen</u>	<u>Total</u>
2026	\$ (5,999,325)	\$ 8,761,776	\$ (334,915)	\$ 2,427,536
2027	(14,811,878)	638,568	(11,832,822)	(26,006,132)
2028	(2,650,660)	2,149,913	(8,894,708)	(9,395,455)
2029	(4,182,562)	882,148	(9,877,567)	(13,177,981)
2030	-	-	(2,143,417)	(2,143,417)
	<u>\$ (27,644,425)</u>	<u>\$ 12,432,405</u>	<u>\$ (33,083,429)</u>	<u>\$ (48,295,449)</u>

### **Component Units:**

#### **Single-Employer Defined Benefit Plan – Parking Authority**

*General Information.* The Parking Authority established the Public Parking Authority of Pittsburgh Pension Plan (PPA Plan) effective January 1, 1980. The PPA Plan is a defined benefit plan covering substantially all employees not covered by another plan and is funded by employee contributions.

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

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

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Multiple-Employer Defined Benefit Plan - Parking Authority**

The Parking Authority had 41 facility employees in the year ended December 31, 2025, who are participants in a cost-sharing multiple-employer defined benefit plan administered through the Western Pennsylvania Teamsters and Employers 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. The Parking Authority contributed \$220,030 to this plan for the year ended December 31, 2025.

Additional pension information, deemed to be immaterial for City reporting purposes, can be found in the Parking Authority's separate financial statements.

### **Urban Redevelopment Authority**

*Defined Contribution Plan* – The URA provides two defined contribution retirement plans, the Urban Redevelopment Authority of Pittsburgh Retirement Savings Plan and the Urban Redevelopment Authority of Pittsburgh Section 457 Deferred Compensation Plan and Trust, covering all employees. All plan provisions were approved by the URA Board of Directors and any significant changes to those provisions will be made via Board approval and Resolution.

Under the Retirement Savings Plan, the participants become vested at 25% per year starting in the second year of service. Upon termination of employment, the non-vested portion of a participant's account is returned to the URA and credited against current expenses. Upon attainment of age 65, the participants become 100% vested regardless of the number of years of service. Participants are 100% vested in all employee contributions.

The Section 457 Deferred Compensation Plan allows for employee contributions and the URA will match up to 5% of these employee contributions by depositing matching contributions into the Retirement Savings Plan. Employer contributions for the year ended December 31, 2025 were \$229,699 and employee contributions were \$435,931.

### **Pittsburgh Water**

During 2019, Pittsburgh Water established a 401(a) profit-sharing plan available to all full-time employees (part-time employees with over 1,000 hours of service) who do not participate in the City's Plan. As part of its fiduciary role, Pittsburgh Water has an obligation of due care in selecting the third-party administrator. Pittsburgh Water does not control the assets of the 401(a) profit-sharing plan and thus the plan is not considered a fiduciary fund of Pittsburgh Water.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Benefit terms are established and amended by Pittsburgh Water. Employees can make pre-tax or Roth contributions with Pittsburgh Water offering a non-elective contribution equal to 4% of the employees earnings and a match rate up to 3%, for a total Pittsburgh Water contribution up to 7%. Employees become vested after three years. For the year ended December 31, 2025, Pittsburgh Water contributed \$397,000 to the 401(a) profit-sharing plan.

### 8. Other Postemployment Benefits

The City maintains two separate single-employer defined benefit plans that are used to provide postemployment benefits other than pensions (OPEB): (a) the retiree OPEB plan (retiree plan) and (b) the disabled firefighters plan (fire plan). The plans are described below and are administered in accordance with the terms of their applicable employment contracts. Management of the OPEB plans is vested with City Council.

#### **Net OPEB Liability, OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB**

The City reported a net OPEB liability at December 31, 2025 composed of the following:

Retiree plan	\$	308,382,940
Fire plan		<u>13,479,214</u>
Total net OPEB Liability (Asset)	\$	<u><u>321,862,154</u></u>

The components of the net OPEB liability at December 31, 2025 were as follows:

	<u>Retiree Plan</u>	<u>Fire Plan</u>
Total OPEB liability	\$ 351,091,626	\$ 13,647,811
Plan Fiduciary Net Position	<u>(42,708,686)</u>	<u>(168,597)</u>
Net OPEB Liability (Asset)	<u>\$ 308,382,940</u>	<u>\$ 13,479,214</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>12.16%</u>	<u>1.24%</u>



# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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

	<u>Retiree Plan</u>	<u>Fire Plan</u>	<u>Total</u>
2026	\$ (10,036,551)	\$ (1,968,738)	\$ (12,005,289)
2027	(3,732,544)	(1,975,798)	(5,708,342)
2028	(720,226)	(1,973,587)	(2,693,813)
2029	(445,374)	(1,972,292)	(2,417,666)
2030	-	(1,972,197)	(1,972,197)
Thereafter	-	(13,551,593)	(13,551,593)
	<u>\$ (14,934,695)</u>	<u>\$ (23,414,205)</u>	<u>\$ (38,348,900)</u>

### **Additional Required Disclosures for the City's Retiree Plan**

#### **Plan Description**

The City administers a single-employer defined benefit healthcare plan to provide additional postemployment benefits to all eligible retirees not covered by another plan. Benefits are paid on a pay-as-you-go basis. Those hired prior to January 1, 2005 are eligible for this benefit.

#### **Plan Benefits**

In addition to the pension benefits disclosed in Note 7, resolutions of City Council, State statutes, and labor agreements have provided for certain postemployment benefits, other than pension benefits, known as ("OPEB") to be provided to retirees or their beneficiaries. Such benefits are primarily funded through annual appropriations from the City's General Fund and trusts designated for those purposes. Post-retirement benefits consist of health care benefits, Medicare reimbursements and life insurance for firefighters and police officers and life insurance for certain municipal employees. Benefit provisions for the retiree plan are established and amended through negotiations between the City and the respective unions. The OPEB retiree plan does not issue a separate financial statement report.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### **Plan Membership**

At January 1, 2024, the date of the most recent actuarial valuation, the OPEB retiree plan membership consisted of the following:

	Health Insurance	Life Insurance
Active participants	1,385	1,385
Retired participants	1,442	2,273
Total	2,827	3,658

### **Changes in the Net OPEB Liability**

As indicated earlier in this footnote, in accordance with Governmental Accounting Standards, the City is considered to be administering a single plan for financial reporting purposes for all eligible retiree groups other than the separately negotiated fire disability plan discussed later in this note.

Changes in the net OPEB liability for the retiree plan for the year ended December 31, 2025, were as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances at 12/31/24	\$ 350,010,457	\$ 42,485,117	\$ 307,525,340
Changes for the year:			
Service cost	1,761,277	-	1,761,277
Differences between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Interest	23,782,317	-	23,782,317
Contributions - employer	-	19,462,425	(19,462,425)
Net investment income (loss)	-	5,284,751	(5,284,751)
Benefit payments, including refunds of member contributions	(24,462,425)	(24,462,425)	-
Administrative expense	-	(61,182)	61,182
Balances at 12/31/25	\$ 351,091,626	\$ 42,708,686	\$ 308,382,940

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### Actuarial Assumptions

The total OPEB retiree plan liability was determined by an actuarial valuation as of January 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial valuation date	1/1/2024
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	24 year closed period
Asset valuation method	Market value of assets

Actuarial assumptions:

Investment rate of return	7.00%
Salary increases	4.5% - 6.0%

Mortality tables:

Active: Pub-2010 Safety and General Headcount-Weighted Mortality Tables,  
projected with Mortality Improvement Scale MP-2021  
Municipal Retirees: Pub-2010 General Disabled Mortality Table,  
projected with Mortality Improvement Scale MP-2021  
Police and Fire Retirees: Pub-2010 Safety Disabled Mortality Table,  
projected with Mortality Improvement Scale MP-2021

Healthcare cost trend rates:

<u>Year</u>	<u>Medical/Rx Costs Annual Trend Rate</u>	<u>Medicare Part B Premiums Annual Trend Rate</u>
2025	8.50%	5.90%
2026	8.25%	6.50%
2027	8.00%	6.40%
2028	7.75%	6.30%
2029	7.50%	6.20%
2030	7.25%	6.10%
2031	7.00%	6.00%
2032	6.75%	5.75%
2033	6.50%	5.50%
2034	6.25%	5.00%
2035	6.00%	4.50%
2036	5.50%	4.50%
2037	5.00%	4.50%
2038	4.50%	4.50%

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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There were no changes to benefits made in connection with the 1/1/24 actuarial valuations.

### **Changes in Actuarial Assumptions**

Investment rate of return changed from 6.0% to 7.0%. Per capita baseline costs, morbidity factors, salary scale assumptions, demographic assumptions, and healthcare trends were updated.

### **Long-Term Expected Rate of Return**

The long-term expected rate of return on OPEB retiree 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 arithmetic real rates of return for each major class included in the target asset allocation as of December 31, 2025 are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term expected Real Rate of Return</u>
Equity	45.00%	8.2-14.8%
Fixed income	45.00%	2.0-2.2%
Cash	3.00%	3.6%
Alternative Strategies	7.00%	4.8%
	<u>100.00%</u>	

### **Rate of Return**

For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 12.4%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Discount Rate**

The final equivalent single discount rate used to measure the total OPEB retiree plan liability was 7.00% for 2025 with the expectation that the City will continue to fund the full pay-go costs in the future. The forward-looking assumption (and current funding policy) is for ongoing costs to be paid out of the General Fund.

### **Sensitivity of the Net OPEB Retiree Plan Liability (Asset) to Changes in the Discount Rate**

The following presents the net OPEB retiree plan liability (asset) of the City, as well as what City's net OPEB retiree plan liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net OPEB Liability (Asset) - Retiree	\$ 344,556,517	\$ 308,382,940	\$ 277,727,719

### **Sensitivity of the Net OPEB Retiree Plan Liability (Asset) to Changes in the Healthcare Cost Trend Rate**

The following presents the net OPEB retiree plan liability (asset) of the City, as well as what City's net OPEB retiree plan liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rates	1% Increase
Net OPEB Liability (Asset) - Retiree	\$ 275,281,376	\$ 308,382,940	\$ 347,350,747

### **Funding Policy**

Consistent with prior years, the City's contribution is based on projected pay-as-you-go financing requirements and is funded through the General Fund. For fiscal year 2025, the City contributed \$19,492,425 to the plan directly to pay benefits. During the year ended December 31, 2025, no additional contributions were made into the OPEB retiree plan irrevocable trust above the need for benefits. The City withdrew \$5,000,000 from the plan to pay benefits during the year ended December 31, 2025.

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### Contribution

OPEB retiree plan contribution rates are based on an actuarially determined rate. Employees are not required to make contributions for basic life insurance. Employees contribute to health care costs at a flat rate based on wages and family size.

### Investments

Through its investment policy, the OPEB Retiree Plan Trust Fund manages its exposure to risk by utilizing certain criteria in selecting particular investment funds. The asset allocation policies seek to produce a net, inflation adjusted, positive total return. The asset allocation policy is to be consistent with the investment objectives of the plan and based on the capital market assumptions.

### Financial Statements

Retiree Plan OPEB Trust Fund Statement of Net Position and Statement of Changes in Net Position at, and for the year ended, December 31, 2025.

	<u>Statement of Net Position</u>
<u>Assets</u>	
Cash and short-term investments	\$ 1,281,088
Mutual funds:	
U.S. equities	13,969,492
Non-U.S. equities	5,272,888
Fixed income	<u>22,185,218</u>
Total Assets	<u>42,708,686</u>
<u>Net Position Restricted for OPEB</u>	<u>\$ 42,708,686</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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	Statement of Changes in Net Position
<u>Additions:</u>	
Contributions - Employer	\$ 19,462,425
Investment income:	
Net increase (decrease) in fair value of investments	3,800,760
Interest and dividends	1,450,539
Total investment income (loss)	5,251,299
Investment expense	(23,502)
Net investment income (loss)	5,227,797
Total additions	24,690,222
<u>Deductions:</u>	
Benefit payments	24,462,425
Transfer out	-
Administrative expenses	4,228
Total deductions	24,466,653
Net Increase (Decrease) in Net Position	223,569
<u>Net Position:</u>	
Beginning of year	42,485,117
End of year	\$ 42,708,686

### Additional Required Disclosures for the City's Fire Plan

#### Plan Description

The City administers a single-employer defined benefit medical and prescription drug plan to provide additional postemployment benefits to eligible disabled firefighters. Benefits are paid on a pay-as-you-go basis. Eligible disabled firefighters and their dependents may continue health care coverage through the City for life. The plan covers eligible disabled firefighters and their dependents who elect to participate and pay any required contributions.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Plan Benefits**

In addition to the pension benefits disclosed in Note 7, resolutions of City Council, State statutes, and labor agreements have provided for certain postemployment benefits, other than pension benefits, known as (“OPEB”) to be provided to retirees or their beneficiaries. Such benefits are primarily funded through annual appropriations from the City’s General Fund and trusts designated for those purposes. Firefighters hired on or after January 1, 2005 who become disabled in the line of duty are eligible for lifetime retiree health benefits. There is no age or service requirement for this benefit. Coverage continues to surviving spouses of disabled retirees upon the member’s death. Surviving spouse coverage is non-contributory. Benefit provisions for the plan are established and amended through negotiations between the City and the respective unions. The OPEB fire plan does not issue a separate financial statement report.

### **Plan Membership**

At January 1, 2024, the date of the most recent actuarial valuation, the OPEB fire plan membership consisted of the following:

Active members	530
Inactive Members Entitled to But Not Yet Receiving Benefits	-
Inactive Members or Beneficiaries Currently Receiving Benefits	<u>8</u>
Total	<u><u>538</u></u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### Changes in the Net OPEB Fire Plan Liability

Changes in the net OPEB liability for the fire plan for the year ended December 31, 2025, were as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance at 12/31/24	\$ 12,755,156	\$ 155,721	\$ 12,599,435
Changes for the year:			
Service cost	1,560,520	-	1,560,520
Differences between expected and actual experience	-	-	-
Changes in assumptions	(1,045,552)	-	(1,045,552)
Interest	607,837	-	607,837
Contributions - employer	-	230,150	(230,150)
Net investment income (loss)	-	12,888	(12,888)
Benefit payments	(230,150)	(230,150)	-
Administrative expense	-	(12)	12
Balance at 12/31/25	<u>\$ 13,647,811</u>	<u>\$ 168,597</u>	<u>\$ 13,479,214</u>

### Actuarial Assumptions

The total OPEB fire plan liability was determined by an actuarial valuation as of January 1, 2024 and rolled forward to a measurement date of December 31, 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Actuarial valuation date	1/1/2024	
Amortization cost method	Entry Age Normal	
Amortization method	Level Dollar	
Asset valuation method	Market value of assets	
Actuarial assumptions:		
Investment rate of return	7.00%	
Discount rate	4.28%	
Salary increases	6.00%	
Mortality table	Fire Active and Retirees: Pub-2010 Safety Headcount-Weighted Table, projected with Mortality Improvement Scale MP-2021	

Healthcare cost trend rates:   Medical/Rx Costs                      Medicare Part B

<u>Year</u>	<u>Annual Trend Rate</u>	<u>Annual Trend Rate</u>
2025	8.50%	5.90%
2026	8.25%	6.50%
2027	8.00%	6.40%
2028	7.75%	6.30%
2029	7.50%	6.20%
2030	7.25%	6.10%
2031	7.00%	6.00%
2032	6.75%	5.75%
2033	6.50%	5.50%
2034	6.25%	5.00%
2035	6.00%	4.50%
2036	5.50%	4.50%
2037	5.00%	4.50%
2038	4.50%	4.50%

There were no changes to benefits made in connection with the 1/1/24 actuarial valuations.

### **Changes in Actuarial Assumptions**

Long-term rate of return changed from 6.0% to 7.0%. Discount rate changed from 4.00% to 4.28% in 2024 and to 4.83% in 2025. Per capita baseline costs, morbidity factors, demographic assumptions, and healthcare trends were updated. Salary scale assumptions changed from 2.75% to 6.00%.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Rate of Return**

For the year ended December 31, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.9%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### **Long-Term Expected Rate of Return**

Starting in 2020, long-term expected rate of return on OPEB fire 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 arithmetic real rates of return for each major class are projected to be included in the target asset allocation are summarized as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equity	45.00%	8.2-14.8%
Fixed income	45.00%	2.0-2.2%
Cash	3.00%	3.6%
Alternative Strategies	7.00%	4.8%
	<u>100.00%</u>	

### **Discount Rate**

The final equivalent single discount rate used to measure the total OPEB liability was 4.83% with the expectation that the City will continue to fund the full pay-go cost plus an additional discretionary contribution in the future.

### **Sensitivity of the Net OPEB Fire Plan Liability (Asset) to Changes in the Discount Rate**

The following presents the net OPEB fire plan liability (asset) of the City, as well as what City's net OPEB fire plan liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

	1% Decrease (3.83%)	Current Discount Rate (4.83%)	1% Increase (5.83%)
Net OPEB Liability (Asset) - Disabled Firefighters	<u>\$ 15,468,230</u>	<u>\$ 13,479,214</u>	<u>\$ 11,837,635</u>

### **Sensitivity of the Net OPEB Fire Plan Liability (Asset) to Changes in the Healthcare Cost Trend Rate**

The following presents the net OPEB fire plan liability (asset) of the City, as well as what City's net OPEB fire plan liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current Rates	1% Increase
Net OPEB Liability (Asset) - Disabled Firefighters	<u>\$ 11,302,602</u>	<u>\$ 13,479,214</u>	<u>\$ 16,375,062</u>

### **Funding Policy**

Consistent with prior years, the City's contribution is based on projected pay-as-you-go financing requirements and is funded through the General Fund. For fiscal year 2025, the City contributed \$230,150 to the plan directly to pay benefits. No additional contributions were made into the OPEB fire plan irrevocable trust during the year ended December 31, 2025.

### **Contribution**

OPEB fire plan contribution rates are based on an actuarially determined rate.

### **Investments**

Through its investment policy starting in 2020, the Fire Plan OPEB Trust Fund manages its exposure to risk by utilizing certain criteria in selecting particular investment funds. The asset allocation policies seek to produce a net, inflation adjusted, positive total return. The asset allocation policy is consistent with the investment objectives of the plan and based on the capital market assumptions.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### Financial Statements

Fire Plan OPEB Trust Fund Statement of Net Position and Statement of Changes in Net Position at, and for the year ended, December 31, 2025.

	<u>Statement of Net Position</u>
<u>Assets</u>	
Cash and short-term investments	\$ 168,597
Mutual funds:	
U.S. equities	-
Fixed income	-
Real estate funds	-
Alternative strategies	-
Total Assets	<u>168,597</u>
<u>Net Position Restricted for OPEB</u>	<u>\$ 168,597</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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	Statement of Changes in Net Position
<b>Additions:</b>	
<u>Contributions - Employer</u>	\$ 230,150
Investment income:	
Net increase (decrease) in fair value of investments	8,022
Interest and dividends	4,866
<u>Total investment income (loss)</u>	<u>12,888</u>
Investment expense	-
<u>Net investment income (loss)</u>	<u>12,888</u>
<u>Total additions</u>	<u>243,038</u>
<b>Deductions:</b>	
<u>Benefit payments</u>	230,150
Administrative expenses	12
<u>Total deductions</u>	<u>230,162</u>
Net Increase (Decrease) in Net Position	12,876
<b>Net Position:</b>	
<u>Beginning of year</u>	<u>155,721</u>
End of year	<u>\$ 168,597</u>

### **Component Unit:**

#### **Parking Authority**

The Public Parking Authority of Pittsburgh Post-Employment Healthcare Plan is a single-employer defined benefit healthcare plan administered by the Parking Authority. There is no separate audit requirement. The Parking Authority has not accumulated assets for the Plan in a trust. The 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 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.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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At December 31, 2025, participants in the Plan were as follows:

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

### **Benefits Provided**

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

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

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

### **Total OPEB Liability**

The components of the total OPEB liability of the Plan at December 31, 2025 were as follows:

Total OPEB liability	\$	301,030
Plan fiduciary net position		-
Total OPEB liability	\$	<u>301,030</u>
Plan fiduciary net position as a percentage of the total OPEB liability		<u>0%</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### **Changes in the Total OPEB Liability**

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Total OPEB Liability
Balances at December 31, 2024	\$ 314,220	\$ -	\$ 314,220
Changes for the year:			
Service cost	1,656	-	1,656
Interest	12,355	-	12,355
Experience losses (gains)	-	-	-
Changes of assumptions	-	-	-
Contributions - employer	-	27,201	(27,201)
Benefits paid	(27,201)	(27,201)	-
Net changes	(13,190)	-	(13,190)
Balances at December 31, 2025	\$ 301,030	\$ -	\$ 301,030
Plan fiduciary net position as a percentage of the total pension liability			0.00%

### **Actuarial Assumptions**

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

- Actuarial cost method – Entry Age Normal, level percentage of pay;
- Retirement rates – 100% upon attaining retirement eligibility of 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;

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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- Salary increase – 4.50% per annum;
- Discount rate: 4.28% per annum;
- Healthcare cost trend rate – Medical: 7.5% in 2025 to 6.60% over three years, and then following the Getzen model thereafter; Dental 5%

*Changes in Actuarial Assumptions* – No changes from 2024.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 4.28%.

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

1% Decrease (3.28%)	Current Discount Rate (4.28%)	1% Increase (5.28%)
<u>\$ 328,543</u>	<u>\$ 301,030</u>	<u>\$ 277,289</u>

*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 was 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
<u>\$ 300,655</u>	<u>\$ 301,030</u>	<u>\$ 301,419</u>

### **OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended December 31, 2025, the recognized OPEB expense is \$2,059. At December 31, 2025, the Authority reported \$0 in deferred outflows of resources and (\$26,472) in deferred inflows of resources in relation to the OPEBs. Amounts reported as deferred outflows and deferred inflows of resources related to OPEBs will be recognized in OPEB expense of approximately \$12,000 each year 2026-2027 and \$1,300 each year 2028-2029.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 9. Long-Term Liabilities

The maximum amount payable for future maturities of bond, financed purchases and interest on general long-term debt at December 31, 2025 and changes in principal for the year then ended are summarized below:

	Principal				
	Outstanding at December 31, 2024	Paid or defeased and premiums amortized during 2025	Issued during 2025	Outstanding at December 31, 2025	Interest
<b>Council and Public Election General Obligation Bonds and Notes:</b>					
Eleven general obligation bond issues, notes, and finance purchases with rates ranging from 1.19% to 5.0%. The bonds and financed purchases are payable from general revenues.					
2025	\$ 55,807,897	\$ 55,807,897	\$ -	\$ -	\$ -
2026	56,599,747	-	1,890,000	58,489,747	20,026,722
2027	22,735,120	-	1,985,000	24,720,120	18,537,208
2028	23,204,320	-	2,085,000	25,289,320	17,419,810
2029	24,201,422	-	2,190,000	26,391,422	16,309,914
2030	25,179,114	-	2,295,000	27,474,114	15,256,246
2031-2035	118,025,000	-	13,325,000	131,350,000	58,541,751
2036-2040	100,590,000	-	16,800,000	117,390,000	30,053,675
2041-2045	39,300,000	-	20,525,000	59,825,000	6,663,363
Subtotal	465,642,620	55,807,897	61,095,000	470,929,723	182,808,689
Adjust for:					
Unamortized bond (discounts)/premiums	45,995,989	3,235,277	2,104,448	44,865,160	-
	\$ 511,638,609	\$ 59,043,174	\$ 63,199,448	\$ 515,794,883	\$ 182,808,689

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### **Discretely Presented Component Units**

The following is a summary of changes in long-term obligations of the URA for the year ended December 31, 2025:

	Balance at December 31, 2024	Additions	Retirements	Balance at December 31, 2025
<b>URA:</b>				
Mortgage Revenue Bond Program	\$ 530,000	\$ -	\$ -	\$ 530,000
PTC Garage bank loan	5,722,075	-	-	5,722,075
Total proprietary fund debt	<u>6,252,075</u>	<u>-</u>	<u>-</u>	<u>6,252,075</u>
HUD Section 108 loans	949,000	-	457,000	492,000
Housing bonds	30,930,000	-	680,000	30,250,000
Compensated absences	516,883	-	28,509	488,374
Total governmental fund debt	<u>32,395,883</u>	<u>-</u>	<u>1,165,509</u>	<u>31,230,374</u>
Total debt and other long-term obligations	<u>38,647,958</u>	<u>-</u>	<u>1,165,509</u>	<u>37,482,449</u>
<b>URA Component Units:</b>				
Pittsburgh Housing Development Corporation:				
Loans payable to				
Schenley Heights Collaborative	30,754	-	-	30,754
Bank construction loans	831,124	210,461	593,447	448,138
Total Component Unit Debt	<u>861,878</u>	<u>210,461</u>	<u>593,447</u>	<u>478,892</u>
Total debt and other long-term obligations - reporting entity	<u>\$ 39,509,836</u>	<u>\$ 210,461</u>	<u>\$ 1,758,956</u>	<u>\$ 37,961,341</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### **Parking Authority Debt**

Future maturities of bond and note principal on Parking Authority indebtedness at December 31, 2025 are as follows:

	Principal				Interest
	Outstanding at December 31, 2024	Bonds paid or defeased and discount amortized during 2025	Bonds and notes issued during 2025	Outstanding at December 31, 2025	
<b>Parking Authority Revenue Bonds and Notes:</b>					
Two revenue bond issues with interest rates ranging from 2.0% to 5.0%. These bonds are payable from revenue from Parking Authority operations.					
2025	\$ 3,925,000	\$ 3,925,000	\$ -	\$ -	\$ -
2026	3,985,000	-	-	3,985,000	757,663
2027	4,045,000	-	-	4,045,000	558,413
2028	3,985,000	-	-	3,985,000	477,796
2029	3,935,000	-	-	3,935,000	388,931
2030	3,890,000	-	-	3,890,000	297,245
2031-2032	7,635,000	-	-	7,635,000	302,345
Subtotal	31,400,000	3,925,000	-	27,475,000	2,782,393
Plus: Bond premium	295,456	203,467	-	91,989	-
Total	\$ 31,695,456	\$ 4,128,467	\$ -	\$ 27,566,989	\$ 2,782,393

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### Pittsburgh Water Debt

Future maturities of bond and note principal on Pittsburgh Water indebtedness at December 31, 2025 are as follows:

	Principal				
	Outstanding at December 31, 2024	Bonds paid or defeased and discount amortized during 2025	Bonds and notes issued during 2025	Outstanding at December 31, 2025	Interest
<b>Pittsburgh Water</b>					
<b>Bonds, Loans, and Leases Payable:</b>					
Eleven revenue refunding bonds with interest rates ranging from 3.00% to 5.25%, thirty-two state loans, one federal loan, financed purchase, revolving line of credit, and two swap borrowings with variable interest rates. The bonds are payable from revenue from Water and Sewer operations.					
2025	\$ 181,065,000	\$ 181,065,000	\$ -	\$ -	\$ -
2026	66,238,000	-	92,108,000	158,346,000	45,872,000
2027	35,513,000	-	3,340,000	38,853,000	65,650,000
2028	44,207,000	-	5,473,000	49,680,000	65,003,000
2029	36,174,000	-	6,038,000	42,212,000	64,306,000
2030	41,576,000	-	12,931,000	54,507,000	53,422,000
2031-2035	338,643,000	-	23,177,000	361,820,000	168,285,000
2036-2040	311,860,000	-	52,624,000	364,484,000	112,695,000
2041-2045	75,883,000	-	81,150,000	157,033,000	55,597,000
2046-2050	60,000,000	-	37,412,000	97,412,000	29,073,000
2051-2055	35,435,000	-	37,850,000	73,285,000	7,943,000
Subtotal	1,226,594,000	181,065,000	352,103,000	1,397,632,000	667,846,000
Net bond (discount)/premium	83,914,000	6,142,000	13,409,000	91,181,000	
Accretion on 1998 bonds	58,574,000	-	4,161,000	62,735,000	(62,735,000)
Total	\$ 1,369,082,000	\$ 187,207,000	\$ 369,673,000	\$ 1,551,548,000	\$ 605,111,000

Included in the maturity schedule above is \$372,316,000 of debt issued as direct borrowings.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **(A) Council and Public Election General Obligation Bonds and Notes**

#### **General Obligation Bonds – Series of 2025**

On March 18, 2025, the City issued \$61,095,000 of General Obligation Bonds, Series 2025. These consisted of serial bonds all bearing a fixed rate from 4.0 to 5.0% with maturities commencing on September 1, 2026 and continuing annually through September 2045. Net proceeds of \$62,614,646 (including a premium of \$2,104,448 and bond issuance costs of \$584,802) will be used to fund the acquisition and/or construction of various capital projects.

#### **General Obligation Bonds – Series of 2024**

On April 4, 2024, the City issued \$52,710,000 of General Obligation Bonds, Series 2024. These consisted of serial bonds all bearing a fixed rate of 5.0% with maturities commencing on September 1, 2025 and continuing annually through September 2044. Net proceeds of \$58,077,869 (including a premium of \$5,750,967 and bond issuance costs of \$383,098) will be used to fund the acquisition and/or construction of various capital projects.

#### **General Obligation Bonds – Series of 2023**

On March 7, 2023, the City issued \$57,825,000 of General Obligation Bonds, Series 2023. These consisted of serial bonds all bearing a fixed rate of 5.0% with maturities commencing on September 1, 2024 and continuing annually through September 2043. Net proceeds of \$63,250,000 (including a premium of \$5,825,233 and bond issuance costs of \$400,233) will be used to fund the acquisition and/or construction of various capital projects.

#### **General Obligation Bonds – Series of 2022**

On April 5, 2022, the City issued \$51,115,000 of General Obligation Bonds, Series 2022. These consisted of serial bonds all bearing a fixed rate of 5.0% with maturities commencing on September 1, 2023 and continuing annually through September 2042. Net proceeds of \$60,000,000 (including a premium of \$9,224,668 and bond issuance costs of \$339,668) will be used to fund the acquisition and/or construction of various capital projects.

#### **General Obligation Bonds – Series of 2021**

On March 25, 2021, the City issued \$46,010,000 of General Obligation Bonds, Series 2021. These consisted of serial bonds all bearing a fixed rate from 3.0% to 5.0% with maturities commencing on September 1, 2022 and continuing annually through September 2041. Net proceeds of

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# CITY OF PITTSBURGH, PENNSYLVANIA

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\$55,000,000 (including a premium of \$9,276,287 and bond issuance costs of \$286,287) will be used to fund the acquisition and/or construction of various capital projects.

### **General Obligation Refunding Bonds – Series of 2020 A&B**

On August 5, 2020, the City issued \$32,580,000 of General Obligation Bonds, Series 2020A and \$121,515,000 of General Obligation Bonds, Series 2020B. Series A consisted of serial bonds all bearing a fixed rate from 3.0% to 5.0% with maturities commencing on September 1, 2021 and continuing annually through September 2033. Net proceeds of the Series 2020A Bonds of \$38,797,497 (including a premium of \$6,358,604 and bond issuance cost of \$141,107) were used to advance refund the General Obligation Note, Series 2018 that were for the purchase of a building and renovation costs.

Series 2020B consisted of \$121,515,000 in serial bonds all bearing a fixed rate from 0.5% to 1.9% with maturities commencing on September 1, 2021 and continuing annually through September 2032. The net proceeds of the Series B Bonds of \$121,028,458 (including bond issuance costs of \$486,542) were used to advance refund all of the General Obligation Bonds, Series 2012B and advance refund a portion of the General Obligation Bonds, Series 2012A and Series 2014.

### **General Obligation Bonds – Series of 2020**

On April 13, 2020, the City issued \$43,555,000 of General Obligation Bonds, Series 2020. These consisted of serial bonds all bearing a fixed rate from 3.0% to 5.0% with maturities commencing on September 1, 2021 and continuing annually through September 2040. Net proceeds of \$50,000,000 (including a premium of \$6,749,080 and bond issuance costs of \$304,080) will be used to fund the acquisition and/or construction of various capital projects.

### **General Obligation Bonds – Series of 2019**

On February 14, 2019, the City issued \$55,420,000 of General Obligation Bonds, Series 2019 with an average interest rate of 4.5%. These consisted of serial bonds all bearing a fixed rate from 3.5% to 5.0% with maturities commencing on September 1, 2019 and continuing annually through September 2039. Net proceeds of \$60,000,000 (including a premium of \$4,920,489 and bond issuance costs of \$340,489) will be used to fund the acquisition and/or construction of various capital projects.

# CITY OF PITTSBURGH, PENNSYLVANIA

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### **General Obligation Bonds – Series of 2017**

On April 27, 2017, the City issued \$54,635,000 of General Obligation Bonds, Series 2017 with an average interest rate of 4.5%. These consisted of serial bonds all bearing a fixed rate from 3.0% to 5.0% with maturities commencing on September 1, 2018 and continuing annually through September 2036. Net proceeds of \$60,000,000 (including a premium of \$6,603,677, bond issuance costs of \$371,504, and capitalized interest of \$867,173) were used to fund capital projects budgeted in 2017 and 2018.

### **General Obligation Bonds – Series of 2014**

On August 28, 2014, the City issued \$44,470,000 of General Obligation Bonds, Series 2014. These consisted of serial bonds all bearing a fixed rate from 3.0% to 5.0% with maturities commencing on September 1, 2017 and continuing annually through September 2032. Net proceeds of \$50,000,000 (including a premium of \$5,915,402 and bond issuance costs of \$385,402) were used to fund capital projects budgeted in 2015 and 2016. A portion of Series 2014 was refunded by Series 2020B.

### **Financed Purchases**

The City entered into an agreement for nine fire trucks during 2020 and entered into another agreement for five additional fire trucks during 2022. These agreements have interest rates of 1.8% and 3.5%, respectively. \$9.0 million less accumulated amortization of \$5.7 million is included in capital assets within vehicles.

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Below is a schedule of the City’s General Obligation Bonds, Notes and Financed Purchases as of December 31, 2025:

Serial Bonds	Coupon or Ceiling Rate of Interest	Amount Outstanding	Amount Due Within One Year
2014	5.00%	\$ 6,035,000	\$ 2,545,000
2017	3.00% - 5.00%	38,495,000	2,780,000
2019	4.00% - 5.00%	43,760,000	2,285,000
2020	4.00% - 5.00%	35,945,000	1,705,000
2020 A	3.00% - 5.00%	23,755,000	2,540,000
2020 B	1.19% - 1.91%	60,720,000	38,355,000
2021	4.00% - 5.00%	45,990,000	5,000
2022	5.00%	46,240,000	1,790,000
2023	5.00%	54,240,000	1,930,000
2024	5.00%	51,115,000	1,675,000
2025	4.00 - 5.00%	61,095,000	1,890,000
Subtotal		<u>467,390,000</u>	<u>57,500,000</u>
Adjust for: Unamortized bond (discounts)/premiums		<u>44,865,160</u>	
<b>Financed Purchases</b>			
2020	1.80%	1,065,249	527,929
2022	3.50%	2,474,473	461,818
Total general obligation bonds and notes payable		<u>\$ 515,794,882</u>	<u>\$ 58,489,747</u>

The City’s Bond Debt ratings are Fitch’s AA and Standard & Poor’s AA- as of December 31, 2025.

From 2002 through 2020, the City refunded certain bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the refunded bonds. Accordingly, neither the assets held in trust nor the refunded bonds appear in the accompanying financial statements. The outstanding balance of defeased bonds at December 31, 2025 is \$87,260,000.

### **(B) Stadium Authority**

On November 30, 2017, SEA issued the Sports & Exhibition Authority of Pittsburgh and Allegheny County Parking System Revenue Bonds, Series of 2017 (Parking Bonds). The Parking Bonds are payable from, and are secured solely by, net revenues of a “Parking System.” The Parking System

# CITY OF PITTSBURGH, PENNSYLVANIA

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is made up of specified parking facilities of SEA and specified parking facilities of the Stadium Authority. Pursuant to the Collateral Assignment Agreement, (Collateral Assignment Agreement) and a Joinder Agreement (Joinder Agreement), each dated as of November 1, 2017, and each between the Stadium Authority and Zions Bank, as bond trustee, the Stadium Authority has agreed to pledge the net revenues of its parking facilities and abide by all of the obligations and duties imposed upon the Stadium Authority by the bond trust. The proceeds of the Parking Bonds were used to refund Stadium Authority Bank Notes and SEA Bank Notes, and fund a bond reserve fund and pay costs of issuing the Parking Bonds. The balance of the note payable at December 31, 2025 is \$15,660,000. There are deferred issuance premiums of \$2.2 million associated with this debt as well.

On August 22, 2005, the Stadium Authority entered into an Infrastructure Development Program loan of \$1,250,000. The loan has a term of 20 years with a 2% interest rate. The last payment is due December 1, 2028. The balance of the loan payable at December 31, 2025 is \$241,933.

### **Lease**

The Stadium Authority also leases certain property near Acrisure Stadium and PNC Park used for public parking. The lease, originally starting March 1989, was last amended in March 2010 for a period through to March 31, 2050. As of December 31, 2024, the value of the lease liability was \$983,638. The Stadium Authority is required to make annual payments of \$70,080. PennDOT has the ability to adjust the rate every two years on the basis of a fair market rental appraisal. No notification of a rate increase has been received. The lease has an interest rate of 5%. The value of the right-to-use asset as of December 31, 2025 was \$892,003 net of accumulated amortization of \$183,918.

### **(C) Pittsburgh Water and Sewer Authority**

#### **Series 1998**

In March 1998, Pittsburgh Water issued \$36,440,000 Series B First Lien Revenue Bonds ("1998 Series B Bonds"), the proceeds of which are dedicated to a capital improvements program.

The 1998 Series B Bonds are capital appreciation bonds with an original issuance amount of \$36,440,000. During 2017, \$12,406,000 (par) of the 1998 Series B Bonds with an accreted value of \$34,625,000 were refunded with the Series 2017 A bonds. The remaining 1998 Series B Bonds have maturity values ranging from \$26.93 million to \$14.66 million from 2027 to 2030. The bonds were issued to yield rates from 5.18% to 5.3%. The 1998 Series B Bonds accrued interest. Total

# CITY OF PITTSBURGH, PENNSYLVANIA

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maturity value of the 1998 Series B Bonds is \$95,450,000. The 1998B Bonds at December 31, 2025 have a carrying amount of \$81,881,000.

### **Series 2017**

During December 2017, Pittsburgh Water issued \$165,390,000 First Lien Revenue Refunding Bonds composed of Series A (\$159,795,000) and Series B (taxable) (\$5,595,000). The proceeds of the bonds were used to fund the costs of the refunding of all or a portion of Pittsburgh Water's outstanding Series of 1998B, 2008A, 2008D-1, and 2013B water and sewer system revenue bonds.

The 2017 A and B Bonds were issued at a bond premium of \$23,374,000, which is being amortized as an adjustment to interest expense over the life of the bonds. The Series 2017 A Bonds at December 31, 2025 have a carrying amount of \$50,655,000. The 2017 B Bonds were paid off during 2018. The 2017A Bonds have interest rates ranging from 3.00% to 5.00% and mature in 2032.

During December 2017, Pittsburgh Water issued \$218,805 Series C First Lien Revenue Refunding Bonds, the proceeds of which were used to fund the costs of refunding Pittsburgh Water's outstanding Series 2008 B-1, B-2, and D-2 water and sewer system revenue bonds. At December 31, 2022, the Series 2017 C bonds bore interest at the SIFMA Index Rate. On July 3, 2023, as part of the Series 2023 bond refunding, the interest rate on the Series 2017 C bonds was converted to the Daily Simple SOFR Index times 70% plus an applicable spread of 0.80%, not to exceed the maximum rate during the period from July 3, 2023 to September 1, 2028. The Series 2017 C bonds mature in 2040. During 2023, \$72,747,000 of Series 2017 C bonds outstanding were currently refunded with Series 2023 B bonds. The 2017 C Bonds at December 31, 2025 have a carrying amount of \$146,057,000.

### **Series 2019**

During June 2019, Pittsburgh Water issued \$109,855,000 Series A First Lien Revenue Bonds, the proceeds of which were used to refund interim debt incurred by Pittsburgh Water to fund costs of capital projects; and \$104,290,000 Series B Subordinate Revenue Refunding Bonds, the proceeds of which were used to currently refund all of the Pittsburgh Water's outstanding Series 2008 C-1 and C-2 bonds, including swap termination payments on interest rate swaps associated with the refunded bonds. The Series 2019 A Bonds have an interest rate of 5.00% and mature in 2044; the Series 2019 B Bonds have interest rates ranging from 4.00% to 5.00% and mature in 2035.

# CITY OF PITTSBURGH, PENNSYLVANIA

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The 2019 A and B Bonds were issued at a bond premium of \$45,090,000, which is being amortized as an adjustment to interest expense over the life of the bonds. The 2019 A and B Bonds at December 31, 2025 have carrying amounts of \$94,200,000 and \$104,290,000, respectively.

### **Series 2020**

During December 2020, Pittsburgh Water issued \$890,000 Series A First Lien Revenue Bonds (Federally Taxable), the proceeds of which were used to remarket the 2017 C Bonds; and \$91,520,000 Series B First Lien Revenue Bonds, the proceeds of which were used to refinance the capital revolving line of credit described below. The Series 2020 A Bonds had an interest rate of 0.70% and matured in 2022; the Series 2020 B Bonds have interest rates ranging from 3.00% to 5.00% and mature in 2050.

The 2020 B Bonds were issued at a bond premium of \$16,665,000, which is being amortized as an adjustment to interest expense over the life of the bonds. The 2020 B Bonds have a carrying amount of \$85,385,000 at December 31, 2025.

### **Series 2022**

During November 2022, Pittsburgh Water issued \$44,550,000 Series A First Lien Revenue Bonds, the proceeds of which were used to pay down a portion of the outstanding principal amount under the capital revolving line of credit described below. The Series 2022 A Bonds have interest rates ranging from 5.00% to 5.25% and mature in 2052.

The 2022 A Bonds were issued at a bond premium of \$986,000, which is being amortized as an adjustment to interest expense over the life of the bonds. The 2022 A Bonds have a carrying amount of \$43,800,000 at December 31, 2025.

### **Series 2023**

During July 2023, Pittsburgh Water issued \$106,075,000 Series A First Lien Revenue Bonds, the proceeds of which were used to pay down a portion of the outstanding principal amount under the capital revolving line of credit described below; and \$144,530,000 Series B First Lien Revenue Refunding Bonds, the proceeds of which were used to currently refund all of Pittsburgh Water's outstanding Series of 2013 A and B bonds and a portion of the Series of 2017 C bonds, including swap termination payments on interest rate swaps associated with the refunded 2017 C bonds.

The Series 2023 A Bonds have an interest rate of 5.00% and mature in 2043; the Series 2023 B Bonds have an interest rate of 5.00% and mature in 2040.

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# CITY OF PITTSBURGH, PENNSYLVANIA

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The 2023 A and B Bonds were issued at a bond premium of \$25,460,000, which is being amortized as an adjustment to interest expense over the life of the bonds. The 2023A and 2023B Bonds have a carrying amount of \$103,545,000 and \$130,000,000, respectively, at December 31, 2025.

### **Series 2025**

During January 2025, Pittsburgh Water issued \$129,220,000 Series A First Lien Revenue Bonds, the proceeds of which were used to pay down a portion of the outstanding principal amount under the capital revolving line of credit described below, fund costs of certain capital improvements to Pittsburgh Water facilities, and fund the debt service reserve requirement; and \$12,825,000 Series B Subordinate Revenue Bonds, the proceeds of which were used to pay down a portion of the outstanding principal amount under the capital revolving line of credit described below. The Series 2025 A Bonds have an interest rate ranging from 5.00% to 5.25% and mature in 2055; the Series 2023 B Bonds have an interest rate of 5.00% and mature in 2043.

The 2025 A and B Bonds were issued at a bond premium of \$13,399,000, which is being amortized as an adjustment to interest expense over the life of the bonds. The 2025A and 2025B Bonds have a carrying amount of \$129,220,000 and \$12,825,000, respectively, at December 31, 2025.

### **Revenue Notes – Direct Borrowing**

In October 2025, Pittsburgh Water issued a \$16,500,000 Water and Sewer System Subordinate Revenue Note, Series A of 2025 (Tax-Exempt) and a \$7,500,000 Water and Sewer System Subordinate Revenue Note, Series B of 2025 (Federally Taxable). The proceeds of the notes are to purchase property and make certain improvements thereto necessary for it to serve as Pittsburgh Water's new headquarters location. The agreement provides that in the event of default, the notes will become immediately due and payable. The Series A of 2025 Revenue Note bears interest at 4.35% and expires in 2045. The Series B of 2025 Revenue Note bears interest at 5.50% and expires in 2045.

### **Capital Revolving Line of Credit – Direct Borrowing**

Pittsburgh Water has a \$150 million revolving line of credit to finance certain capital projects. The capital revolving line of credit is secured by the receipts and revenues of the Pittsburgh Water's water and sewer system on a subordinate basis and allowed revolving advances through June 23, 2025, at which time Pittsburgh Water has the option to convert the unpaid principal balance to a term loan. The capital revolving line of credit contains a provision that in the event of default, the lender shall be under no further obligation to make loans to Pittsburgh Water and the outstanding amount under this line of credit becomes immediately due. Each revolving

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# CITY OF PITTSBURGH, PENNSYLVANIA

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advance bears interest per annum equal to the sum of the SIFMA Rate plus the applicable margin (the tax-exempt rate). The revolving line of credit was paid off during 2025 with the proceeds of the Series 2025 A and B bonds and 2025 revenue notes.

On June 20, 2025, Pittsburgh Water entered into a new \$150 million capital revolving line of credit to finance certain capital projects, secured on the same subordinate basis by receipts and revenues of its water and sewer systems. The new facility has initial term of three years, after which Pittsburgh Water may convert the unpaid balance to a term loan. The agreement includes a similar default provision under which the lender is under no further obligation to make advances and all outstanding amounts become immediately due and payable. Each revolving advance bears interest per annum equal to the sum of 81% of the Daily SOFR plus the tax-exempt rate. At December 31, 2025, the interest rate was 3.37% and \$106,193,000 was outstanding in revolving advances.

### **State Loans – Direct Borrowing**

Pittsburgh Water has several loans outstanding from PENNVEST for various capital projects and water and sewer improvement projects, with carrying amounts of \$292,957,000 at December 31, 2025. Interest rates vary from 1.00% to 3.25%. The State Loans are secured by the project collateral related to each loan. In an event of default on the State Loans, the entire unpaid principal, plus accrued interest, plus all other amounts due and payable to PENNVEST shall at the option of PENNVEST become due and payable immediately upon request.

### **Federal Loans – Direct Borrowing**

On May 16, 2023, Pittsburgh Water closed on a \$52,500,000 subordinate lien loan through the United States Environmental Protection Agency's Water Infrastructure Finance and Innovation Act (WIFIA) funding program for the purpose of financing a portion of the costs associated with replacing the clearwell at the Water Treatment Plant. The term of the loan will not exceed 35 years after substantial completion of the project and will have an interest rate fixed at the time of closing based upon the State and Local Government Series (SLGS) rate plus 0.01%. The WIFIA loan contains provisions for a capitalized interest period through February 2031. During the year ended December 31, 2024, Pittsburgh Water drew \$20,057,000 on the WIFIA loan and capitalized interest of \$401,000. No draws were made on the loan during the year ended December 31, 2025; however, Pittsburgh Water capitalized interest of \$822,000. At December 31, 2025, the outstanding balance on the WIFIA loan was \$21,280,000.

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# CITY OF PITTSBURGH, PENNSYLVANIA

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### **Financed Purchase – Direct Borrowing**

During 2015, Pittsburgh Water entered into a financed purchase agreement for the acquisition of a utility assets valued at \$7,445,000. This lease agreement qualifies as a financed purchase for accounting purposes and, therefore, has been recorded at the value of future minimum lease payments as of the inception date, with a discount rate of 3.4%. At December 31, 2025, the outstanding balance of the financed purchase was \$2,369,000.

### **Swap Borrowing – Direct Borrowing**

During December 2017, Pittsburgh Water terminated the original 2008 Series B-1, B-2, and D swaps and reissued and restructured the swaps, as further described below. At termination, those derivative instruments had an aggregate fair value of (\$70,869,000), which is considered a swap borrowing from the counterparty. During 2023, Pittsburgh Water refunded the portion of the Series 2017 C Bonds associated with the Series 2008 B-2 Bonds and terminated the related swaps. Accordingly, the related swap borrowings was considered repaid. At December 31, 2025, the unamortized balance of the remaining swap borrowings is \$31,710,000. The remaining swap borrowing is being amortized over the life of the 2017 C Bonds.

### **Lease**

Pittsburgh Water also leases office space. The lease, originally starting August 2007, was last amended in August 2018 for the period September 1, 2018 to July 31, 2027. The general terms of the lease require the lessor to provide for utilities, building repairs, maintenance, and real estate taxes. As of December 31, 2025, the value of the lease liability was \$1,410,000. Pittsburgh Water is required to make monthly payments of \$70,000. The lease has an interest rate of 5%, as estimated by management. The value of the right-to-use asset as of December 31, 2025 is included with non-utility assets and was \$6,059,000 and accumulated amortization as of December 31, 2025 was \$4,747,000.

In 2025, Pittsburgh Water entered into a new lease agreement for warehouse, fleet and administrative office space, together with an adjacent outdoor storage area. The lease term commenced in 2025 and extends through March 31, 2041. The general terms of the lease require the landlord to provide and maintain the structural components of the building, including the roof and exterior, while Pittsburgh Water is responsible for interior maintenance and for its proportionate share of utilities, common area maintenance, insurance, and real estate taxes. The lease provides for an initial nine-month base rent abatement period followed by fixed monthly base rent payments that escalate periodically over the term of the lease. The lease also includes two five-year renewal options and an option to lease additional space; these options are not

# CITY OF PITTSBURGH, PENNSYLVANIA

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included in the lease term for accounting purposes as they are not reasonably certain of exercise. At commencement in 2025, Pittsburgh Water recognized a right-to-use asset and corresponding lease liability of approximately \$16,857,000. As of December 31, 2025, the carrying amount of the related right-to-use asset was \$16,857,000, with accumulated amortization of \$624,000, and the related lease liability was \$17,355,000. The lease liability was measured using a discount rate of 5%, which represents management's estimate of Pittsburgh Water's incremental borrowing rate at the lease commencement date.

### **Subscription-Based Information Technology Arrangements**

Pittsburgh Water has SBITAs for various finance and engineering software. The subscriptions have various due dates ranging through 2030 and the interest rate estimated by management was 5%. The value of the right-of-use subscription asset, net of accumulated amortization as of December 31, 2025 was \$2,015,000.

### **Swap Transactions**

Current Notional Amount	Effective Date	Maturity Date	Interest Rate Paid	Interest Rate Received	Counterparty Credit Rating	Underlying Bonds	12/31/2025 Fair Value *
<b>Hedging derivatives, Cash flow hedges, Receive variable - Pay fixed, Interest rate swaps:</b>							
\$ 72,747,500	12/28/2017	9/1/2039	1.732%	70% SOFR-Compound +8.014 bp	AA-	Series 2017 C	\$ 7,094,408 *
71,225,000	12/28/2017	9/1/2040	1.735%	70% SOFR-Compound +8.014 bp	AA-	Series 2017 C	<u>8,680,777 *</u>
Total							<u>\$ 15,775,185</u>

\* - Reported as hedging derivative - interest rate swap and swap asset on the Statement of Net Position.

### **Description of 2017 C Swaps**

As of December 31, 2025, Pittsburgh Water has two interest rate swaps outstanding with a total notional amount of \$143,972,500. Under the two swaps, Pittsburgh Water pays a fixed rate and receives 70% USD-SOFR-Compound plus 8.014 basis points. These swaps hedge the Series 2017C Bonds. The intention of the pay fixed, receive variable swaps is to effectively change Pittsburgh Water's variable interest rate on the Series 2017C Bonds with notional amounts of \$72,747,500 and \$71,225,000 to fixed rates of 3.7835% and 3.8255%, respectively.

The interest payments on the interest rate swaps are calculated based on notional amounts, all of which reduce beginning on September 2032, so that the notional amounts approximate the

# CITY OF PITTSBURGH, PENNSYLVANIA

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principal outstanding on the respective bonds. The interest rate swaps expire consistent with the final maturity of the respective bonds.

### **Accounting and Risk Disclosures**

During the year ended December 31, 2025, Pittsburgh Water paid \$4,726,000 fixed and received \$3,767,000 variable related to their outstanding swap agreements.

As noted in the tables above, current period changes in fair value for the interest rate swaps that are accounted for as hedges are recorded on the statements of net position as an adjustment to hedging derivative – interest rate swap, deferred outflows or deferred inflows. Additionally, current period changes in fair value for the interest rate swap accounted for as an investment is recorded on the statements of revenues, expenses, and changes in net position as a component of investment income. The fair value of the outstanding interest rate swaps as of December 31, 2025 is reported on the statements of net position as a swap asset and swap liability. The swaps are valued using significant other observable inputs (Level 2 inputs).

Pittsburgh Water has the ability to early terminate the interest rate swaps and to cash settle the transaction on any business day by providing at least two business days' written notice to the counterparty. Evidence that Pittsburgh Water has sufficient funds available to pay any amount payable to the counterparty must be provided at the time notice is given. At early termination, Pittsburgh Water will be required to pay or receive a settlement amount which is comprised of the fair value of the terminated transaction(s) based on market quotations and any amounts accrued under the contract(s).

Through the use of derivative instruments such as interest rate swaps, Pittsburgh Water is exposed to a variety of risks, including credit risk, interest rate risk, termination risk, basis risk, and rollover risk.

- Credit risk is the risk that a counterparty will not fulfill its obligations. The credit ratings by S&P Global Ratings, a nationally recognized statistical rating organization for the respective counterparties are listed in the table above. If a counterparty failed to perform according to the terms of the interest rate swap agreement, there is some risk of loss to the PWSA, up to the fair value of the swaps.

Pittsburgh Water currently does not enter into master netting arrangements with its counterparties. As such, each derivative instrument should be evaluated on an individual basis for credit risk. As of December 31, 2025, the Series 2017 C receivable variable, pay fixed derivative instruments were subject to credit risk, as they had a positive fair value.

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Concentration of credit risk: Pittsburgh Water's outstanding market value as of December 31, 2025 is \$15,775,000 with one counterparty and could be impacted by changes in economic or other conditions.

It is Pittsburgh Water's policy to require counterparty collateral posting provisions in its non-exchange traded derivative instruments. Their terms require collateral to be posted if the respective counterparty's credit rating falls below BBB- by S&P Global Ratings and the swap insurer becomes bankrupt. The amount of collateral to be posted is calculated based on derivatives in asset positions to Pittsburgh Water. As of year-end, the counterparty had not and was not required to post collateral for these transactions.

- Termination risk is the risk that a derivative's unscheduled end will affect Pittsburgh Water's asset/liability strategy or will present Pittsburgh Water with potentially significant unscheduled termination payments to the counterparty. The counterparty to the interest rate swaps does not have the ability to voluntarily terminate the interest rate swap; however, Pittsburgh Water is exposed to termination risk in the event that the counterparty defaults. Pittsburgh Water has the ability to voluntarily terminate the swaps with prior written consent of the insurer by providing between 2 and 20 business days notice to the counterparty. Pittsburgh Water must demonstrate the ability to pay all amounts due to the counterparty on the termination date.
- Interest rate risk is the risk that changes in interest rates will adversely affect the fair values of a government's financial instruments or cash flows. The interest rate swaps are highly sensitive to changes in interest rates; changes in the variable rate will have a material effect on the swap's fair value.
- Pittsburgh Water is further subject to basis risk in the event that the underlying bonds become fixed rate Bank Bonds or that the maturity of the underlying bonds is accelerated.
- Rollover risk is the risk that a derivative associated with Pittsburgh Water's debt does not extend to the maturity of that debt. When the derivative terminates, the associated debt will no longer have the benefit of the derivative. Pittsburgh Water is not exposed to rollover risk as the swap agreements terminate on the same day the last payment is due on the respective bonds.

### Contingencies

All of Pittsburgh Water's derivative instruments include provisions that require Pittsburgh Water to post collateral in the event that the credit ratings of its credit support provider's senior long

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# CITY OF PITTSBURGH, PENNSYLVANIA

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term, unsecured debt credit rating falls below BBB- by S&P Global Ratings and FSA, the swap insurer, becomes bankrupt. The collateral is to be posted in the form of cash, U.S. Treasuries or other approved securities. As of year-end, Pittsburgh Water was not required to post collateral for these transactions.

### **Subsequent Events**

In February 2026, Pittsburgh Water issued \$156,425,000 Series A First Lien Revenue Bonds, the proceeds of which will be used to pay down a portion of the outstanding principal amount under the 2025 Capital Line Note, fund costs of certain capital improvements to Pittsburgh Water's facilities, and fund the debt service reserve requirement.

### **(D) Debt Related to Urban Redevelopment Authority of Pittsburgh (URA) supported by the City**

#### **Urban Redevelopment Authority of Pittsburgh (URA) Tax Increment Financing Bonds and Notes – Conduit Debt (Debt not recorded in the Separate URA financial statements)**

Tax Increment financing bonds are used to finance economic development within the City. The Bond proceeds are used to fund various construction projects within the City. Real estate value is thus increased and will provide increased future tax revenue to the City. Under a Tax Increment Financing Cooperative Agreement (the TIF Agreement) with the City, County, and the School District of Pittsburgh, each entity agrees to assign its respective rights to the incremental taxes derived from the TIF project to the URA for the term of the Bonds. The difference in the amount of real estate taxes attributable to the TIF property prior to and subsequent to the development of the property constitutes the "increment" that is available to pay debt service on the Bonds.

The Bonds are not guaranteed by the full faith and credit of the City, and as a result of being jointly funded are not recorded in the City's financial statements.

In the event that real estate tax revenues generated under the TIF Agreements are insufficient at any time to pay debt service on the Bonds, the respective parties under the Minimum Payment Agreements have agreed to make payments sufficient to remedy such shortfalls. Amounts payable under the Minimum Payment Agreements correspond to debt service requirements on the respective Bonds. Pursuant to the Tenant Agreement, each tenant has agreed to guarantee the full and punctual payment when due of all obligations. As of December 31, 2025, the balance of TIF Bonds and Notes outstanding was \$17.0 million.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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### **(E) Urban Redevelopment Authority of Pittsburgh (URA) Debt Recorded by URA**

The URA has various Bonds and Loans, which are the obligation of the URA and are not guaranteed or financed by the City. The proceeds of these Bonds and Loans are used to provide mortgages, loans, or grants to individuals or companies within the City to be used for urban redevelopment. The Bonds and Loans are payable from repayment of mortgages and loans and from other revenue and grants received by the URA. Debt issued for the URA as of December 31, 2025 is as follows:

#### **Mortgage Revenue Bonds**

The Mortgage Revenue Bond Program was created to provide below market rate mortgages for the purchase and rehabilitation of residential property within the City. The 2006 C Series bonds, including various serial and term bonds, bear interest at 4.80% and mature through 2028. At December 31, 2025, \$530,000 is outstanding. No principal repayments are due on these bonds in 2026.

#### **Bank Loans**

*PTC Garage Loan* - During 2023, the URA entered into a bank loan with a maximum amount of \$7,096,208. The proceeds of the loan are being used to partially fund the construction costs of a new parking garage. As of December 31, 2025, \$5,722,075 has been drawn on this loan, which is equal to the outstanding loan balance. During the Construction Phase of the loan, interest on the principal balance is calculated at a rate of prime minus .5% and during the Permanent Phase, interest on the principal balance is calculated at a rate equal to 2.32% in excess of the five-year index rate. Interest-only payments are required during the Construction Phase and principal repayments over 25 years will be required at the commencement of the Permanent Phase. At year-end, the URA is still in the Construction Phase and anticipates entering the Permanent Phase in 2026.

# CITY OF PITTSBURGH, PENNSYLVANIA

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Annual debt service requirements on outstanding bonds and loans (excluding the PTC Garage loan) of the URA's enterprise funds are as follows:

Years	Bonds	
	Principal	Interest
2026	\$ -	\$ 25,440
2027	-	25,440
2028	530,000	12,720
	<u>\$ 530,000</u>	<u>\$ 63,600</u>

### **HUD Section 108 Loans**

During 2008, the URA received two HUD Section 108 loans to provide funding for the Pittsburgh Technology Center. The first loan, in the original principal amount of \$3 million is for site improvements and streets and utilities relocation. The loan bears interest at 4.8% with semiannual principal and interest payments due February 1 and August 1. The loan matures on August 1, 2026. At December 31, 2025, \$295,000 is outstanding. \$295,000 is due in 2026.

The second loan, in the original principal amount of \$2 million is for the construction of a 160-space parking condominium. The loan bears interest at 4.8% with semiannual principal and interest payments due February 1 and August 1. The loan matures on August 1, 2026. At December 31, 2025, \$197,000 is outstanding. \$197,000 is due in 2026.

### **Housing Bonds**

During 2023, the URA issued Revenue Bonds, Taxable Series of 2023 in the amount of \$31,575,000. The proceeds will be used to finance various affordable housing programs of the URA. At December 31, 2025, \$30,250,000 is outstanding and \$710,000 is due in 2026.

In conjunction with this issuance, the URA entered into a Cooperation Agreement with the City, as the City has agreed to provide an amount not to exceed \$2,500,000 annually for up to 25 years to assist in the repayment of principal and interest on these bonds, with such payments subject to annual appropriation by City Council. Appropriation of the cooperation payments is at the sole discretion of the City Council each year and there can be no assurance that such funds will be appropriated for any fiscal year of the City. These bonds, together with interest thereon, are limited obligations of the URA, payable solely from the Trust Estate, which includes the pledged

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# CITY OF PITTSBURGH, PENNSYLVANIA

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revenues of the Cooperation Agreement, any future receipts or revenues deposited by or on behalf of the Authority, and all income, interest, and profits received from the investment of moneys held in the Trust. The bonds are not obligations of the City; the full faith and credit of the City is not pledged for the payment of the bonds.

Annual debt service requirements on outstanding bonds and loans of the URA's governmental funds are as follows:

Years	HUD 108 Loans			Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 492,000	\$ 26,270	\$ 518,270	\$ 710,000	\$ 1,655,361	\$ 2,365,361
2027	-	-	-	745,000	1,621,693	2,366,693
2028	-	-	-	780,000	1,585,754	2,365,754
2029	-	-	-	820,000	1,547,815	2,367,815
2030	-	-	-	860,000	1,507,438	2,367,438
2031-2035	-	-	-	4,990,000	6,838,726	11,828,726
2036-2040	-	-	-	3,675,000	5,430,655	9,105,655
2041-2045	-	-	-	7,625,000	4,159,042	11,784,042
2046-2049	-	-	-	10,045,000	1,723,119	11,768,119
	<u>\$ 492,000</u>	<u>\$ 26,270</u>	<u>\$ 518,270</u>	<u>\$ 30,250,000</u>	<u>\$ 26,069,603</u>	<u>\$ 56,319,603</u>

In August of 2020, the URA entered into a Non-Revolving Line Note (Note) with The PNC Foundation in the amount of \$10 million. The Note bears interest at 0%. The proceeds of the Note are to be used for the Emergency Recovery Loan Fund, Invest PGH, Inc., Small Minority Business and Catapult: Start-up to Storefront Program. Non-repayable Funds in the Note include Administrative, Invest PGH, Inc., Small Minority Business, and Catapult expenses as well as funds invested into projects, programs, and loans where a return on investment is not anticipated or loan repayments are not received. At December 31, 2025, \$7.5 million of Note proceeds were received by the URA and \$4.6 million is recorded as accounts payable representing the potentially repayable portion of the proceeds.

During 2021, the URA entered into Equity Equivalent Investment Agreements (Agreements) with local banks whereby the banks agree to advance funds totaling \$3.5 million to be used for community development activities. These advances bear interest at 2%, payable semiannually. The initial term of these agreements ends in 2026 with automatic three-year renewal periods unless either party elects not to renew. During 2024, the URA entered into another agreement in the amount of \$2.0 million with an interest rate of 3%, payable semiannually. The initial term of the agreement ends in 2029, with automatic three-year renewal periods unless either party

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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elects not to renew. Upon non-renewal of the Agreements, the advances are to be repaid by the URA over a five-year period. At December 31, 2025, \$5.5 million is outstanding under these agreements.

URA Component Unit Debt consists of the following:

### **PHDC – Bank Construction Loans**

The PHDC had outstanding construction loans payable to banks of \$448,138. Interest accrues on the loans at 7.5% to 7.75%. The loan is due when the units are sold or March 2027, whichever occurs first.

### **PHDC Schenley Heights Collaborative Construction Loan**

The PHDC had an outstanding construction loan payable to Schenley Heights Collaborative of \$30,754. Interest accrues on the loan at 0.00%. The loan is due when units are sold or August 2026, whichever occurs first. The loan is secured by the mortgage on the property.

### **Future Maturities**

Loans receivable to the URA from PHDC are \$1,493,593. The loans are non-interest bearing. The loans are due upon the sale of related project units. The loans are secured by a third lien position on real property and improvements. For reporting purposes, this activity is netted on the Combining Statement of Net Position – Component Units.

PHDC had outstanding construction loans payable to the URA of \$1,493,593. The loans are non-interest bearing. The loans are due upon the sale of related project units but are scheduled to mature in 2026. The loans are secured by a third lien position on real property and improvements.

All interest expenses on loans of the URA and its component units are reported as program expenses as the borrowings are essential to the programs and the financial statements would be misleading to exclude these charges as direct expenses.

### **(F) Pittsburgh Parking Authority**

#### **2015 Series Bonds**

On October 29, 2015, the Parking Authority issued \$67,395,000 in Parking System Revenue Refunding Bonds, Series A of 2015.

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# CITY OF PITTSBURGH, PENNSYLVANIA

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Proceeds from the Series A of 2015 was used to (1) refund on a current refunding basis a portion of the Parking Authority’s outstanding Parking System Revenue Bonds, Series A of 2005, (2) refund on a current refunding basis a portion of the Parking 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 Parking 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.

### **2020 Series Bonds**

In November 2020, the Parking Authority issued \$23,490,000 in Federally Taxable Parking System Revenue Refunding Bonds, Series of 2020. Proceeds from the Series of 2020 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 will make interest only payments on the Series 2020 bonds until 2026. The Series 2020 bonds will fully mature in 2032.

### **(G) Other Long-term Obligations**

The following is a summary of transactions affecting other long-term obligations of the City during 2025:

	Accrued Workers' Compensation	Accrued Compensated Absences	Accrued Claims and Judgments	Lease Obligations	Subscription- based IT Arrangements
Balance, January 1, 2025	\$ 89,024,964	\$ 23,413,891	\$ 12,188,000	\$ 8,883,934	\$ 4,635,760
Additions	26,619,442	26,878,319	9,482,894	1,226,249	1,503,051
Reductions/payments	(22,040,953)	(27,879,711)	(1,741,891)	(2,927,760)	(2,599,904)
Balance, December 31, 2025	93,603,453	22,412,499	19,929,003	7,182,423	3,538,907
Less amounts accrued within short-term	(11,232,414)	(15,449,214)	(6,686,003)	(2,534,488)	(2,317,683)
Long-term portion, December 31, 2025	<u>\$ 82,371,039</u>	<u>\$ 6,963,285</u>	<u>\$ 13,243,000</u>	<u>\$ 4,647,935</u>	<u>\$ 1,221,224</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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1. The General Fund is used to liquidate the workers' compensation, compensated absences, claims and judgements and SBITAs. The General Fund and two Special Revenue Funds are used to liquidate lease obligations.
2. The City has entered into a number of noncancelable lease arrangements under which they are the lessee. The City is required to report a right-to-use asset and a liability for lease obligations. All extensions reasonably certain to be exercised have been included in the lease liability. As of December 31, 2025, the City is party to eight contracts that require this accounting treatment. Seven of these contracts are for the use of space and one contract for equipment. The leases for space and equipment have interest rates between 2.0%-5.0%. The value of the right-to-use asset for space and equipment as of the end of the current fiscal year was \$34,887,018 and had accumulated amortization of \$27,874,009.
3. The City has SBITAs for various software applications. The subscriptions have various contract end dates ranging through 2028 and the interest rate estimated by management was between 3.66-4.25%. The value of the right-of-use subscription assets as of the end of the current fiscal year was \$8,539,945 and had accumulated amortization of \$5,063,146.

The future principal and interest payments required by leases/SBITAs are as follows:

Year Ended December 31	Principal	Interest	Total
2026	\$ 4,851,871	\$ 346,909	\$ 5,198,780
2027	2,434,904	177,348	2,612,252
2028	2,012,104	98,650	2,110,754
2029	1,422,451	26,633	1,449,084
Total	<u>\$ 10,721,330</u>	<u>\$ 649,540</u>	<u>\$ 11,370,870</u>

## 10. Due From/To Other Governments

### (A) Due From Other Governments

The City receives funds from various government agencies as reimbursements for their share of City projects and as grants for City programs. The following amounts, as described below, are due from other governments at December 31, 2025:

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Special Revenue CDBG:	
Housing and Urban Development	\$ 936,397
Other Governmental Funds:	
Federal Government	1,718,182
Commonwealth of Pennsylvania	7,910,882
Allegheny County	2,797,750
	<u>12,426,814</u>
Capital Projects:	
Commonwealth of Pennsylvania - Highway Fund	482,377
Federal Government - Highway Fund	2,733,468
	<u>3,215,845</u>
Total due from other governments - governmental funds	<u>\$ 16,579,056</u>

### **(B) Due To Other Governments**

Funds are collected by the City on behalf of other governments. The following amounts, as described below, are due to other governments at December 31, 2025:

General Fund:	
Carnegie Library	\$ 14,912
Pittsburgh Board of Education	133,817
	<u>148,729</u>
Other Governmental Funds:	
Commonwealth of Pennsylvania	1,109,846
	<u>1,109,846</u>
Total due to other governments - governmental funds	<u>\$ 1,258,575</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

### 11. Interfund Receivable and Payable Balances

	Due From				Total
	General	Debt Service	Other Governmental	Special Revenue CDBG	
Due To:					
General	\$ -	\$ 702,174	\$ 4,483,712	\$ -	\$ 5,185,886
Other Governmental	20,599	-	-	155,716	176,315
Capital Projects	263,109	-	1,068,202	1,547,519	2,878,830
	<u>\$ 283,708</u>	<u>\$ 702,174</u>	<u>\$ 5,551,914</u>	<u>\$ 1,703,235</u>	<u>\$ 8,241,031</u>

Except as described below, interfund balances represent timing differences resulting from the difference between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments are made.

The Capital Projects Fund advanced funds to the CDBG Special Revenue Fund in the amount of \$1.3 million, which is included in the total above. \$4.0 million the amount due to the General Fund from an Other Governmental is due to timing of revenues received in the Other Governmental Fund.

### 12. Transfers

Transfers between primary government funds:

	Transfer From					Total
	General	Community Development	Capital Projects	American Rescue Plan Act Fund	Other Governmental	
Transfer To:						
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	66,500,000	-	-	-	-	66,500,000
Capital Projects	12,704,175	-	-	403,694	4,855,109	17,962,978
American Rescue Plan Act Fund	-	-	-	-	12,000	12,000
Other Governmental	11,797,045	157,000	11,460,501	-	1,069,402	24,483,948
Total	<u>\$ 91,001,220</u>	<u>\$ 157,000</u>	<u>\$ 11,460,501</u>	<u>\$ 403,694</u>	<u>\$ 5,936,511</u>	<u>\$ 108,958,926</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Transfers are used (1) to move revenues from the funds that are required by the statute or budget to collect them to the funds that are required by statute or budget to spend them, (2) to move receipts restricted for debt service from the funds collecting them to the Debt Service Fund as debt service payments become due and (3) to move unrestricted revenues collected in the General Fund, which finance various programs accounted for in other funds in accordance with budgetary authorizations.

### 13. Related Party Transactions

- (A) Under the terms of agreements dated July 1, 1965 and amended on various dates through June 17, 1992, the City of Pittsburgh made total grants of \$22,775,168 to the Stadium Authority to cover the excess of the aggregate cost of operation and maintenance of the stadium and debt service on the stadium bonds over the total funds available to the Stadium Authority for those purposes, to be repaid if funds are available. The Stadium Authority has this reflected as a long-term note due to the City. However, the City does not have a corresponding receivable recorded due to the unlikelihood of collection.
- (B) On January 1, 2015, the City and the Parking Authority entered into the 2015 Governmental Cooperation Agreement (Agreement). In September 2021, the Agreement was amended a second time (Second Amended Agreement). Under the terms of the Second Amended Agreement, the Parking Authority will receive the first \$4.6 million of on-street meter revenue, as well as the operating expenses associated with the on-street multi-space parking meters including credit card fees. The City will receive 100% of the net revenues of the Pittsburgh Parking Court (net of all expenses).

Under the terms of the Second Amended Agreement, payment in lieu of taxes payable by the Parking 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. Before the Second Amended Agreement, the payment in lieu of taxes payable by the Parking Authority had previously been \$1.9 million.

The City and the Parking Authority have also agreed, in the event that total amounts of all payments from the Parking Authority to the City (excluding parking tax payments), exceeds \$18.5 million with respect to any fiscal year of the Parking Authority, any such excess amounts will be split equally by the City and the Parking Authority. The City's share of the excess was \$791,665 for the year ended December 31, 2025. These terms were not modified by the Second Amended Agreement.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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(C) During 2018, the City, HACP (a related entity), and the URA (a component unit) agreed to enter into a joint ownership of a new facility. As part of this joint transaction, the City issued \$40 million in notes to fund the purchase and renovation of a building for HACP, the URA, and City departments located in the Civic Building. HACP and the URA have each entered into a legally binding agreement with the City to fund their portion of the debt related to the building purchase and renovations. As of December 31, 2025, the outstanding amount due from the URA of \$7.1 million for related proceeds drawn are reflected in the financial statements. The repayment schedules for the amounts receivable coincide with the City's debt payment schedule; however, HACP accelerated their payments and repaid their total balance during 2022. The new building was purchased during 2018 for approximately \$27.5 million and renovations were completed in 2025. The URA's portion of the debt related to the build out approximated \$2.6 million, which is included in the outstanding amount due from the URA.

(D) In December 2017, the City committed \$10 million per year for 12 years to source a Housing Opportunity Fund (HOF). The Mayor appointed a 17-person Advisory Board to administer the fund in June 2018 and entered into a cooperation agreement with the URA to hold and manage the fund. The URA's Housing Opportunity Fund Department staffs this initiative. The HOF staff and Advisory Board creates an annual allocation plan and monitors programs and program guidelines. The new HOF programs established are:

- Down Payment and Closing Cost Assistance (DPCCAP) provides financing to first-time homebuyers in the City to help make the purchase of a home affordable. This program is designed to help stimulate housing investment in the City by providing financial assistance to potential homebuyers for the purpose of purchasing an existing or newly constructed residential unit.
- Homeowner Assistance Program (HAP) provides financial and technical assistance to eligible homeowners for rehabilitating and improving residential owner-occupied properties citywide.
- Rental Gap Program (RGP) will be used to help fund the creation of new affordable housing and/or preserve existing affordable housing in the City. The HOF RGP provides loans to developers for the creation and/or preservation of affordable units.
- Housing Stabilization Program (HSP) provides one-time or short-term (no more than 12 months) funding to help with emergency housing expenses such as rent and utilities. It is designed to assist participants to stabilize their current housing, or facilitate access to appropriate housing, and prevent homelessness. The program will also allow for legal eviction prevention services, including legal consultation and representation for eviction defense and/or related supportive services.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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- For-Sale Development Program (FSDP) provides construction financing to developers with non-profit applicants for the substantial rehabilitation or new construction of for-sale housing.
- The Legal Assistance Program (LAP) provides a variety of free housing legal services to eligible tenants and homeowners who live in the City.
- The Small Landlord Fund (SLF) provides funding to landlords with ten (10) or fewer units for the preservation of existing affordable rental housing and/or the conversion of market/vacant housing to affordable housing in the City.

(E) As described in Note 9, during 2023, the URA issued 2023 Revenue Bonds, Taxable, and entered into a cooperation agreement with the City. The bonds were issued to finance various affordable housing programs including of the URA's Rental Gap Program, For-Sale Development Program, Pittsburgh Downtown Conversion Program, Housing Preservation Program, other URA programs related to construction or rehabilitation of affordable housing in the City, and financing costs of issuing the bonds. The City has agreed to provide an amount not to exceed \$2,500,000 annually for up to 25 years (through 2047) to assist in the repayment of principal and interest on these bonds, with such payments subject to annual appropriation by City Council.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### 14. Construction and Commitments

As of December 31, 2025, the City had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Commitment</u>
Anderson Bridge	\$ 26,274,624
Fire Station #20	15,933,832
Fire Station #8	6,983,359
Led Lighting	5,270,665
Fourth Division Building	4,746,524
Homewood Playground	4,216,073
North Avenue	3,903,645
Ruthaven Wall	898,185
Oliver Bath House	878,378
Serpentine Wall	875,854
Frazier Street Steps	778,900
McKinley Rec	756,524
Davis Avenue Bridge	717,615
Sylvan Avenue	229,886
Wayfinder Signs	201,867
13 other projects	37,921
	<u>\$ 72,703,852</u>

### Encumbrances

As of December 31, 2025, the City had the following encumbered amounts:

<u>Fund</u>	<u>Encumbrances</u>
General	\$ 28,293,445
Capital Projects	135,460,482
Public Safety	5,859,205
Community Recreation and Cultural	6,022,323
Other	3,819,704
	<u>\$ 179,455,159</u>

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# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Component Units:**

Pittsburgh Water is proceeding with a capital improvement program which Pittsburgh Water's independent engineer has estimated will entail expenditure of the existing construction funds and potential future bond issues.

The URA had outstanding contract commitments of approximately \$600,000 at December 31, 2025.

### **15. Regional Asset District Revenues**

In December 1993, the Commonwealth legislature approved Act 77 of 1993 authorizing the creation of RAD by Allegheny County. RAD is a special purpose district whose primary purpose is to provide support and financing for regional community assets that were historically funded by the City, Allegheny County, or local municipalities. The City does not include RAD within its reporting entity since the City is not financially accountable for RAD's operations. These community assets include regional parks of the City and Allegheny County, municipal libraries, the Pittsburgh Zoo, the National Aviary, Phipps Conservatory, the old Three Rivers Stadium debt, PNC Park, Acrisure Stadium, and community cultural facilities.

RAD revenue allocated to the City totaled approximately \$39.9 million in 2025. The City allocated approximately \$2.4 million to park operations.

### **16. Contingencies**

The City has been named as a defendant in a number of lawsuits arising in the ordinary course of its operations against which the City is not insured. In the opinion of the City Solicitor, adequate accrual has been made in the financial statements for such lawsuits. In addition, there was litigation regarding the allowability of the City's Facility Usage Tax (FUF). The lower courts did not rule in favor of the City's FUF tax. The City appealed to the Pennsylvania Supreme Court. The Court heard the case on April 10, 2024. The City ceased collection of the FUF for the first quarter of 2024, but upon petition of the Pennsylvania Supreme Court the City resumed collections beginning with the second quarter of 2024. In 2025, the Pennsylvania Supreme Court upheld the lower courts' ruling and the City ceased FUF tax collections on September 25, 2025. Management believes it is probable that the City will be required to refund a portion of previously collected

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

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FUF amounts; however, as of December 31, 2025, no refunds have been requested, nor can the amount of any such refunds or settlements be reasonably determined.

The City receives federal and state grants under a number of programs. The expenditures of the City under such programs are subject to audit and possible disallowance. Historically, such audits have not resulted in significant disallowances of program costs, and City management believes that audits of existing programs will not result in significant liability to the City. Any contingent liability accrual deemed appropriate has been reflected in the financial statements as presented.

### **Component Units:**

#### **Lead Mitigation – Pittsburgh Water**

On May 7, 2025, the Pennsylvania Department of Environmental Protection (PADEP) issued a letter to Pittsburgh Water determining that the obligations required by the November 17, 2017 Consent Order and Agreement (COA) were met and closed out the COA. Pittsburgh Water continued its critical initiatives related to lead to comply with other requirements mandated by the PADEP and the PUC, as well as internal Pittsburgh Water goals. These include: (1) a water treatment program to mitigate lead corrosion so as to comply with current water quality standards, (2) a lead service line replacement (LSLR) program, and (3) a lead service line identification program.

*Water Treatment:* Chemical treatment testing of orthophosphate application to Pittsburgh Water's finished water demonstrated rapid mitigation of lead and copper corrosion to levels well below any current federal drinking water standard. Pittsburgh Water fully implemented the introduction of orthophosphate to the drinking water system in April 2019, and since then has had two consecutive 6-month rounds of lead monitoring results below Federal action level of 15.0 parts per billion (ppb), along with six additional rounds of lead monitoring also below 15.0 ppb. [Action levels are the EPA's established standard for water system compliance with the Federal Lead and Copper Rule.] The results were 10.0 ppb in the monitoring that ended in December 2019, 5.1 ppb for the monitoring that ended in June 2020, 7.1 ppb for the monitoring that ended in December 2021, 4.42 ppb for the monitoring that ended June 2022, 5.0 for the monitoring that ended December 2022, 3.4 ppb for the monitoring that ended June 2023, 3.58 ppb for the monitoring that ended December 2023 and 2.0 ppb monitoring that ended September 2025. The second round of results below the action level removed the Consent Order-mandated requirement to replace lead service lines.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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*Lead Service Line Replacement:* Pittsburgh Water was ordered by PADEP to replace 1,341 public owned lead service lines by June 30, 2018 and an additional 7 percent of the public owned lead service lines by December 31, 2018 (a total of about 2,200). By the end of 2018 a total of 2,765 public lead service lines had been replaced. In addition, Pittsburgh Water was required to continue to replace 7 percent of the initial number of lead service lines in the system (revised to 855 based upon Pittsburgh Water data) until two consecutive 6-month monitoring period sampling events were below the Federal lead action level (where this replacement requirement ended in June 2020 as described above). As of the date of this report, over 14,500 public, along with over 11,000 private lead service lines have been replaced.

In October 2020, Pittsburgh Water completed work on the 2019 Neighborhood LSLR project with \$49.1 million in funding through PENNVEST, of which \$35.4 million was a loan and \$13.7 million was a grant. This program replaced over 4,738 public and 3,008 private lead service lines, well above the anticipated amounts of 3,400 public and 2,800 private replacements.

In June 2020, Pittsburgh Water transitioned into the next phase of the LSLR program by replacing lead service lines in concert with a water main replacement program. In this manner, Pittsburgh Water minimizes the overall cost for water main and service line replacements.

In 2022, with the availability of outside funding sources, Pittsburgh Water commenced additional LSLR projects. The first was funded by PENNVEST and focused on removing lead service lines at day care facilities and locations with elevated levels of lead in the drinking water. The 2022 Priority LSLR program was extremely successful and all LSLR work was completed by late 2022. The 2022 Neighborhood LSLR program was funded by American Recovery Plan Act funds, and construction of the \$17 M program commenced in April 2022 and was completed in early 2024. Work included service line identification and LSLR at over 2,600 properties replacing 732 public and 695 private lead service lines.

Finally, with funding being provided for LSLRs by the Infrastructure Investment and Jobs Act, Pittsburgh Water is planning to submit additional funding requests to PENNVEST for continued Neighborhood LSLR programs on a semi-annual basis. To date, seven projects have been funded, totaling \$157 million with an application for the eight and final project planned for April 2026.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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In summary, as of the date of this report, Pittsburgh Water has replaced a total of more than 14,500 public and 11,000 private lead service lines under all programs involving the removal of lead service lines, including the Lead Service Line Replacement Program (2016 through 2026 Contracts) and Small Diameter Water Main Replacement Program.

*Small Diameter Water Main Replacement Program:* The ongoing Small Diameter Water Main Replacement (SDWMR) Program consists of a series of annual projects designed to replace aging and undersized water mains in neighborhoods with a high likelihood of having lead service lines. The 2020 SDWMR projects consisted of three individual construction contracts totaling nearly 15 miles of new water main. These projects were designed in 2019, construction started in mid-2020 and were completed in December 2021 and, inclusive of design and construction, cost approximately \$56 million.

PENNVEST has provided \$280 million in funding for 2021 through 2023 projects to continue the SDWMR program beyond the 2020 SDWMR projects. These projects, which are in various phases with the last project projected to be completed in 2029, will replace approximately 40 miles of mains and 4,000 public and 2,400 private lead service lines.

*Lead Service Line Identification Program:* The Environmental Protection Agency's ("EPA") Lead and Copper Rule Revisions (LCRR) required all utilities submit an updated service line inventory by October 2024. In conjunction with this requirement, the PADEP provided new requirements for acceptable inventory methods late 2022. Pittsburgh Water submitted an updated inventory based on the new PADEP requirements, including having a new machine learning predictive model prepared and instituting a large-scale program to identify service line materials inside customer's homes by the LCRR deadline. The inventory was updated and re-submitted to PADEP in December 2025.

The Identification Program continues to be updated in a digital file and includes mapping of all service lines within Pittsburgh Water's service territory. All updated records are made publicly available on Pittsburgh Water's website within one month of the data being collected.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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### **Environmental Protection Agency – Pittsburgh Water**

Pittsburgh Water has been cooperating with the EPA’s investigation of Pittsburgh Water’s Aspinwall Water Treatment Plant (“Water Treatment Plant”) for nearly three years. Pittsburgh Water and EPA have negotiated a resolution that addresses the violations alleged by EPA. On January 15, 2021, pursuant to a plea agreement, the Court entered Pittsburgh Water’s plea of guilty to two counts of violations of the Clean Water Act. The terms of the settlement are contained in a plea letter dated December 30, 2020 and executed by Pittsburgh Water on January 13, 2021. Sentencing occurred on September 14, 2021 and included seven standard conditions of supervision and reference to the requirements established in the Plea Agreement. A U.S. Probation Officer has been assigned to Pittsburgh Water and Pittsburgh Water is required to provide monthly updates to the probation officer. On September 25, 2024, the US District Court confirmed that Pittsburgh Water had successfully completed the ordered 3 years of Probation and all stipulations had been satisfied.

EPA’s Suspension and Debarment Division placed Pittsburgh Water on its Suspension and Debarment list upon Pittsburgh Water’s guilty plea on September 14, 2021. EPA and Pittsburgh Water entered into an Administrative Agreement, which allowed Pittsburgh Water to be promptly removed from the list on the same day. On July 31, 2025, EPA notified Pittsburgh Water that the Administrative Agreement was terminated effective immediately and that Pittsburgh Water no longer had any obligations pursuant to the Agreement.

### **Consent Order – Pittsburgh Water**

Pittsburgh Water is subject to federal regulation under the Clean Water Act (1977) and regulations adopted under that Act. Among the specific requirements applicable to Pittsburgh Water’s system are those imposed by the United States Environmental Protection Agency’s Combined Sewer Overflow (CSO) Policy (1994). On January 29, 2004, Pittsburgh Water and the City executed a Consent Order and Agreement (Order) regarding wet weather sewer overflows within the City. The other signatories to the Order are the Pennsylvania Department of Environmental Protection (DEP) and the Allegheny County Health Department (ACHD).

Generally, the Order requires Pittsburgh Water and the City to assess the City sewers to develop a plan with ALCOSAN to address wet weather sewer overflows within the City. The Order is part of a sewer assessment program for all municipalities served by ALCOSAN. To date, assessment activities have been completed for all accessible critical sewers and separate sanitary sewers with the exception of any additional sewers discovered through continued research and investigation. Critical sewers were defined in the Order as: trunk sewers that are a final conveyance to the ALCOSAN Sewer System, sewers associated with areas of chronic basement flooding, sewers

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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associated with areas of chronic maintenance, sewers associated with chronic surcharge, sewers downstream of diversion structures, sewers where additional information is necessary for model development, and sewers deemed a priority for inspection by a professional engineer. Ongoing pipe and manhole repairs are being completed to provide CCTV access to remaining inaccessible critical/sanitary sewer pipes. Assessment activities for non-critical sewers are to be completed on a longer schedule. The majority of accessible non-critical manholes have been inspected with ongoing efforts to complete any remaining or newly identified accessible non-critical manholes. The required Wet Weather Feasibility Study (WWFS) was submitted to the DEP and ACHD on time in July of 2013. This long-term control plan outlined system-wide improvements, including Green Infrastructure (GI) that Pittsburgh Water would implement over the next 20 years.

As this Order with the DEP expired in March 2015, the U.S. Environmental Protection Agency (USEPA) became the main regulatory body to which Pittsburgh Water is responsible. On January 21, 2016, the USEPA issued a Clean Water Act Section 308 Information Request to Pittsburgh Water. The USEPA 308 request required Pittsburgh Water to submit detailed information on past Order performance and activities. It also required Pittsburgh Water to conduct a source reduction analysis for the entire service area, followed by GI demonstration projects.

Pittsburgh Water hired two engineering firms to assess and model the sewer system, responding to the first phase of the USEPA 308 request by the due date March 31, 2016. The second phase of the request was responded to by the submission of a source reduction study by the due date of December 1, 2016 and the submission of project performance evaluations for certain construction GI demonstration projects by the due date of December 1, 2017. An additional 308 request from the USEPA was received in October 2016 seeking more detailed information and further actions regarding the assessment of Pittsburgh Water's sewer system. The response to the October 2016 request from the USEPA was delivered in January 2017.

In addition to the assessment, the USEPA 308 request also requires Pittsburgh Water and the City to continue implementing the Nine Minimum Controls to reduce combined sewer overflows, and to perform repairs and maintenance of deficiencies revealed by the assessment. Pittsburgh Water maintains an expedited response to significant structural failures of the sewer system where imminent structural failures are determined by a professional engineer and prioritized for repair. Ongoing sewer line replacement, point repair, and trenchless rehabilitation projects have been implemented to address structural deficiencies. The USEPA 308 request also requires the submission of information on an ongoing, rolling basis, updating the progress of the evaluations and improvements, as well as water quality impacts. These reports are submitted monthly and are ongoing.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Pittsburgh Water has begun negotiations with EPA, the U.S. Department of Justice (DOJ), and DEP over the terms of the consent decree (CD) that will address the control of sanitary and combined sewer overflows within the City of Pittsburgh. Such a decree will likely set out an enforceable framework for bringing Pittsburgh Water's sanitary and combined sewer systems into compliance with applicable requirements of the federal Clean Water Act and Pennsylvania Clean Streams Law.

Given the broad scope of a potential CD, the size of the sewer system in the City, and the various conditions and/or deficiencies that may be discovered by the assessment, it is difficult to predict the total cost of compliance with the CD. Moreover, it is difficult to predict what, if any, largescale and/or regional capital improvements may be required after the completion of the assessment to address wet weather sewer overflows in the City and in the ALCOSAN service area. Costs associated with CD and COA compliance will be reflected in the capital improvement program and funded by proceeds of potential future bond issuances.

### **17. Risk Management and Uncertainties**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The risk of loss to which the City is exposed for the above-mentioned items is handled through various insurance coverages. As of December 31, 2025, there were no settlements exceeding coverage for the past three years. The City also covers certain claim settlements and judgements from its General and Capital Projects Fund resources due to the prohibitive cost of carrying certain commercial insurance. The City currently reports all risk management activities out of its General Fund. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not yet reported. Provisions are recorded within current liabilities for amounts payable within one year. Amounts not payable within one year are reported within long-term liabilities.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

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Changes in the accrued claims and judgements liability for the past two fiscal periods (calendar year 2025 and 2024) are as follows:

	<u>2025</u>	<u>2024</u>
Accrued claims and judgments, January 1	\$ 12,188,000	\$ 20,493,204
Current year claims	9,482,894	3,932,500
Claim payments/Reduction in estimate	<u>(1,741,891)</u>	<u>(12,237,704)</u>
Accrued claims and judgments, December 31	<u>\$ 19,929,003</u>	<u>\$ 12,188,000</u>

These accruals are subject to potential losses in excess of the amount recorded at year-end; it is unlikely that the amount for such potential losses would be material.

Also, the City is fully self-insured for workers' compensation benefits. The City monitors its liability through periodic actuarial studies. A self-insurance reserve fund in the amount of \$392,125 (classified as restricted within the General Fund) is maintained, due to a legal requirement under self-insurance regulations of the State of Pennsylvania, in the General Fund.

Changes in the accrued workers' compensation liability during the year ended December 31, 2025 are as follows:

Accrued worker's compensation, January 1	\$ 89,024,964
Current year claims	26,619,442
Claim payments	<u>(22,040,953)</u>
Accrued worker's compensation, December 31	<u>\$ 93,603,453</u>

The City is self-insured for losses and liabilities related to health insurance claims. Losses are accrued based upon the City's estimate of the aggregate liability for claims incurred using certain actuarial assumptions followed in the insurance industry and based on the City's experience. Specific and aggregate stop-loss insurance policies limit the City's exposure to large claims. Incurred but not reported costs are estimated to be \$3.6 million at December 31, 2025.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF PITTSBURGH, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET  
PENSION LIABILITY AND RELATED RATIOS

PENSION PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability:</b>										
Service cost	\$ 36,901,022	\$ 33,359,488	\$ 33,311,100	\$ 33,674,837	\$ 33,674,837	\$ 25,786,609	\$ 25,786,609	\$ 24,416,693	\$ 24,416,693	\$ 22,585,569
Interest	108,913,387	106,719,501	107,617,640	105,267,062	102,848,211	96,094,613	94,428,326	94,327,979	92,674,935	90,581,077
Changes of benefit terms	-	-	150,546	-	9,347,482	-	-	-	-	-
Differences between expected and actual experience	33,758,803	-	(45,968,709)	-	17,366,912	-	(22,766,475)	-	(11,650,203)	-
Changes of assumptions	837,802	-	-	-	86,274,492	-	-	-	58,685,088	-
Benefit payments, including refunds of member contributions	(114,629,005)	(110,007,741)	(106,038,461)	(103,993,086)	(100,080,477)	(97,650,178)	(96,890,857)	(95,069,031)	(93,539,764)	(89,489,804)
<b>Net Changes in Total Pension Liability</b>	<b>65,782,009</b>	<b>30,071,248</b>	<b>(10,927,884)</b>	<b>34,948,813</b>	<b>149,431,457</b>	<b>24,231,044</b>	<b>557,603</b>	<b>23,675,641</b>	<b>70,586,749</b>	<b>23,676,842</b>
<b>Total Pension Liability - Beginning</b>	<b>1,575,349,643</b>	<b>1,545,278,395</b>	<b>1,556,206,279</b>	<b>1,521,257,466</b>	<b>1,371,826,009</b>	<b>1,347,594,965</b>	<b>1,347,037,362</b>	<b>1,323,361,721</b>	<b>1,252,774,972</b>	<b>1,229,098,130</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 1,641,131,652</b>	<b>\$ 1,575,349,643</b>	<b>\$ 1,545,278,395</b>	<b>\$ 1,556,206,279</b>	<b>\$ 1,521,257,466</b>	<b>\$ 1,371,826,009</b>	<b>\$ 1,347,594,965</b>	<b>\$ 1,347,037,362</b>	<b>\$ 1,323,361,721</b>	<b>\$ 1,252,774,972</b>
<b>Plan Fiduciary Net Position:</b>										
Contributions - employer	\$ 104,546,186	\$ 105,670,867	\$ 102,709,498	\$ 99,841,720	\$ 98,819,645	\$ 99,099,273	\$ 95,189,427	\$ 86,414,394	\$ 70,487,381	\$ 73,149,762
Contributions - member	17,502,983	16,929,176	15,935,244	15,053,732	14,218,587	14,372,925	12,415,212	11,915,736	11,372,391	10,907,326
Net investment income (loss)	156,645,035	29,636,628	85,087,407	(76,832,915)	92,022,236	60,950,840	82,119,356	(21,819,381)	59,629,520	30,739,535
Benefit payments, including refunds of member contributions	(114,629,005)	(110,007,741)	(106,038,461)	(103,993,086)	(100,080,477)	(97,650,178)	(96,890,857)	(95,069,031)	(93,539,764)	(89,489,804)
Administrative expense	(1,938,848)	(1,629,119)	(1,424,329)	(1,450,454)	(1,389,853)	(1,335,891)	(1,404,248)	(1,359,120)	(1,299,205)	(1,287,145)
Other	74,903	15,944	68,391	51,964	194,203	109,774	-	36,344	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>162,201,254</b>	<b>40,615,755</b>	<b>96,337,750</b>	<b>(67,329,039)</b>	<b>103,784,341</b>	<b>75,546,743</b>	<b>91,428,890</b>	<b>(19,881,058)</b>	<b>46,650,323</b>	<b>24,019,674</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>768,866,330</b>	<b>728,250,575</b>	<b>631,912,825</b>	<b>699,241,864</b>	<b>595,457,524</b>	<b>520,020,555</b>	<b>428,591,665</b>	<b>448,472,723</b>	<b>401,822,400</b>	<b>377,802,726</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 931,067,584</b>	<b>\$ 768,866,330</b>	<b>\$ 728,250,575</b>	<b>\$ 631,912,825</b>	<b>\$ 699,241,865</b>	<b>\$ 595,567,298</b>	<b>\$ 520,020,555</b>	<b>\$ 428,591,665</b>	<b>\$ 448,472,723</b>	<b>\$ 401,822,400</b>
<b>Net Pension Liability - Ending (a-b)</b>	<b>\$ 710,064,068</b>	<b>\$ 806,483,313</b>	<b>\$ 817,027,820</b>	<b>\$ 924,293,454</b>	<b>\$ 822,015,601</b>	<b>\$ 776,258,711</b>	<b>\$ 827,574,410</b>	<b>\$ 918,445,697</b>	<b>\$ 874,888,998</b>	<b>\$ 850,952,572</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>56.73%</b>	<b>48.81%</b>	<b>47.13%</b>	<b>40.61%</b>	<b>45.96%</b>	<b>43.41%</b>	<b>38.59%</b>	<b>31.82%</b>	<b>33.89%</b>	<b>32.07%</b>
<b>Covered Payroll</b>	<b>\$ 279,671,796</b>	<b>\$ 269,530,132</b>	<b>\$ 247,038,642</b>	<b>\$ 245,178,531</b>	<b>\$ 229,423,896</b>	<b>\$ 204,561,978</b>	<b>\$ 204,883,102</b>	<b>\$ 184,625,860</b>	<b>\$ 215,018,989</b>	<b>\$ 211,962,778</b>
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	<b>253.89%</b>	<b>299.22%</b>	<b>330.73%</b>	<b>376.99%</b>	<b>358.30%</b>	<b>379.47%</b>	<b>403.93%</b>	<b>497.46%</b>	<b>406.89%</b>	<b>401.46%</b>

See accompanying notes to required supplementary schedules.

**CITY OF PITTSBURGH, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S CONTRIBUTIONS  
AND INVESTMENT RETURNS

YEARS ENDED DECEMBER 31  
LAST TEN YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Schedule of City's Contributions</b>										
Actuarially determined contribution	\$ 48,719,905	\$ 57,421,013	\$ 56,541,494	\$ 53,286,876	\$ 52,264,801	\$ 51,519,387	\$ 51,011,799	\$ 49,662,394	\$ 49,202,651	\$ 43,073,288
Contributions in relation to the actuarially determined contribution	104,546,186	105,670,867	102,709,498	99,841,720	98,819,645	99,099,273	95,189,427	86,414,394	70,487,381	73,149,762
Contribution deficiency (excess)	\$ (55,826,281)	\$ (48,249,854)	\$ (46,168,004)	\$ (46,554,844)	\$ (46,554,844)	\$ (47,579,886)	\$ (44,177,628)	\$ (36,752,000)	\$ (21,284,730)	\$ (30,076,474)
Covered payroll	\$ 279,671,796	\$ 269,530,132	\$ 247,038,642	\$ 245,178,531	\$ 229,423,896	\$ 204,561,978	\$ 204,883,102	\$ 184,625,860	\$ 215,018,989	\$ 211,962,778
Contributions as a percentage of covered payroll	37.38%	39.21%	41.58%	40.72%	43.07%	48.44%	46.46%	46.81%	32.78%	34.51%
<b>Investment Returns</b>										
Annual money-weighted rate of return, net of investment expense	11.60%	10.50%	11.40%	-6.20%	13.06%	11.70%	19.34%	-5.03%	14.96%	8.43%

See accompanying notes to required supplementary schedules.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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In accordance with Act 205 and the Acts under which the Municipal Pension Plan of the City of Pittsburgh, the Policemen's Relief and Pension Plan of the City of Pittsburgh, and the Firemen's Relief and Pension Plan of the City of Pittsburgh were established; a separate accounting for the activities of these three plans is maintained including the employees' contributions, allocation of state aid and the City's annual contribution and a calculation of each Plan's undivided interest in the investments held by the Comprehensive Trust. Additionally, separate actuarial valuations are performed annually for each plan. However, the individual plans do not record the undivided interest in the investments in their individual plans since the assets of the Comprehensive Trust are available for the payment of benefits and expenses of any of the three pension plans without limitations. Therefore, in accordance with Governmental Accounting Standards, the City is considered to be administering a single plan for financial reporting purposes. The three pension plans plus the Comprehensive Trust constitute the City's Pension Plan.

### Actuarial Methods and Assumptions Used in Calculation of Actuarially Determined Contribution

The 2025 contribution and contribution rate information presented in the required supplementary schedules was determined as part of the January 1, 2023 actuarial valuations. Additional information as of the January 1, 2023 valuation follows:

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

	<u>Municipal</u>	<u>Policemen</u>	<u>Firemen</u>
Actuarial valuation date	1/1/2023	1/1/2023	1/1/2023
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar Closed	Level Dollar Closed	Level Dollar Closed
Remaining amortization period	20 years (aggregate)	20 years (aggregate)	20 years (aggregate)
Asset valuation method	Tabular Smoothing	Tabular Smoothing	Tabular Smoothing
Actuarial assumptions:			
Investment rate of return	7.00%	7.00%	7.00%
Projected salary increases	4.50%	4.75%	6.00%
Underlying inflation rate	2.75%	2.75%	2.75%
Mortality table	General Pub-2010, With Amount Weighted With Generational Projection Using MP-2020	Public Safety Pub-2010, With Amount Weighted With Generational Projection Using MP-2020	Public Safety Pub-2010, With Amount Weighted With Generational Projection Using MP-2020

The information presented was determined as part of the actuarial valuation as of January 1, 2023. Additional information as of the latest actuarial valuation presented is as follows:

For 2023, there were no changes. Additionally, there were changes to the following actuarial assumptions in the current and prior years:

- From 2021 to 2023, changes reflect revised expectations with respect to the assigned rate of return, mortality rates, salary scale, retirement rates, disability rates, termination rates, and asset smoothing method.
- From 2019 to 2021, for the Municipal fund, all eligible members are assumed to elect the removal of the Social Security offset.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

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- From 2015 to 2017, the investment rate of return was lowered from 7.50% to 7.25% and from 2019 to 2021 from 7.25% to 7.00% for all funds to provide a more conservative assumption for all funds.
- From 2015 to 2017, the projected salary increases lowered from 5.75% to 5.50% per year for the Firemen’s Fund and from 2019 to 2021, from 4.00% to 4.50% per year for the Municipal fund, from 4.50% to 4.75% per year for the Policemen, and from 5.50% to 6.00% for the Firemen.
- From 2015 to 2017, the underlying inflation rate decreased from 3.0% to 2.75% for all funds.

The actuarially determined contributions are based on the City’s actuarially prepared Minimum Municipal Obligation under PA Act 205, as amended. The contribution excess for each year includes payments originating from (in millions):

	<u>Dedicated parking tax revenue</u>	<u>Other revenue</u>
2025	\$26.8	\$29.0
2024	\$26.8	\$21.5
2023	\$26.8	\$19.4
2022	\$26.8	\$19.8
2021	\$26.8	\$19.8
2020	\$26.8	\$20.8
2019	\$26.8	\$16.6
2018	\$26.8	\$10.0
2017	\$13.4	\$7.9
2016	\$13.4	\$11.2

As permitted by GASB Statement No. 82, covered payroll was not restated for prior years as it was not deemed practical due to the complex nature of the City's payroll structure.

**CITY OF PITTSBURGH, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET  
OPEB LIABILITY AND RELATED RATIOS  
FOR ITS RETIREE PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability:</b>									
Service cost	\$ 1,761,277	\$ 1,601,614	\$ 2,597,937	\$ 2,621,488	\$ 3,007,655	\$ 3,659,948	\$ 3,326,808	\$ 7,460,587	\$ 7,792,888
Interest	23,782,317	22,434,503	21,374,871	23,535,670	23,943,087	27,363,576	28,154,776	22,449,821	22,199,364
Changes of benefit terms	-	-	-	-	-	-	-	1,393,658	-
Differences between expected and actual experience	-	(18,325,168)	-	(48,150,160)	(9,894,898)	(51,315,119)	(6,849,751)	(6,789,196)	-
Changes of assumptions	-	37,172,236	(36,092,705)	8,790,449	-	(11,541,316)	35,873,590	(103,961,562)	-
Benefit payments	(24,462,425)	(23,136,718)	(22,208,561)	(23,349,243)	(23,567,499)	(25,450,945)	(24,521,263)	(24,481,663)	(23,066,786)
<b>Net Change in Total OPEB Liability</b>	<b>1,081,169</b>	<b>19,746,467</b>	<b>(34,328,458)</b>	<b>(36,551,796)</b>	<b>(6,511,655)</b>	<b>(57,283,856)</b>	<b>35,984,160</b>	<b>(103,928,355)</b>	<b>6,925,466</b>
<b>Total OPEB Liability - Beginning</b>	<b>350,010,457</b>	<b>330,263,990</b>	<b>364,592,448</b>	<b>401,144,244</b>	<b>407,655,899</b>	<b>464,939,755</b>	<b>428,955,595</b>	<b>532,883,950</b>	<b>525,958,484</b>
<b>Total OPEB Liability - Ending (a)</b>	<b>\$ 351,091,626</b>	<b>\$ 350,010,457</b>	<b>\$ 330,263,990</b>	<b>\$ 364,592,448</b>	<b>\$ 401,144,244</b>	<b>\$ 407,655,899</b>	<b>\$ 464,939,755</b>	<b>\$ 428,955,595</b>	<b>\$ 532,883,950</b>
<b>Plan Fiduciary Net Position:</b>									
Contributions - employer	\$ 19,462,425	\$ 23,137,175	\$ 23,208,561	\$ 24,018,215	\$ 26,067,149	\$ 26,076,181	\$ 27,049,808	\$ 26,981,663	\$ 25,566,786
Net investment income (loss)	5,284,751	4,145,040	4,510,706	(5,503,592)	3,845,293	3,529,471	3,938,049	(1,017,618)	2,240,768
Benefit payments	(24,462,425)	(23,136,718)	(22,208,561)	(23,349,243)	(23,567,499)	(25,450,945)	(24,521,263)	(24,481,663)	(23,066,786)
Administrative expense	(61,182)	(27,932)	(2,198)	(18,000)	(17,162)	(15,376)	(15,052)	(22,401)	(49,551)
Other	-	-	-	-	-	(29,092)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>223,569</b>	<b>4,117,565</b>	<b>5,508,508</b>	<b>(4,852,620)</b>	<b>6,327,781</b>	<b>4,110,239</b>	<b>6,451,542</b>	<b>1,459,981</b>	<b>4,691,217</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>42,485,117</b>	<b>38,367,552</b>	<b>32,859,044</b>	<b>37,711,664</b>	<b>31,383,883</b>	<b>27,273,644</b>	<b>20,822,102</b>	<b>19,362,121</b>	<b>14,670,904</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 42,708,686</b>	<b>\$ 42,485,117</b>	<b>\$ 38,367,552</b>	<b>\$ 32,859,044</b>	<b>\$ 37,711,664</b>	<b>\$ 31,383,883</b>	<b>\$ 27,273,644</b>	<b>\$ 20,822,102</b>	<b>\$ 19,362,121</b>
<b>Net OPEB Liability - Ending (a-b)</b>	<b>\$ 308,382,940</b>	<b>\$ 307,525,340</b>	<b>\$ 291,896,438</b>	<b>\$ 331,733,404</b>	<b>\$ 363,432,580</b>	<b>\$ 376,272,016</b>	<b>\$ 437,666,111</b>	<b>\$ 408,133,493</b>	<b>\$ 513,521,829</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>12.16%</b>	<b>12.14%</b>	<b>11.62%</b>	<b>9.01%</b>	<b>9.40%</b>	<b>7.70%</b>	<b>5.87%</b>	<b>4.85%</b>	<b>3.63%</b>
<b>Covered Employee Payroll</b>	<b>\$ 124,827,375</b>	<b>\$ 118,504,700</b>	<b>\$ 118,300,425</b>	<b>\$ 115,134,234</b>	<b>\$ 112,794,687</b>	<b>\$ 110,225,944</b>	<b>\$ 100,838,441</b>	<b>\$ 98,139,602</b>	<b>\$ 96,139,602</b>
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	<b>247.05%</b>	<b>259.50%</b>	<b>246.74%</b>	<b>288.13%</b>	<b>322.21%</b>	<b>341.36%</b>	<b>434.03%</b>	<b>415.87%</b>	<b>534.14%</b>

\* 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 schedules.

**CITY OF PITTSBURGH, PENNSYLVANIA**  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S CONTRIBUTIONS  
AND INVESTMENT RETURNS - OPEB  
FOR ITS RETIREE PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

<u>Schedule of City's Contributions</u>	2025	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 29,166,346	\$ 29,057,017	\$ 28,756,109	\$ 30,728,322	\$ 31,670,840	\$ 36,526,177	\$ 35,788,786	\$ 35,106,521	\$ 38,115,212
Contributions in relation to the actuarially determined contribution	19,462,425	23,137,175	23,208,561	24,018,215	26,067,149	26,076,181	27,049,808	26,981,663	25,566,786
Contribution deficiency (excess)	<u>\$ 9,703,921</u>	<u>\$ 5,919,842</u>	<u>\$ 5,547,548</u>	<u>\$ 6,710,107</u>	<u>\$ 5,603,691</u>	<u>\$ 10,449,996</u>	<u>\$ 8,738,978</u>	<u>\$ 8,124,858</u>	<u>\$ 12,548,426</u>
Covered employee payroll	<u>\$ 124,827,375</u>	<u>\$ 118,504,700</u>	<u>\$ 118,300,425</u>	<u>\$ 115,134,234</u>	<u>\$ 112,794,687</u>	<u>\$ 110,225,944</u>	<u>\$ 100,838,441</u>	<u>\$ 98,139,602</u>	<u>\$ 96,139,602</u>
Contributions as a percentage of covered employee payroll	15.59%	19.52%	19.62%	20.86%	23.11%	23.66%	26.82%	27.49%	26.59%
<u>Investment Returns</u>									
Annual money-weighted rate of return, net of investment expense	12.40%	2.45%	2.55%	6.20%	4.83%	2.70%	2.70%	4.87%	14.35%

\* 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 schedules.

**CITY OF PITTSBURGH, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE CITY'S NET  
OPEB LIABILITY AND RELATED RATIOS  
FOR ITS DISABLED FIREFIGHTERS PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2025	2024	2023	2022	2021	2020	2019
<b>Total OPEB Liability:</b>							
Service cost	\$ 1,560,520	\$ 2,663,099	\$ 2,727,900	\$ 4,067,849	\$ 4,428,921	\$ 3,454,046	\$ 2,476,316
Interest	607,837	1,035,515	882,195	739,756	658,119	759,564	776,991
Changes of benefit terms	-	-	-	-	-	-	16,513,129
Differences between expected and actual experience	-	(3,866,221)	-	(8,421,918)	-	(4,250,409)	(1,100,128)
Changes of assumptions	(1,045,552)	(10,160,207)	(1,119,511)	(7,245,262)	469,931	2,581,819	5,874,543
Benefit payments	(230,150)	(280,867)	(225,470)	(118,374)	(188,425)	(206,939)	(170,806)
<b>Net Change in Total OPEB Liability</b>	892,655	(10,608,681)	2,265,114	(10,977,949)	5,368,546	2,338,081	24,370,045
<b>Total OPEB Liability - Beginning</b>	12,755,156	23,363,837	21,098,723	32,076,672	26,708,126	24,370,045	-
<b>Total OPEB Liability - Ending (a)</b>	\$ 13,647,811	\$ 12,755,156	\$ 23,363,837	\$ 21,098,723	\$ 32,076,672	\$ 26,708,126	\$ 24,370,045
<b>Plan Fiduciary Net Position:</b>							
Contributions - employer	\$ 230,150	\$ 280,867	\$ 225,470	\$ 118,131	\$ 232,359	\$ 250,873	\$ 170,806
Net investment income (loss)	12,888	17,651	19,473	(25,350)	13,964	13,602	-
Benefit payments	(230,150)	(280,867)	(225,470)	(118,374)	(188,425)	(206,939)	(170,806)
Administrative expense	(12)	-	-	(200)	(136)	-	-
Other	-	-	-	-	-	29,092	-
<b>Net Change in Plan Fiduciary Net Position</b>	12,876	17,651	19,473	(25,793)	57,762	86,628	-
<b>Plan Fiduciary Net Position - Beginning</b>	155,721	138,070	118,597	144,390	86,628	-	-
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 168,597	\$ 155,721	\$ 138,070	\$ 118,597	\$ 144,390	\$ 86,628	\$ -
<b>Net OPEB Liability - Ending (a-b)</b>	\$ 13,479,214	\$ 12,599,435	\$ 23,225,767	\$ 20,980,126	\$ 31,932,282	\$ 26,621,498	\$ 24,370,045
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	1.24%	1.22%	0.59%	0.56%	0.45%	0.32%	0.00%
<b>Covered Employee Payroll</b>	\$ 44,516,322	\$ 41,996,530	\$ 50,339,502	\$ 48,992,216	\$ 49,112,204	\$ 31,459,781	\$ 25,173,632
<b>Net OPEB Liability as a Percentage of Covered Employee Payroll</b>	30.28%	30.00%	46.14%	42.82%	65.02%	84.62%	96.81%

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available. There is no activity for this Plan prior to 2019, as it is a new Plan.

See accompanying notes to required supplementary schedules.

**CITY OF PITTSBURGH, PENNSYLVANIA**

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE CITY'S CONTRIBUTIONS  
AND INVESTMENT RETURNS - OPEB  
FOR ITS DISABLED FIREFIGHTERS PLAN

YEARS ENDED DECEMBER 31  
LAST TEN YEARS\*

	2025	2024	2023	2022	2021	2020	2019
<b>Schedule of City's Contributions</b>							
Actuarially determined contribution	\$ 1,765,441	\$ 1,599,615	\$ 2,917,879	\$ 2,625,718	\$ 3,422,743	\$ 2,639,562	\$ 2,253,230
Contributions in relation to the actuarially determined contribution	230,150	280,867	225,470	118,131	232,359	250,873	170,806
Contribution deficiency (excess)	\$ 1,535,291	\$ 1,318,748	\$ 2,692,409	\$ 2,507,587	\$ 3,190,384	\$ 2,388,689	\$ 2,082,424
Covered employee payroll	\$ 44,516,322	\$ 41,996,530	\$ 50,339,502	\$ 48,992,216	\$ 49,112,204	\$ 31,459,781	\$ 25,173,632
Contributions as a percentage of covered employee payroll	0.52%	0.67%	0.45%	0.24%	0.47%	0.80%	0.68%
<b>Investment Returns</b>							
Annual money-weighted rate of return, net of investment expense	6.90%	2.30%	2.45%	6.40%	4.83%	2.70%	2.70%

\* Until a full 10-year trend is compiled, the required information for the plan is presented for as many years as are available. There is no activity for this Plan prior to 2019, as it is a new Plan.

See accompanying notes to required supplementary schedules.

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2025

### Actuarial Methods and Assumptions for the Retiree OPEB Plan

The methods and assumptions used to determine contribution rates for the retiree plan are based on the 1/1/2024 valuation and are as follows:

Actuarial valuation date	1/1/2024
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Remaining amortization period	24 year closed period
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Investment rate of return	7.00%
Salary increases	4.5% - 6.0%

#### Mortality tables:

Active: Pub-2010 Safety and General Headcount-Weighted Mortality Tables,  
projected with Mortality Improvement Scale MP-2021

Municipal Retirees: Pub-2010 General Disabled Mortality Table,  
projected with Mortality Improvement Scale MP-2021

Police and Fire Retirees: Pub-2010 Safety Disabled Mortality Table,  
projected with Mortality Improvement Scale MP-2021

#### Healthcare cost trend rates:

<u>Year</u>	<u>Medical/Rx Costs Annual Trend Rate</u>	<u>Medicare Part B Premiums Annual Trend Rate</u>
2026	8.25%	6.50%
2027	8.00%	6.40%
2028	7.75%	6.30%
2029	7.50%	6.20%
2030	7.25%	6.10%
2031	7.00%	6.00%
2032	6.75%	5.75%
2033	6.50%	5.50%
2034	6.25%	5.00%
2035	6.00%	4.50%
2036	5.50%	4.50%
2037	5.00%	4.50%
2038	4.50%	4.50%

There have been no benefit changes made since the 1/1/2024 actuarial valuation.

The information presented was determined as part of the actuarial valuation as of January 1, 2024. Additional information as of the latest actuarial valuation presented is as follows:

For 2024, there was a change with respect to actuarial assumptions from the prior year to reflect investment rate of return changed from 6.0% to 7.0%. Per capita baseline costs, morbidity factors,

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2025

salary scale assumptions, demographic assumptions and health care trends were updated. Additionally, there were changes to the following actuarial assumptions in the current and prior years:

- From 2020 to 2022, there was a decrease in the discount rate from 2.12% to 3.72% and pre-Medicare trends have been increased to 7.0% for 2023-2025 to reflect expectations arising due to recent inflationary pressures. Medicare Part B trends have been aligned with Medicare trends based on the SOA Getzen model. These rates are applied to health costs and premiums.
- From 2018 to 2020, the health care trend rates were updated and there was a decrease in the discount rate from 2.74% to 2.12%.
- From 2016 to 2018 there were no changes in benefits or in actuarial assumptions.

For 2023 GASB 75 purposes, there was an increase in the discount rate from 6.00% to 7.00%.

### Actuarial Methods and Assumptions for the Disabled Firefighter OPEB Plan

The methods and assumptions used to determine contribution rates for the Fire plan are based on the 1/1/2024 valuation and are as follows:

Actuarial valuation date	1/1/2024	
Actuarial cost method	Entry Age Normal	
Amortization method	Level Dollar	
Asset valuation method	Market Value of Assets	
Actuarial assumptions:		
Investment rate of return	7.00%	
Discount rate	4.28%	
Salary increases	6.00%	
Mortality table	Active and Retirees: Pub-2010 Safety Headcount-Weighted Table, projected with Mortality Improvement Scale MP-2021	
Healthcare cost trend rates:		
<u>Year</u>	<u>Medical/Rx Costs</u> <u>Annual Trend Rate</u>	<u>Medicare Part B Premiums</u> <u>Annual Trend Rate</u>
2025	8.50%	5.90%
2026	8.25%	6.50%
2027	8.00%	6.40%
2028	7.75%	6.30%
2029	7.50%	6.20%
2030	7.25%	6.10%
2031	7.00%	6.00%
2032	6.75%	5.75%
2033	6.50%	5.50%
2034	6.25%	5.00%
2035	6.00%	4.50%
2036	5.50%	4.50%

# CITY OF PITTSBURGH, PENNSYLVANIA

## NOTES TO REQUIRED SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2025

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The information presented was determined as part of the actuarial valuation as of January 1, 2024. Additional information as of the latest actuarial valuation presented is as follows:

For 2024, there was a change with respect to actuarial assumptions from the prior year to reflect a change in the discount rate from 4.0% to 4.28%, the long-term rate of return changed from 6.0% to 7.0% and salary scale assumptions changed from 2.75% to 6.0%. Per capita baseline costs, morbidity factors, demographic assumptions, and health care trends were updated. Additionally, there were changes to the following actuarial assumptions in the current and prior years:

- From 2020 to 2022, there was a decrease in the discount rate from 2.12% to 3.72%; and pre-Medicare trends have been increased to 7.0% for the following three years to reflect expectations arising due to recent inflationary pressures. Medicare Part B trends have been aligned with Medicare trends based on the SOA Getzen model. These rates are applied to health costs and premiums.
- From 2018 to 2020, the health care trend rates were updated and there was a decrease in the discount rate from 2.74% to 2.12%.

For 2025 GASB 75 purposes, there was an increase in the discount rate from 4.28% to 4.83%.

For 2023 GASB 75 purposes, there was an increase in the discount rate from 3.72% to 4.00%.

## **SUPPLEMENTARY INFORMATION**

**COMBINING AND INDIVIDUAL OTHER FUND STATEMENTS  
AND SCHEDULES**

# CITY OF PITTSBURGH, PENNSYLVANIA

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

DECEMBER 31, 2025

	Equipment Leasing Authority	Liquid Fuels Tax	EARN	Public Safety	Civic and Cultural	Grants and Donations	Total
<b>Assets</b>							
Cash and cash equivalents	\$ 1,066,597	\$ 11,968,429	\$ 5,343,549	\$ 17,500,453	\$ 24,915,341	\$ 74,943	\$ 60,869,312
Other receivables	-	33,784	370,555	487,296	520,922	-	1,412,557
Accrued interest	-	-	-	-	-	784,264	784,264
Due from other governments	-	-	-	-	-	12,426,815	12,426,815
Due from other funds *	-	-	155,716	12,010,205	7,947	2,447	12,176,315
<b>Total Assets</b>	<b>\$ 1,066,597</b>	<b>\$ 12,002,213</b>	<b>\$ 5,869,820</b>	<b>\$ 29,997,954</b>	<b>\$ 25,444,210</b>	<b>\$ 13,288,469</b>	<b>\$ 87,669,263</b>
<b>Liabilities and Fund Balance</b>							
<b>Liabilities:</b>							
Account payable	\$ -	\$ -	\$ -	\$ 3,573	\$ 23,658	\$ -	\$ 27,231
Accrued liabilities	3,458	1,074,467	178,722	1,521,185	938,998	1,288,469	5,005,299
Unearned revenue	-	-	5,464,614	-	288,336	-	5,752,950
Due to other funds *	-	4,000,000	201,914	100,000	1,250,000	12,000,000	17,551,914
Due to other governments	-	-	-	1,109,846	-	-	1,109,846
<b>Total Liabilities</b>	<b>3,458</b>	<b>5,074,467</b>	<b>5,845,250</b>	<b>2,734,604</b>	<b>2,500,992</b>	<b>13,288,469</b>	<b>29,447,240</b>
<b>Fund Balance:</b>							
Restricted - State and Federal Purpose Grants	-	6,927,746	24,570	16,354	3,200,582	-	10,169,252
Committed - Specified Program Services	1,063,139	-	-	21,387,791	13,720,313	-	36,171,243
<b>Assigned:</b>							
Public safety	-	-	-	5,859,205	-	-	5,859,205
Community, recreation, and cultural	-	-	-	-	6,022,323	-	6,022,323
<b>Total Fund Balance</b>	<b>1,063,139</b>	<b>6,927,746</b>	<b>24,570</b>	<b>27,263,350</b>	<b>22,943,218</b>	<b>-</b>	<b>58,222,023</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 1,066,597</b>	<b>\$ 12,002,213</b>	<b>\$ 5,869,820</b>	<b>\$ 29,997,954</b>	<b>\$ 25,444,210</b>	<b>\$ 13,288,469</b>	<b>\$ 87,669,263</b>

\* - \$12 million of interfund activity eliminated for purposes of the Balance Sheet - Governmental Funds presentation

# CITY OF PITTSBURGH, PENNSYLVANIA

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

### NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED DECEMBER 31, 2025

	Equipment Leasing Authority	Liquid Fuels Tax	EARN	Public Safety	Civic and Cultural	Grants and Donations	Total
<b>Revenues:</b>							
Taxes, including penalties and interest	\$ -	\$ -	\$ -	\$ -	\$ 16,665,125	\$ -	\$ 16,665,125
Interest and dividends	-	372,510	-	-	-	38,879	411,389
Fines and forfeits	-	-	-	11,502	-	-	11,502
Intergovernmental revenues	462,683	8,066,786	2,040,223	25,000	2,268,981	10,601,425	23,465,098
Charges for user services	-	-	-	15,788,949	4,597,171	-	20,386,120
Other	85,992	-	-	214,694	213,037	137,799	651,522
<b>Total revenues</b>	<b>548,675</b>	<b>8,439,296</b>	<b>2,040,223</b>	<b>16,040,145</b>	<b>23,744,314</b>	<b>10,778,103</b>	<b>61,590,756</b>
<b>Expenditures:</b>							
General government	11,294,112	-	1,757,455	-	1,562,635	404,074	15,018,276
Public safety	-	-	-	25,710,345	-	1,801,662	27,512,007
Public works	-	9,349,429	-	-	14,015,880	7,182,664	30,547,973
Community, recreation, and cultural	-	-	-	-	4,787,732	-	4,787,732
Economic and physical development	-	-	-	-	-	-	-
Debt service:							
Principal on leases	1,387,898	-	274,027	-	-	-	1,661,925
Interest on leases	136,760	-	8,741	-	-	-	145,501
<b>Total expenditures</b>	<b>12,818,770</b>	<b>9,349,429</b>	<b>2,040,223</b>	<b>25,710,345</b>	<b>20,366,247</b>	<b>9,388,400</b>	<b>79,673,414</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(12,270,095)</b>	<b>(910,133)</b>	<b>-</b>	<b>(9,670,200)</b>	<b>3,378,067</b>	<b>1,389,703</b>	<b>(18,082,658)</b>
<b>Other Financing Sources (Uses):</b>							
Transfers in	12,021,754	-	-	10,050,000	2,412,194	-	24,483,948
Transfers out	-	-	-	(355,637)	(4,190,671)	(1,389,703)	(5,936,011)
<b>Total other financing sources (uses)</b>	<b>12,021,754</b>	<b>-</b>	<b>-</b>	<b>9,694,363</b>	<b>(1,778,477)</b>	<b>(1,389,703)</b>	<b>18,547,937</b>
<b>Net Change in Fund Balance</b>	<b>(248,341)</b>	<b>(910,133)</b>	<b>-</b>	<b>24,163</b>	<b>1,599,590</b>	<b>-</b>	<b>465,279</b>
<b>Fund Balance:</b>							
Beginning of year	1,311,480	7,837,879	24,570	27,239,187	21,343,628	-	57,756,744
End of year	\$ 1,063,139	\$ 6,927,746	\$ 24,570	\$ 27,263,350	\$ 22,943,218	\$ -	\$ 58,222,023

**CITY OF PITTSBURGH, PENNSYLVANIA**

COMBINING STATEMENT OF NET POSITION

PENSION AND OPEB TRUST FUNDS

DECEMBER 31, 2025

	Pension Trust Fund				OPEB Trust Funds			Total	
	Comprehensive Trust	Municipal Fund	Policemen's Fund	Firemen's Fund	Total Pension Trust Fund	Retiree Trust Fund	Firefighter Trust Fund		Total OPEB Trust Funds
<b>Assets</b>									
Cash and short-term investments, at cost, which approximates fair value	\$ 28,546,248	\$ 406,678	\$ 3,815,050	\$ 70,524	\$ 32,838,500	\$ 1,281,088	\$ 168,597	\$ 1,449,685	\$ 34,288,185
Investments, at fair value:									
Common stock	66,055,454	-	-	-	66,055,454	-	-	-	66,055,454
U.S. government and agency obligations	71,251,131	-	-	-	71,251,131	-	-	-	71,251,131
Corporate and other obligations	51,928,132	-	-	-	51,928,132	-	-	-	51,928,132
Mutual funds:									
U.S. equities	235,423,159	-	-	-	235,423,159	13,969,492	-	13,969,492	249,392,651
Non-U.S. equities	147,411,715	-	-	-	147,411,715	5,272,888	-	5,272,888	152,684,603
Fixed income	114,289,646	-	-	-	114,289,646	22,185,218	-	22,185,218	136,474,864
Hedge funds	104,800,805	-	-	-	104,800,805	-	-	-	104,800,805
Real estate funds	28,144,952	-	-	-	28,144,952	-	-	-	28,144,952
Alternative strategies	-	-	-	-	-	-	-	-	-
Private equity	79,885,745	-	-	-	79,885,745	-	-	-	79,885,745
Due from (to) other fund	(435,783)	-	435,783	-	-	-	-	-	-
Accrued interest and dividends receivable	1,242,435	-	-	-	1,242,435	-	-	-	1,242,435
<b>Total Assets</b>	<b>928,543,639</b>	<b>406,678</b>	<b>4,250,833</b>	<b>70,524</b>	<b>933,271,674</b>	<b>42,708,686</b>	<b>168,597</b>	<b>42,877,283</b>	<b>976,148,957</b>
<b>Liabilities</b>									
Benefits and related withholdings payable	-	-	2,124,733	-	2,124,733	-	-	-	2,124,733
Accrued liabilities and other payables	-	72,717	-	-	72,717	-	-	-	72,717
Due to City of Pittsburgh Trust Fund	-	-	6,640	-	6,640	-	-	-	6,640
<b>Total Liabilities</b>	<b>-</b>	<b>72,717</b>	<b>2,131,373</b>	<b>-</b>	<b>2,204,090</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,204,090</b>
<b>Net Position</b>									
Restricted for Pension	928,543,639	333,961	2,119,460	70,524	931,067,584	-	-	-	931,067,584
Restricted for OPEB	-	-	-	-	-	42,708,686	168,597	42,877,283	42,877,283
<b>Total Net Pension</b>	<b>\$ 928,543,639</b>	<b>\$ 333,961</b>	<b>\$ 2,119,460</b>	<b>\$ 70,524</b>	<b>\$ 931,067,584</b>	<b>\$ 42,708,686</b>	<b>\$ 168,597</b>	<b>\$ 42,877,283</b>	<b>\$ 973,944,867</b>

**CITY OF PITTSBURGH, PENNSYLVANIA**

COMBINING STATEMENT OF CHANGES IN NET POSITION  
PENSION AND OPEB TRUST FUNDS

YEAR ENDED DECEMBER 31, 2025

	Pension Trust Fund				OPEB Trust Funds				Total
	Comprehensive Trust	Municipal Fund	Policemen's Fund	Firemen's Fund	Total Pension Trust Fund	Retiree Trust Fund	Firefighters Trust Fund	Total OPEB Trust Funds	
<b>Additions:</b>	<hr/>								
Contributions:									
Employer - pension benefits	\$ 71,584,453	\$ -	\$ -	\$ -	\$71,584,453	\$ -	\$ -	\$ -	\$71,584,453
Employer - other benefits	2,125,673	-	125,790	-	2,251,463	19,462,425	230,150	19,692,575	21,944,038
Commonwealth of Pennsylvania - State Aid	32,961,733	-	-	-	32,961,733	-	-	-	32,961,733
Plan members	17,502,983	-	-	-	17,502,983	-	-	-	17,502,983
Total contributions	<u>124,174,842</u>	<u>-</u>	<u>125,790</u>	<u>-</u>	<u>124,300,632</u>	<u>19,462,425</u>	<u>230,150</u>	<u>19,692,575</u>	<u>143,993,207</u>
Investment income (loss):									
Net increase (decrease) in fair value of investments	144,170,197	-	-	-	144,170,197	3,800,760	8,022	3,808,782	147,978,979
Interest and dividends	13,736,545	-	-	21,640	13,758,185	1,450,539	4,866	1,455,405	15,213,590
Total investment income (loss)	<u>157,906,742</u>	<u>-</u>	<u>-</u>	<u>21,640</u>	<u>157,928,382</u>	<u>5,251,299</u>	<u>12,888</u>	<u>5,264,187</u>	<u>163,192,569</u>
Investment expense	(1,283,347)	-	-	-	(1,283,347)	(23,502)	-	(23,502)	(1,306,849)
Net investment income (loss)	<u>156,623,395</u>	<u>-</u>	<u>-</u>	<u>21,640</u>	<u>156,645,035</u>	<u>5,227,797</u>	<u>12,888</u>	<u>5,240,685</u>	<u>161,885,720</u>
Miscellaneous:									
Other	-	65,358	-	9,545	74,903	-	-	-	74,903
Total additions	<u>280,798,237</u>	<u>65,358</u>	<u>125,790</u>	<u>31,185</u>	<u>281,020,570</u>	<u>24,690,222</u>	<u>243,038</u>	<u>24,933,260</u>	<u>305,953,830</u>
<b>Deductions:</b>	<hr/>								
Benefit payments	-	31,657,240	41,482,932	39,927,364	113,067,536	-	-	-	113,067,536
Benefit payments - other benefits	-	1,774,743	395,641	81,079	2,251,463	24,462,425	230,150	24,692,575	26,944,038
Refund of employee contributions	-	1,010,610	550,019	840	1,561,469	-	-	-	1,561,469
Administrative expenses	631,311	360,438	586,925	360,174	1,938,848	4,228	12	4,240	1,943,088
Total deductions	<u>631,311</u>	<u>34,803,031</u>	<u>43,015,517</u>	<u>40,369,457</u>	<u>118,819,316</u>	<u>24,466,653</u>	<u>230,162</u>	<u>24,696,815</u>	<u>143,516,131</u>
Transfers In (Out)	<u>(118,110,777)</u>	<u>34,778,134</u>	<u>42,993,643</u>	<u>40,339,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Increase (Decrease) in Net Position</b>	<u>162,056,149</u>	<u>40,461</u>	<u>103,916</u>	<u>728</u>	<u>162,201,254</u>	<u>223,569</u>	<u>12,876</u>	<u>236,445</u>	<u>162,437,699</u>
<b>Net Position:</b>	<hr/>								
Beginning of year	766,487,490	293,500	2,015,544	69,796	768,866,330	42,485,117	155,721	42,640,838	811,507,168
End of year	<u>\$ 928,543,639</u>	<u>\$ 333,961</u>	<u>\$ 2,119,460</u>	<u>\$ 70,524</u>	<u>\$ 931,067,584</u>	<u>\$ 42,708,686</u>	<u>\$ 168,597</u>	<u>\$ 42,877,283</u>	<u>\$ 973,944,867</u>

# CITY OF PITTSBURGH, PENNSYLVANIA

## COMBINING STATEMENT OF NET POSITION PRIVATE PURPOSE TRUST FUNDS

DECEMBER 31, 2025

	Private-Purpose Trust Funds		
	Healthcare VEBA	Workers' Compensation VEBA	Total Private-Purpose Trust Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 2,552,417	\$ 17,033,488	\$ 19,585,905
Other assets	88,307	-	88,307
<b>Total Assets</b>	<b>2,640,724</b>	<b>17,033,488</b>	<b>19,674,212</b>
<b>Liabilities</b>			
Pool participants	1,050,409	13,033,488	14,083,897
<b>Total Liabilities</b>	<b>1,050,409</b>	<b>13,033,488</b>	<b>14,083,897</b>
<b>Net Position</b>			
Restricted for Other Benefits	1,590,315	4,000,000	5,590,315
<b>Total Net Pension</b>	<b>\$ 1,590,315</b>	<b>\$ 4,000,000</b>	<b>\$ 5,590,315</b>

# CITY OF PITTSBURGH, PENNSYLVANIA

## COMBINING STATEMENT OF CHANGES IN NET POSITION PRIVATE PURPOSE TRUST FUNDS

YEAR ENDED DECEMBER 31, 2025

	Private-Purpose Trust Funds		
	Healthcare VEBA	Workers' Compensation VEBA	Total Private-Purpose Trust Funds
<b>Additions:</b>			
Contributions:			
Employer - other benefits	\$ 68,221,498	\$ 13,626,903	\$ 81,848,401
Interest and dividends	186,185	798,438	984,623
Other	5,534,506	96,747	5,631,253
Total additions	73,942,189	14,522,088	88,464,277
<b>Deductions:</b>			
Benefit payments - other benefits	81,485,109	12,910,653	94,395,762
Administrative expenses	13,885	1,611,435	1,625,320
Other	502,602	-	502,602
Total deductions	82,001,596	14,522,088	96,523,684
<b>Net Increase (Decrease) in Net Position</b>	(8,059,407)	-	(8,059,407)
<b>Net Position:</b>			
Beginning of year	9,649,722	4,000,000	13,649,722
End of year	\$ 1,590,315	\$ 4,000,000	\$ 5,590,315

# CITY OF PITTSBURGH, PENNSYLVANIA

## COMBINING STATEMENT OF NET POSITION CUSTODIAL FUNDS

DECEMBER 31, 2025

	Custodial Funds		
	Escrows	Property Sales	Total Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 2,050,805	\$ 1,602,031	\$ 3,652,836
Other receivables	745,598	-	745,598
<b>Total Assets</b>	2,796,403	1,602,031	4,398,434
<b>Liabilities</b>			
Deposits held for others	112,456	-	112,456
Escrow liability	2,683,947	1,602,031	4,285,978
<b>Total Liabilities</b>	2,796,403	1,602,031	4,398,434
<b>Net Position</b>			
Restricted for Other Benefits	-	-	-
<b>Total Net Pension</b>	\$ -	\$ -	\$ -

# CITY OF PITTSBURGH, PENNSYLVANIA

## COMBINING STATEMENT OF CHANGES IN NET POSITION CUSTODIAL FUNDS

YEAR ENDED DECEMBER 31, 2025

	Custodial Funds		
	Escrows	Property Sales	Total Custodial Funds
<b>Additions:</b>			
Contributions:			
Employer - other benefits	\$ -	\$ -	\$ -
Interest and dividends	-	-	-
Other:			
Collection of taxes for other entities	9,281,063	-	9,281,063
Other	917,456	1,090,417	2,007,873
Total additions	10,198,519	1,090,417	11,288,936
<b>Deductions:</b>			
Payment of taxes to other entities	9,281,063	-	9,281,063
Other	917,456	1,090,417	2,007,873
Total deductions	10,198,519	1,090,417	11,288,936
<b>Net Increase (Decrease) in Net Position</b>	-	-	-
<b>Net Position:</b>			
Beginning of year	-	-	-
End of year	\$ -	\$ -	\$ -

**CITY OF PITTSBURGH, PENNSYLVANIA**  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CAPITAL PROJECTS FUND  
 YEAR ENDED DECEMBER 31, 2025

	Budget	Actual	Variance
<b>Revenues:</b>			
Intergovernmental	\$ 34,581,789	\$ 34,581,789	\$ -
Total revenues	34,581,789	34,581,789	-
<b>Expenditures:</b>			
Capital projects:			
General government	8,951,971	3,855,153	5,096,818
Public safety	1,457,015	736,024	720,991
Public Works:			
Public works	10,573,014	725,580	9,847,434
Public works-facilities	145,399,018	35,648,757	109,750,261
Mobility and Infrastructure	247,653,872	70,836,542	176,817,330
Community, recreation. and culture:			
Parks and recreation	-	-	-
Intergovernmental	24,839,287	11,065,699	13,773,588
Total expenditures	438,874,177	122,867,755	316,006,422
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(404,292,388)</b>	<b>(88,285,966)</b>	<b>316,006,422</b>
<b>Other Financing Sources (Uses):</b>			
Debt proceeds	62,610,911	62,610,911	-
Transfers in	17,962,978	17,962,978	-
Total other financing sources (uses)	80,573,889	80,573,889	-
<b>Net Change in Fund Balance</b>	<b>\$ (323,718,499)</b>	<b>\$ (7,712,077)</b>	<b>\$ 316,006,422</b>

# CITY OF PITTSBURGH, PENNSYLVANIA

## BUDGETARY COMPARISON SCHEDULE

### CAPITAL PROJECTS FUND

YEAR ENDED DECEMBER 31, 2025

(Amounts expressed in thousands)

#### **Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:**

##### **Sources/Inflows of Resources:**

Actual amounts (budgetary basis) revenues, debt proceeds and transfers in from the budgetary comparison statement. \$ 115,156

The adjustments to convert to GAAP basis, recording of receivables, and revenues not included in budget. 6,430

Total Capital Projects Fund revenue and other financing sources on GAAP basis as reported on the statement of revenues, expenditures, and changes in fund balance. \$ 121,586

##### **Uses/Outflows of Revenues:**

Actual amounts (budgetary basis) of expenditures from the budgetary comparison statement. \$ 122,868

The adjustments to convert to GAAP basis, recording of expenditures, liabilities, and transfers out not included in budget. 5,642

Total Capital Projects Fund expenditures and other financing uses as reported on the statement of revenues, expenditures, and changes in fund balance. \$ 128,510

## **STATISTICAL SECTION**

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CITY OF PITTSBURGH,  
PENNSYLVANIA

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# Statistical Section

This section of the City of Pittsburgh (City) Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	160
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax, and the earned income tax.	166
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	171
<b>Demographic and Economic Information</b>	
These schedules offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	180
<b>Operating Information</b>	
This schedule contains service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	183

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

Table 1  
**CITY OF PITTSBURGH, PENNSYLVANIA**  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
ACCURAL BASIS OF ACCOUNTING

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Primary Governmental Activities:										
Net Investment in Capital Assets	\$ 202,495,788	\$ 166,361,822	\$ 158,668,503	\$ 153,374,503	\$ 163,765,463	\$ 158,701,570	\$ 164,681,719	\$ 144,771,633	\$ 153,629,477	\$ 102,439,691
Restricted	19,528,925	20,556,955	19,828,608	21,781,756	24,933,254	22,325,663	20,360,698	21,651,925	85,878,821	48,307,064
Unrestricted	<u>(1,241,050,798)</u>	<u>(1,204,472,952)</u>	<u>(1,273,786,913)</u>	<u>(1,380,271,726)</u>	<u>(1,506,101,531)</u>	<u>(1,579,061,072)</u>	<u>(1,608,250,997)</u>	<u>(1,624,397,355)</u>	<u>(1,379,305,726)</u>	<u>(1,365,984,973)</u>
<i>Total Primary Government Net Position</i>	<u>\$ (1,019,026,085)</u>	<u>\$ (1,017,554,175)</u>	<u>\$ (1,095,289,802)</u>	<u>\$ (1,205,115,467)</u>	<u>\$ (1,317,402,814)</u>	<u>\$ (1,398,033,839)</u>	<u>\$ (1,423,208,580)</u>	<u>\$ (1,457,973,797)</u>	<u>\$ (1,139,797,428)</u>	<u>\$ (1,215,238,218)</u>

Table 2

## CITY OF PITTSBURGH, PENNSYLVANIA

CHANGES IN NET POSITION  
LAST TEN YEARS  
ACCRUAL BASIS OF ACCOUNTING

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Expenses:</b>										
Governmental Activities:										
General government	\$ 186,221,157	\$ 197,103,539	\$ 171,971,893	\$ 143,491,059	\$ 140,836,243	\$ 110,861,739	\$ 104,814,151	\$ 107,097,053	\$ 79,890,619	\$ 90,146,429
Public safety	372,078,845	357,692,397	349,104,719	333,590,870	309,449,862	301,337,720	342,668,931	303,944,132	310,299,262	317,747,418
Highways and streets	208,244,681	183,456,060	150,469,108	129,466,824	119,265,906	116,992,005	109,108,492	101,336,377	81,409,654	79,833,995
Sanitation	24,162,546	20,319,037	18,833,056	21,866,099	17,391,630	18,258,895	18,633,881	20,981,178	23,206,671	17,484,337
Economic development	17,522,868	12,091,571	8,393,669	6,510,148	10,386,837	9,686,517	11,310,505	15,251,094	14,510,872	13,236,871
Cultural and recreation	15,987,132	14,339,224	13,550,963	12,339,670	11,427,566	8,688,208	10,056,293	12,520,755	9,181,844	11,052,602
Interest on long-term debt and debt subsidies	18,108,354	18,002,520	20,753,989	16,313,253	16,609,375	16,218,984	19,984,134	19,366,707	18,747,955	20,913,636
<i>Total primary government expenses</i>	<u>\$ 842,325,583</u>	<u>\$ 803,004,348</u>	<u>\$ 733,077,397</u>	<u>\$ 663,577,923</u>	<u>\$ 625,367,419</u>	<u>\$ 582,044,068</u>	<u>\$ 616,576,387</u>	<u>\$ 580,497,296</u>	<u>\$ 537,246,877</u>	<u>\$ 550,415,288</u>
<b>Program Revenues:</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 45,625,343	\$ 42,104,079	\$ 40,467,038	\$ 35,247,539	\$ 30,958,194	\$ 28,644,162	\$ 41,656,914	\$ 36,067,403	\$ 40,462,204	\$ 41,875,773
Public safety	36,585,231	31,873,227	34,376,928	30,258,677	23,583,391	17,623,237	25,561,885	22,757,420	22,811,937	19,740,506
Highway and streets	7,755,347	5,076,144	5,631,991	5,218,819	6,179,659	3,946,530	4,179,885	3,892,263	3,694,774	3,817,125
Sanitation	-	-	-	-	-	-	-	-	107,400	124,725
Culture and recreation	1,470,236	1,227,089	1,187,298	704,488	718,311	526,572	1,186,695	1,223,382	2,037,664	1,385,204
Operating grants and contributions	91,514,583	169,568,890	144,375,567	114,602,840	91,485,798	65,485,704	61,501,829	58,326,721	56,121,298	73,533,483
Capital grants and contributions	56,799,281	54,477,162	40,749,351	26,589,731	48,743,407	36,568,346	19,391,451	21,713,899	22,904,318	32,621,061
<i>Total primary government program revenues</i>	<u>\$ 239,750,021</u>	<u>\$ 304,326,591</u>	<u>\$ 266,788,173</u>	<u>\$ 212,622,094</u>	<u>\$ 201,668,760</u>	<u>\$ 152,794,551</u>	<u>\$ 153,478,659</u>	<u>\$ 143,981,088</u>	<u>\$ 148,139,595</u>	<u>\$ 173,097,877</u>
<b>Net (Expense) Revenue:</b>										
Governmental activities	<u>\$ (602,575,562)</u>	<u>\$ (498,677,757)</u>	<u>\$ (466,289,224)</u>	<u>\$ (450,955,829)</u>	<u>\$ (423,698,659)</u>	<u>\$ (429,249,517)</u>	<u>\$ (463,097,728)</u>	<u>\$ (436,516,208)</u>	<u>\$ (389,107,282)</u>	<u>\$ (377,317,411)</u>
<b>General Revenues and Other Changes in Net Position:</b>										
Governmental Activities:										
Taxes:										
Real estate	\$ 150,441,650	\$ 145,167,676	\$ 151,746,089	\$ 151,523,627	\$ 153,691,697	\$ 154,017,792	\$ 147,859,058	\$ 147,825,494	\$ 143,161,069	\$ 142,546,732
Earned income	144,921,673	138,503,607	132,307,434	125,293,601	114,451,864	108,303,323	109,821,901	99,881,265	96,635,845	92,272,255
Business privilege	-	-	-	-	-	-	17,601	1,334	4,253	4,517
Local services	12,972,591	12,433,426	14,607,378	13,810,988	13,763,964	13,063,282	13,877,364	15,540,585	14,017,903	14,238,005
Payroll preparation	84,197,424	73,435,209	72,957,489	83,721,411	60,104,180	64,242,014	66,299,547	66,870,167	63,274,223	61,157,691
Parking	61,215,299	56,950,381	52,704,243	46,238,277	36,776,148	31,268,412	60,567,613	60,364,178	58,758,563	58,419,897
Sales tax from Regional Asset District	39,858,131	35,294,924	38,225,824	31,601,966	33,401,478	28,683,859	29,219,572	29,659,664	27,346,010	28,313,592
Deed transfer	52,979,037	48,934,521	44,693,742	64,857,388	64,187,289	43,985,432	36,861,527	37,028,657	29,763,117	27,976,052
Parks tax	7,916,871	7,319,846	11,179,062	9,632,423	9,746,160	-	-	-	-	-
Amusement	18,417,432	20,780,088	19,157,887	17,395,988	7,514,533	2,504,756	16,173,664	17,392,207	17,341,213	16,656,474
Nonprofit payment for municipal services	737,529	625,941	593,115	187,199	596,913	325,309	738,735	503,416	391,491	433,714
Other	4,017,917	3,027,426	6,485,571	6,451,840	5,324,959	4,360,012	7,141,922	7,117,527	6,788,191	6,712,484
Investment earnings	19,234,148	25,693,879	26,761,073	8,386,746	277,547	1,669,623	6,195,062	3,892,727	1,795,367	640,854
Donations and endowments	2,210,367	4,960,182	3,134,013	3,170,301	3,801,827	1,681,066	2,161,106	1,445,614	4,745,585	2,443,318
Gain(loss) on sale of assets	-	-	-	247,844	148,602	108,032	-	-	(124,887)	-
Miscellaneous	1,983,583	3,286,278	1,561,969	723,577	542,523	211,346	928,273	1,704,577	650,129	1,185,186
<i>Total primary government</i>	<u>\$ 601,103,652</u>	<u>\$ 576,413,384</u>	<u>\$ 576,114,889</u>	<u>\$ 563,243,176</u>	<u>\$ 504,329,684</u>	<u>\$ 454,424,258</u>	<u>\$ 497,862,945</u>	<u>\$ 489,227,412</u>	<u>\$ 464,548,072</u>	<u>\$ 453,000,771</u>
<b>Change in Net Position:</b>										
Primary government - governmental activities	<u>\$ (1,471,910)</u>	<u>\$ 77,735,627</u>	<u>\$ 109,825,665</u>	<u>\$ 112,287,347</u>	<u>\$ 80,631,025</u>	<u>\$ 25,174,741</u>	<u>\$ 34,765,217</u>	<u>\$ 52,711,204</u>	<u>\$ 75,440,790</u>	<u>\$ 75,683,360</u>

Table 3  
**CITY OF PITTSBURGH, PENNSYLVANIA**  
PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST TEN YEARS  
ACCRUAL BASIS OF ACCOUNTING

<u>Function/Program</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Governmental Activities:										
General government	\$ 100,260,477	\$ 163,873,741	\$ 164,017,691	\$ 129,548,390	\$ 101,800,556	\$ 55,105,681	\$ 63,896,303	\$ 50,707,579	\$ 56,529,600	\$ 52,908,014
Public safety	72,411,374	76,868,675	68,319,846	59,015,578	50,671,954	47,837,678	53,939,061	55,574,960	58,558,543	69,917,263
Highways and streets	51,572,994	51,187,992	26,481,636	18,638,785	39,586,288	40,265,508	29,485,339	25,938,432	23,080,841	41,166,791
Sanitation	-	385,192	-	-	442,009	-	378,679	1,160,005	1,280,753	3,036,512
Economic development	11,878,950	7,711,145	2,870,903	2,813,389	5,579,431	6,407,614	2,086,224	5,977,925	5,239,068	2,408,059
Cultural and recreation	3,626,226	4,299,846	5,098,097	2,605,952	3,588,522	3,178,070	3,693,053	4,622,187	3,450,790	3,661,238
Total primary government	<u>\$ 239,750,021</u>	<u>\$ 304,326,591</u>	<u>\$ 266,788,173</u>	<u>\$ 212,622,094</u>	<u>\$ 201,668,760</u>	<u>\$ 152,794,551</u>	<u>\$ 153,478,659</u>	<u>\$ 143,981,088</u>	<u>\$ 148,139,595</u>	<u>\$ 173,097,877</u>

Table 4  
**CITY OF PITTSBURGH, PENNSYLVANIA**  
 FUND BALANCES, GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 MODIFIED ACCRUAL BASIS OF ACCOUNTING

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund:										
Restricted	\$ 9,275,056	\$ 8,266,533	\$ 7,794,189	\$ 9,175,743	\$ 5,940,181	\$ 8,619,704	\$ 9,312,848	\$ 11,183,194	\$ 13,163,423	\$ 13,059,755
Assigned	28,293,445	40,263,118	34,771,254	26,521,122	14,784,374	11,529,075	13,116,845	9,916,168	8,189,298	2,626,144
Unassigned	166,135,120	199,900,441	198,718,585	167,254,349	109,249,142	85,358,705	133,468,962	114,069,887	110,422,643	98,793,635
<i>Total General Fund</i>	<u>203,703,621</u>	<u>248,430,092</u>	<u>241,284,028</u>	<u>202,951,214</u>	<u>129,973,697</u>	<u>105,507,484</u>	<u>155,898,655</u>	<u>135,169,249</u>	<u>131,775,364</u>	<u>114,479,534</u>
All Other Governmental Funds:										
Restricted	59,366,789	118,634,716	99,139,497	93,641,479	125,598,676	90,369,280	75,129,154	66,771,282	72,715,398	35,247,309
Committed	37,536,116	40,109,816	35,252,556	39,987,536	34,186,460	22,592,447	25,333,593	21,411,913	18,839,789	17,383,882
Assigned	151,160,823	95,762,959	94,787,321	77,668,370	33,140,167	41,491,073	36,355,476	21,280,075	19,288,370	23,756,536
<i>Total All Other Governmental Funds</i>	<u>248,063,728</u>	<u>254,507,491</u>	<u>229,179,374</u>	<u>211,297,385</u>	<u>192,925,303</u>	<u>154,452,800</u>	<u>136,818,223</u>	<u>109,463,270</u>	<u>110,843,557</u>	<u>76,387,727</u>
<i>Total Governmental Funds</i>	<u>\$ 451,767,349</u>	<u>\$ 502,937,583</u>	<u>\$ 470,463,402</u>	<u>\$ 414,248,599</u>	<u>\$ 322,899,000</u>	<u>\$ 259,960,284</u>	<u>\$ 292,716,878</u>	<u>\$ 244,632,519</u>	<u>\$ 242,618,921</u>	<u>\$ 190,867,261</u>

Table 5  
**CITY OF PITTSBURGH, PENNSYLVANIA**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS)

(\$'s in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Revenues:</b>										
Taxes	\$ 571,100	\$ 551,314	\$ 544,327	\$ 546,704	\$ 496,688	\$ 448,910	\$ 487,743	\$ 485,000	\$ 452,752	\$ 451,757
Payment in lieu of taxes	738	626	593	187	597	325	739	504	391	434
Interest earnings	19,234	25,757	26,761	8,387	278	1,670	6,195	3,893	1,795	641
Fines and forfeits	10,285	8,681	8,980	10,223	7,733	5,403	10,886	9,386	9,177	10,586
Intergovernmental	116,068	199,437	155,790	123,399	118,384	76,940	54,868	58,308	57,109	86,366
Charges for user services	81,151	71,599	72,684	61,206	53,707	45,337	61,699	54,414	59,486	55,655
Pension state aid	33,041	29,808	28,304	27,047	24,129	25,509	26,420	21,905	22,129	20,491
Miscellaneous	3,797	3,376	2,868	3,889	4,344	2,139	3,197	2,237	5,634	3,700
<b>Total revenues</b>	<b>835,414</b>	<b>890,598</b>	<b>840,307</b>	<b>781,042</b>	<b>705,860</b>	<b>606,233</b>	<b>651,747</b>	<b>635,647</b>	<b>608,473</b>	<b>629,630</b>
<b>Expenditures:</b>										
General government	170,956	200,348	173,251	138,309	127,826	123,913	111,979	133,190	87,827	92,108
Public safety	397,494	400,030	389,651	371,477	348,812	353,775	339,290	319,799	300,472	295,499
Public works	191,524	194,970	164,429	138,797	122,640	129,249	115,151	96,916	96,185	90,665
Sanitation	23,742	22,567	21,927	20,956	20,794	20,731	21,307	19,364	18,643	17,247
Community, recreational, and cultural	16,031	14,297	14,916	12,131	10,424	9,184	10,613	15,741	9,376	9,746
Claims and judgments	7,724	8,311	6,969	2,396	589	2,825	2,097	2,991	2,612	1,984
Economic and physical development	13,905	1,806	3,529	3,264	7,141	7,550	6,721	4,628	8,796	7,769
Bond issue costs	585	383	400	340	286	932	340	138	372	99
Debt service/authorities:										
Interest	19,610	18,888	19,499	18,120	17,334	17,506	20,725	21,310	21,662	24,568
Principal	61,336	58,241	59,800	46,110	39,115	27,730	31,190	53,000	66,173	63,835
Debt subsidies to component units	3,618	3,781	3,246	3,246	3,246	2,136	4,590	6,556	5,842	5,738
Capital outlay	45,988	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>952,513</b>	<b>923,622</b>	<b>857,617</b>	<b>755,146</b>	<b>698,207</b>	<b>695,531</b>	<b>664,003</b>	<b>673,633</b>	<b>617,960</b>	<b>609,258</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(117,099)</b>	<b>(33,024)</b>	<b>(17,310)</b>	<b>25,896</b>	<b>7,653</b>	<b>(89,298)</b>	<b>(12,256)</b>	<b>(37,986)</b>	<b>(9,487)</b>	<b>20,372</b>

(Continued)

Table 5  
**CITY OF PITTSBURGH, PENNSYLVANIA**

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (1)

LAST TEN YEARS  
(MODIFIED ACCRUAL BASIS)

(\$'s in Thousands)  
(Continued)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Other Financing Sources (Uses):</b>										
Bond issuance	\$ 61,095	\$ 52,710	\$ 57,825	\$ 51,115	\$ 46,010	\$ 43,555	\$ 55,420	\$ 40,000	\$ 54,635	\$ -
Refunding bond issuance	-	-	-	-	-	154,095	-	-	-	23,723
Bond premium	2,104	5,751	5,825	9,225	9,276	13,108	4,920	-	6,604	-
Leases and subscription-based information information technology arrangements	2,730	7,037	9,875	5,114	-	5,610	-	-	-	-
Transfers from other funds	108,959	174,742	167,130	143,477	110,111	69,778	79,842	111,391	111,145	108,729
Payments to escrow agents	-	-	-	-	-	(159,826)	-	-	-	(23,624)
Transfers to other funds	(108,959)	(174,742)	(167,130)	(143,477)	(110,111)	(69,778)	(79,842)	(111,391)	(111,145)	(108,729)
Total other financing sources (uses)	<u>65,929</u>	<u>65,498</u>	<u>73,525</u>	<u>65,454</u>	<u>55,286</u>	<u>56,542</u>	<u>60,340</u>	<u>40,000</u>	<u>61,239</u>	<u>99</u>
<b>Net Change in Fund Balance</b>	<u>\$ (51,170)</u>	<u>\$ 32,474</u>	<u>\$ 56,215</u>	<u>\$ 91,350</u>	<u>\$ 62,939</u>	<u>\$ (32,756)</u>	<u>\$ 48,084</u>	<u>\$ 2,014</u>	<u>\$ 51,752</u>	<u>\$ 20,471</u>
Debt service (principal and interest) as a percentage of noncapital expenditures (2)	8.9%	8.8%	9.7%	8.8%	8.3%	6.8%	8.0%	11.3%	15.2%	15.1%

Notes:

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

(2) Excludes debt subsidies to component units.

(Concluded)

Table 6  
**CITY OF PITTSBURGH, PENNSYLVANIA**  
**GOVERNMENTAL FUND TAX REVENUES BY SOURCES**

LAST TEN YEARS

(\$'s in Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Real estate tax	\$ 148,030	\$ 151,769	\$ 147,284	\$ 155,413	\$ 151,951	\$ 151,813	\$ 147,340	\$ 147,239	\$ 143,238	\$ 141,102
Amusement tax	18,310	20,658	19,090	17,341	7,500	2,502	16,125	17,360	17,285	16,624
Payroll preparation tax	80,311	75,715	76,462	75,331	58,779	64,095	65,788	69,459	57,779	65,025
Earned income tax	144,921	138,504	132,307	125,294	114,450	108,300	109,713	99,874	96,627	92,241
Facilities usage fee	2,883	2,137	4,752	4,886	3,803	2,785	5,311	5,396	5,234	5,090
Deed transfer tax	52,979	48,935	44,694	64,857	64,187	43,985	36,862	37,029	29,763	27,976
Parking tax	60,305	56,538	52,638	46,201	36,695	31,258	60,552	60,353	58,663	57,747
Local/Emergency services tax	12,820	12,349	14,541	13,776	13,731	12,994	13,761	15,444	13,912	14,155
Business privilege tax	-	-	-	-	-	-	16	-	2	-
Institution/service tax	89	(116)	136	433	510	573	643	522	587	559
Parks tax	7,917	7,320	11,179	9,632	9,746	-	-	-	-	-
Penalties and interest	1,655	1,212	1,438	808	941	925	1,238	1,469	1,361	1,924
Public service privilege	1,022	998	1,580	1,130	993	996	1,174	1,195	955	1,000
Regional Asset District	39,858	35,295	38,226	31,602	33,402	28,684	29,220	29,660	27,346	28,314
<b>Total tax revenues</b>	<b>\$ 571,100</b>	<b>\$ 551,314</b>	<b>\$ 544,327</b>	<b>\$ 546,704</b>	<b>\$ 496,688</b>	<b>\$ 448,910</b>	<b>\$ 487,743</b>	<b>\$ 485,000</b>	<b>\$ 452,752</b>	<b>\$ 451,757</b>

Note: In 2021, the parks tax was implemented.

Table 7

**CITY OF PITTSBURGH, PENNSYLVANIA****ASSESSED VALUATION AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY  
LAST TEN YEARS**

(\$'s in Thousands)

<b>Year</b>	<b>Total Assessed Value</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Estimated Actual Value (1)</b>	<b>Taxable Rate (mills)</b>	<b>Taxable Value</b>
2016	31,490,413	12,233,050	19,257,363	22,134,900	87.00%	8.060	155,214
2017	31,056,787	11,480,853	19,575,934	22,316,565	87.72%	8.060	157,782
2018	31,486,950	11,472,414	20,014,536	22,873,755	87.50%	8.060	161,317
2019	32,039,380	11,536,260	20,503,120	23,785,522	86.20%	8.060	165,255
2020	32,389,680	11,485,355	20,904,325	23,890,658	87.50%	8.060	168,489
2021	32,830,398	11,678,664	21,151,734	26,081,049	81.10%	8.560	170,483
2022	32,929,750	11,557,317	21,372,433	26,080,211	81.95%	8.560	172,262
2023	33,353,247	11,694,104	21,659,143	39,741,547	54.50%	8.560	174,573
2024	33,409,651	11,535,786	21,873,865	41,506,385	52.70%	8.560	176,303
2025	33,401,278	11,786,436	21,614,842	43,108,979	50.14%	8.560	174,216

Note: Information by major component of assessed value is not available.

(1) - Pennsylvania State Tax Equalization Board - Common Level Ratio (Ratio was adjusted downward as presented for 2023.)

**Table 8**  
**CITY OF PITTSBURGH, PENNSYLVANIA**

PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN YEARS

Fiscal Year	City of Pittsburgh			School district millage	County millage	Total Millage
	Operating millage	Parks millage (1)	Total Direct Rate			
2016	8.060	-	8.060	9.840	4.730	22.630
2017	8.060	-	8.060	9.840	4.730	22.630
2018	8.060	-	8.060	9.840	4.730	22.630
2019	8.060	-	8.060	9.840	4.730	22.630
2020	8.060	-	8.060	9.950	4.730	22.740
2021	8.060	0.500	8.560	9.950	4.730	23.240
2022	8.060	0.500	8.560	10.250	4.730	23.540
2023	8.060	0.500	8.560	10.250	4.730	23.540
2024	8.060	0.500	8.560	10.250	4.730	23.540
2025	8.060	0.500	8.560	10.250	6.430	25.240

Notes:

(1) As of 2021, the City implemented a 0.50 millage park tax.

The basis for the property tax rates is per each \$1,000 of assessed valuation.

Table 9

## CITY OF PITTSBURGH, PENNSYLVANIA

### PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BUNCHER COMPANY	346,013,800	1	1.60%	240,353,300	4	1.25%
HOLDINGS ACQUISITION CO LP	244,524,400	2	1.13%	248,136,300	3	1.29%
PNC BANK CORPORATION	171,004,100	3	0.79%	428,767,800	1	2.23%
MELLON BANK NA	143,114,200	4	0.66%	318,444,600	2	1.65%
HRLP FOURTH AVENUE LLC(PPG)	142,527,600	5	0.66%	179,400,000	6	0.93%
600 GS PROP LP (USS)	141,573,600	6	0.65%	233,211,300	5	1.21%
PGH NATIONAL BANK TRUSTEE	138,893,500	7	0.64%			
PMC PROPERTY GROUP	111,015,300	8	0.51%			
PITTSBURGH CBD LLC (OXFORD CTR)	80,000,000	9	0.37%	154,000,000	7	0.80%
SPUS8 LIBERTY CENTER LP	66,804,000	10	0.31%			
IX LIBERTY CENTER OWNER LP	-			120,000,000	8	0.62%
SOUTH NEGLEY COMMONS ASSOC. LP	-			111,023,500	9	0.58%
LIBERTY AVENUE HOLDINGS LLC				79,000,000	10	0.41%
	<u>1,585,470,500</u>		<u>7.34%</u>	<u>\$ 2,112,336,800</u>		<u>10.56%</u>
Total Taxable Assessed Valuation	<u>\$ 21,614,841,468</u>			<u>\$ 19,257,363,346</u>		

Note: Information obtained from Real Estate Department assessments.

**Table 10**  
**CITY OF PITTSBURGH, PENNSYLVANIA**

ASSESSED VALUE, TAX RATE, LEVY, AND COLLECTIONS

LAST TEN YEARS

(\$'s in Thousands)

Fiscal Year	Taxable Assessed valuation of land and buildings	Land millage	Building millage	Original net levy	Adjusted net levy (1)	Budgeted	Year of original levy			Delinquent taxes			
							(2) Receipts	Percent of original net levy collected	Percent of adjusted net levy collected	Percent of budget collected	Collection		Percent of budget collected
											Budget	Receipts	
2016	\$19,257,363	8.06	8.06	\$155,214	\$136,149	\$134,126	\$136,210	87.8	100.0	101.6	\$ 3,500	\$ 4,424	126.4
2017	19,575,934	8.06	8.06	158,050	137,657	140,082	136,840	86.6	99.4	97.7	3,371	4,694	139.2
2018	20,014,536	8.06	8.06	161,322	139,945	143,845	140,924	87.4	100.7	98.0	3,668	6,162	168.0
2019	20,518,989	8.06	8.06	165,383	143,390	147,533	142,448	86.1	99.3	96.6	5,264	5,021	95.4
2020	20,904,326	8.06	8.06	168,493	149,148	150,080	144,571	85.8	96.9	96.3	4,112	6,246	151.9
2021	21,151,734	8.56	8.56	170,511	150,158	148,757	146,005	85.6	97.2	98.2	4,132	5,600	135.5
2022	21,372,433	8.56	8.56	173,003	153,480	151,374	148,132	85.6	96.5	97.9	4,201	7,482	178.1
2023	21,659,143	8.56	8.56	173,015	156,602	159,328	148,763	86.0	95.0	93.4	844	4,483	531.2
2024	21,873,865	8.56	8.56	174,041	156,983	151,837	151,805	87.2	96.7	100.0	1,746	6,105	349.7
2025	21,614,842	8.56	8.56	177,686	160,104	143,853	146,106	83.9	91.3	101.6	3,533	6,802	192.5

Notes:

(1) Represents net levy as of December 31 of the tax year (i.e., net of exonerations, discounts, and additions granted in that year).

(2) Receipts are net of refunds.

Table 11

## CITY OF PITTSBURGH, PENNSYLVANIA

### RATIOS OF OUTSTANDING DEBT - BY TYPE

#### LAST TEN YEARS

Fiscal Year	General Obligation Bonds (1)	Leases	Financed Purchases	SBITAs	Outstanding Debt	Percentage of Personal Income (2)	Population (3)	Debt per Capita
<u>Governmental Activities:</u>								
2016	\$ 425,637,037	\$ 7,713,856	\$ -	\$ -	\$ 433,350,893	2.95%	305,704	1,418
2017	416,627,243	6,825,565	-	-	423,452,808	2.87%	305,704	1,385
2018	400,277,135	5,882,500	-	-	406,159,635	2.80%	305,704	1,329
2019	427,597,805	4,881,271	-	-	432,479,076	2.90%	305,704	1,415
2020	458,594,820	9,428,542	-	-	468,023,362	1.26%	300,286	1,559
2021	472,710,995	7,422,843	-	-	480,133,838	1.33%	302,971	1,592
2022	487,973,985	8,013,872	(4) 7,026,679	(4) -	503,014,536	1.38%	302,971	1,660
2023	502,122,751	12,554,447	6,172,038	-	520,849,236	1.43%	302,971	1,719
2024	506,710,989	8,883,934	4,927,620	4,635,760	525,158,303	1.43%	302,971	1,709
2025	512,255,161	7,182,421	3,539,722	3,538,909	526,516,213	1.44%	302,971	1,727

1. Presented net of original issuance discounts and premiums

2. Personal income is disclosed on Table 19

3. United States Census Bureau

4. Implementation of GASB 87

Table 12

## CITY OF PITTSBURGH, PENNSYLVANIA

### RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

LAST TEN YEARS

(\$'s in Thousands)

Fiscal Year	Population	Taxable Assessed value	General bonded debt	Less debt service funds	Net general bonded debt	Ratio of net general bonded debt to assessed value	Net general bonded debt per capita
2016	306	\$ 19,257,363	\$ 425,637	\$ -	\$ 425,637	2.21%	1,391
2017	306	19,575,934	416,627	-	416,627	2.13%	1,362
2018	306	20,014,536	400,277	-	400,277	2.00%	1,308
2019	306	20,518,989	427,598	-	427,598	2.08%	1,397
2020	300	20,904,326	458,595	-	458,595	2.19%	1,529
2021	303	21,151,734	472,711	-	472,711	2.23%	1,560
2022	303	21,372,433	487,974	-	487,974	2.28%	1,610
2023	303	21,659,143	502,123	-	502,123	2.32%	1,657
2024	303	21,873,865	506,711	-	506,711	2.32%	1,672
2025	303	21,614,842	512,255	-	512,255	2.37%	1,691

Table 13

## CITY OF PITTSBURGH, PENNSYLVANIA

### RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT (1) TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

LAST TEN YEARS

(\$'s in Thousands)

Fiscal Year	Principal	Interest (2)	Total debt service	Total general governmental expenditures	Ratio of debt to general governmental expenditures
2016	\$ 63,835	\$ 24,569	\$ 88,404	\$ 609,258	14.51%
2017	66,173	20,795	86,968	617,960	14.07%
2018	53,000	21,310	74,310	673,633	11.03%
2019	31,190	20,725	51,915	664,003	7.82%
2020	27,730	17,506	45,236	699,642	6.47%
2021	39,115	17,334	56,449	698,207	8.08%
2022	42,610	17,414	60,024	755,146	7.95%
2023	46,845	17,745	64,590	857,617	7.53%
2024	50,925	17,921	68,846	916,576	7.51%
2025	54,420	18,982	73,402	952,513	7.71%

Notes:

(1) City of Pittsburgh bonds only.

(2) Excludes bond issuance and other costs.

Table 14

**CITY OF PITTSBURGH, PENNSYLVANIA**

## COMPUTATION OF DIRECT AND OVERLAPPING DEBT

DECEMBER 31, 2025

(\$s in Thousands)

Jurisdiction	Debt outstanding	Percentage applicable to City	Amount applicable to City
Direct debt:			
City of Pittsburgh:			
General obligation	\$ 512,561	100%	\$ 512,561
Financed purchases	3,540	100%	3,540
Leases	7,182	100%	7,182
SBITAs	3,539	100%	3,539
Total direct debt	526,822		526,822
Overlapping debt:			
Pittsburgh Water and Sewer Authority	1,571,851	0%	(1) -
Parking Authority	27,567	100%	27,567
The School District of Pittsburgh	334,044	100%	334,044
Allegheny County	953,463	25%	(2) 238,366
Total overlapping	2,886,925		599,977
Total direct and overlapping debt	\$ 3,413,747		\$ 1,126,799

(1) - Direct obligations of the Pittsburgh Water and Sewer Authority are not considered debt of the City of Pittsburgh.

(2) - Based on percent of population of the City of Pittsburgh compared to Allegheny County

Table 15

## CITY OF PITTSBURGH, PENNSYLVANIA

### NET DEBT AND REMAINING DEBT INCURRING MARGIN IN ACCORDANCE WITH ACT NO. 52, APPROVED APRIL 28, 1978

#### LOCAL GOVERNMENT UNIT DEBT ACT

DECEMBER 31, 2025

	Nonelectoral debt	Lease rental debt
Gross debt (1):		
Principal amount of bonds issued and outstanding:		
General obligation	\$ 467,390,000	\$ -
Finance purchases	-	3,539,722
	467,390,000	3,539,722
Total gross debt		
	467,390,000	3,539,722
Items deductible from gross debt:		
Cash and legal investments held in sinking fund for payment of bonds and notes	3,978,873	-
Delinquent real estate taxes	7,332,548	-
Self-liquidating and subsidized debt:	-	-
	11,311,421	-
Total deductions		
	11,311,421	-
Net debt	\$ 456,078,579	\$ 3,539,722

(Continued)

- (1) Direct obligations of the Pittsburgh Water in the amount of \$1,374,239,000 are not considered debt of the City of Pittsburgh for purposes of this calculation.

Table 15

## CITY OF PITTSBURGH, PENNSYLVANIA

NET DEBT AND REMAINING DEBT INCURRING MARGIN  
IN ACCORDANCE WITH ACT NO. 52, APPROVED APRIL 28, 1978

### LOCAL GOVERNMENT UNIT DEBT ACT

DECEMBER 31, 2025  
(Continued)

<b>Allocation of Total Net Debt</b>	
Net nonelectoral debt	\$ 456,078,579
Net lease rental debt	<u>3,539,722</u>
Net nonelectoral and lease rental debt	<u><u>\$ 459,618,301</u></u>

<b>Debt Incurring Margin</b>			
	2023	2024	2025
Total net revenue of the City	<u>\$ 645,787,417</u>	<u>\$ 663,831,957</u>	<u>\$ 611,165,461</u>
Borrowing base (arithmetic average of total net revenue for said three fiscal years)			<u><u>\$ 640,261,612</u></u>

	<b>Net nonelectoral debt (borrowing base x 250%)</b>	<b>Net nonelectoral and lease rental debt (borrowing base x 350%)</b>
Debt limitations	\$ 1,600,654,029	\$ 2,240,915,641
Less existing net debt	<u>(456,078,579)</u>	<u>(459,618,301)</u>
Remaining debt incurring margin	<u><u>\$ 1,144,575,450</u></u>	<u><u>\$ 1,781,297,340</u></u>

(Concluded)

Table 16  
**CITY OF PITTSBURGH, PENNSYLVANIA**

LEGAL DEBT MARGIN INFORMATION  
 LAST TEN YEARS  
 (dollars in thousands)

	<u>Debt limit</u>	<u>Total Net Debt applicable to limit</u>	<u>Legal debt margin</u>	<u>Legal debt margin %</u>
2025	\$ 1,600,654	\$ (456,079)	\$ 1,144,576	71.51%
2024	1,628,883	(450,658)	1,178,225	72.33%
2023	1,544,314	(417,153)	1,127,161	72.99%
2022	1,442,435	(382,646)	1,059,789	73.47%
2021	1,373,338	(348,202)	1,025,136	74.65%
2020	1,355,090	(318,267)	1,036,823	76.51%
2019	1,350,030	(272,931)	1,077,099	79.78%
2018	1,305,292	(229,387)	1,075,905	82.43%
2017	1,253,251	(229,025)	1,024,226	81.73%
2016	1,200,164	(218,682)	981,482	81.78%

Note: The State of Pennsylvania's Local Government Unit Debt Act determines the calculation of the Legal Debt Margin. See Table 15.

**Table 17**  
**CITY OF PITTSBURGH, PENNSYLVANIA**

REVENUE BOND COVERAGE  
PITTSBURGH WATER AND SEWER AUTHORITY

LAST TEN YEARS

(\$'s in Thousands)

Fiscal Year	Gross revenues	(1) Operating expenses	Net revenue available for debt service	Principal	Interest	Total	Coverage
2016	\$ 180,727	\$ 131,936	\$ 48,791	\$ 22,004	\$ 36,966	\$ 58,970	0.83
2017	202,996	157,220	45,776	22,481	34,913	57,394	0.80
2018	231,734	153,180	78,554	24,603	34,365	58,968	1.33
2019	249,049	165,230	83,819	23,140	38,740	61,880	1.35
2020	241,997	169,507	72,490	26,842	37,463	64,305	1.13
2021	269,121	179,900	89,221	27,879	39,431	67,310	1.33
2022	287,166	184,743	102,423	33,403	40,687	74,090	1.38
2023	298,716	210,353	88,363	36,172	43,210	79,382	1.11
2024	343,987	213,213	130,774	38,725	46,604	85,329	1.53
2025	356,976	230,286	126,690	43,355	50,255	93,610	1.35

(1) Total operating expenses exclusive of depreciation and amortization.

**Table 18**  
**CITY OF PITTSBURGH, PENNSYLVANIA**

REVENUE BOND COVERAGE  
THE STADIUM AUTHORITY OF THE CITY OF PITTSBURGH (1)

LAST TEN YEARS

(\$'s in Thousands)

Fiscal Year	Gross revenues (2)	Operating expenses (3)	Net revenue available for debt service	Debt service requirements			Coverage (4)
				Principal	Interest	Total	
2016	\$ 7,532	\$ 2,407	\$ 5,125	\$ 3,189	\$ 570	\$ 3,759	1.36
2017	7,591	2,621	4,970	678	564	1,242	1.36
2018	10,474	3,981	6,493	973	940	1,913	3.39
2019	10,956	4,281	6,675	1,040	875	1,915	3.49
2020	5,317	2,362	2,955	1,695	845	2,540	1.16
2021	6,790	2,764	4,026	846	813	1,659	2.43
2022	7,586	3,243	4,343	883	833	1,716	2.53
2023	8,829	3,636	5,193	924	791	1,715	3.03
2024	9,844	4,055	5,789	969	747	1,716	3.37
2025	10,061	4,130	5,931	940	698	1,638	3.62

(1) Figures presented are for the fiscal year end of March 31 (2016-2018) and fiscal year end December 31 (2019-2025).

(2) Total revenues including interest.

(3) Total operating expenses exclusive of depreciation, interest, baseball lease credit adjustments, and loss on disposal of turf.

(4) The City of Pittsburgh guarantees the payment of Stadium Authority debt service and/or operating losses.

Table 19

**CITY OF PITTSBURGH, PENNSYLVANIA**

## DEMOGRAPHIC AND ECONOMIC STATISTICS

## LAST TEN YEARS

Fiscal Year	(1) Population	(2) Per capita income	(5) Personal income	(1) Median age	(3) School enrollment	(4) Unemployment rate percentage
2016	305,704	50,756	48,092	33.2	23,286	5.2%
2017	305,704	51,187	48,199	33.5	22,362	4.5%
2018	305,704	58,521	48,305	32.9	23,331	3.8%
2019	305,704	58,383	48,411	34	23,152	4.6%
2020	302,971	58,472	48,713	32.9	21,603	4.4%
2021	302,971	58,289	50,536	33.3	20,350	5.3%
2022	302,971	59,975	54,306	33.4	20,080	3.7%
2023	302,971	60,556	59,384	33.5	19,616	2.9%
2024	302,971	64,137	60,187	33.5	18,312	2.7%
2025	302,971	67,559	65,742	33.6	17,937	3.3%

## Data Sources:

- (1) Census Bureau
- (2) U.S. Bureau of Economic Analysis
- (3) School District of Pittsburgh
- (4) U.S. Department of Labor, Bureau of Labor Statistics
- (5) [www.opendatane트워크.com](http://www.opendatane트워크.com)

Table 20

## CITY OF PITTSBURGH, PENNSYLVANIA

### PRINCIPAL EMPLOYERS

#### CURRENT YEAR AND NINE YEARS AGO

Employer	2025			2016		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment
University of Pittsburgh Medical Center	63,000	1	10.14 %	43,000	1	6.87 %
Highmark Health	25,973	2	4.18	22,000	2	3.52
U.S. Government	19,697	3	3.17	17,347	3	2.77
FedEx Corp.	17,000	4	2.74	-		
Commonwealth of Pennsylvania	15,163	5	2.44	12,822	4	2.05
University of Pittsburgh	14,491	6	2.33	12,386	5	1.98
PNC Financial Services Group, Inc.	11,240	7	1.81	11,432	6	
Giant Eagle	11,007	8	1.77	10,742	7	1.72
Wal-Mart Stores Inc.	8,200	9	1.32	6,200	10	0.99
BNY Mellon	7,000	10	1.13	7,000	8	1.12
Allegheny County	-		-	6,750	9	1.08
Total	<u>192,771</u>		<u>31.02 %</u>	<u>149,679</u>		<u>22.10 %</u>
Total Employees	<u>621,447</u>			<u>625,560</u>		

Source: Pittsburgh Business Times, "2024 TO 2025 Book of Lists"

(1): Employed Persons in Allegheny County

Note: Information on this schedule is intended for use as a general guideline. The City does not warrant the accuracy of this data. Only those who responded to the survey are included.

Table 21

**CITY OF PITTSBURGH, PENNSYLVANIA**

## PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS

LAST TEN YEARS

Fiscal Year	(\$'s in Thousands) Property value (1)	Number of permits issued (2)	Dollar value (3)	(\$'s in Thousands) Bank deposits (4)
2016	\$ 19,257,363	12,721	\$ 1,398,555	\$ 119,405,732
2017	19,575,934	12,645	1,077,385	100,669,655
2018	20,014,536	10,659	1,087,786	102,570,651
2019	20,518,990	10,888	1,292,202	127,346,163
2020	20,904,326	9,306	1,439,361	147,897,908
2021	21,151,734	10,555	1,681,806	171,611,729
2022	21,372,433	10,119	1,773,459	180,367,571
2023	21,659,143	10,479	1,712,337	218,349,026
2024	21,873,865	8,414	1,968,343	219,055,600
2025	21,614,842	9,164	1,294,000	216,910,000

## Notes:

(1) Assessed value from Table 7

## Data Sources:

(2) Bureau of Permits, Licensing and Inspection (City of Pittsburgh)

(3) Value of Construction Project and Permits from Department of Permits, Licenses, and Inspection

(4) FDIC, Reports and Analysis (As of June 30th)

Table 22  
**CITY OF PITTSBURGH, PENNSYLVANIA**

CITY EMPLOYMENT

LAST TEN YEARS

Fiscal Year	(1) Regular budgeted positions	(2) Actual subsequent January payroll
2016	3,255	3,106
2017	3,281	3,233
2018	3,309	3,369
2019	3,373	3,298
2020	3,388	3,526
2021	3,390	3,225
2022	3,390	3,287
2023	3,540	3,256
2024	3,607	3,217
2025	3,572	3,278

**Note:**

- (1) 2025 Operating Budget Book
- (2) Human Resources & Civil Services Department

Table 23

## CITY OF PITTSBURGH, PENNSYLVANIA

### FULL-TIME EQUIVALENT MUNICIPAL EMPLOYEES BY FUNCTION/PROGRAM

#### LAST TEN YEARS

<u>Function/program</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
General Government:										
City Council-City Clerk	57	58	51	47	41	41	41	40	40	41
Mayor's Office	39	46	45	13	14	14	14	14	14	15
Innovation & Performance (C.I.S.)	68	67	65	72	78	78	72	66	63	62
Commission on Human Relations	8	8	8	8	8	7	7	8	8	5
City Controller	57	58	60	57	57	57	57	54	55	56
Finance Department	46	45	52	51	52	52	52	57	59	75
Law	41	50	45	43	44	43	41	40	39	42
Human Resources & Civil Service	58	58	58	55	57	57	56	56	55	62
City Planning	54	67	60	56	58	58	61	57	57	41
Office of Equality	0	0	0	9	14	15	14	13	12	10
Office of Community Health & Safety	0	0	0	3	0	0	0	0	0	0
Office of Immigrant and Refugee Affairs	0	0	0	2	0	0	0	0	0	0
Office of Management & Budget	43	32	32	24	24	24	24	25	25	23
Permits, Licenses, and Inspections	120	120	110	98	89	89	89	84	79	74
Public Safety:										
Administration and Crossing Guards	135	136	127	137	65	64	62	60	49	24
Police	875	910	955	956	1045	1063	1065	1057	1056	1070
Stop the Violence	66	57	33	17	17	0	0	0	0	0
Emergency Medical Services	219	219	219	213	211	211	206	199	199	180
Fire	679	679	670	670	670	670	670	659	659	664
Animal Control	17	16	16	16	16	16	15	15	15	17
Office of Municipal Investigations	8	0	0	0	0	0	0	0	0	0
Public Works:										
Administration	31	24	26	17	13	13	13	16	13	14
Operations	410	427	386	330	342	341	336	334	419	351
Environmental Services	203	195	179	180	193	193	196	196	198	200
Engineering	0	0	0	0	0	0	0	0	62	65
Facilities	88	90	91	90	91	91	93	91	0	0
Mobility and Infrastructure	122	119	112	106	97	97	95	74	4	0
Parks and Recreation	119	117	131	112	87	88	88	88	95	158
Non-Departmental										
Citizens Review Board	9	9	9	8	6	6	6	6	6	6
Totals:	<u>3572</u>	<u>3607</u>	<u>3540</u>	<u>3390</u>	<u>3389</u>	<u>3388</u>	<u>3373</u>	<u>3309</u>	<u>3281</u>	<u>3255</u>

## Note:

In 2018, Engineering was moved to Mobility and Infrastructure.

## Source:

Payroll Department

Table 24

## CITY OF PITTSBURGH, PENNSYLVANIA

## OPERATING INDICATORS

LAST TEN FISCAL YEARS

Function/Program

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Public Safety</b>										
<b>Police</b>										
Traffic Stops	7,420	4,868	6,916	6,883	10,243	9,912	20,562	23,818	29,196	17,517
Arrests	8,855	7,339	7,180	6,710	7,405	7,833	14,205	12,499	13,517	12,520
Calls for services	188,619	184,656	192,817	196,129	218,881	227,877	247,267	249,913	244,525	230,000
<b>EMS</b>										
Total # of Dispatches	100,391	89,544	75,194	84,917	80,882	66,788	63,096	72,592	73,323	73,415
On-Scene Response	72,256	62,772	61,410	61,785	58,807	51,611	54,079	56,301	57,537	57,688
Transports for all Units	39,608	42,410	41,312	42,041	40,124	28,196	41,719	41,101	42,120	42,405
Average Unit Hour Utilization	0.36	0.44	0.32	0.32	0.29	0.38	0.58	0.41	0.46	0.46
Total Ambulance Billings Receipts	\$ 21,581,754	\$ 21,360,001	\$ 18,330,827	\$ 16,928,733	\$ 13,203,288	\$ 11,284,590	\$ 13,055,377	\$ 11,682,761	\$ 7,528,152	\$ 8,651,606
<b>Fire</b>										
Total # of Incidents	63,203	54,205	50,402	35,660	34,854	33,590	49,660	50,009	50,192	49,475
Total # of Arson Investigations	451	418	383	406	453	401	487	419	413	478
<b>Public Works</b>										
<b>Environmental Services</b>										
Residential Refuse Collection-Tonnage	79,254	80,060	82,135	86,145	94,322	96,640	88,490	86,257	89,218	86,664
Recycling Tonnage	21,580	13,738	18,520	14,888	15,389	13,665	14,401	15,769	16,171	16,047
Recycling Revenue	\$ 97,274	\$ 145,545	\$ 23,955	\$ 216,201	\$ 228,595	\$ 10,612	NA	\$ 8,363	\$ 7,750	\$ 13,777
<b>Parks and Recreation</b>										
Skating Rink-Attendance	14,956	14,713	14,713	17,593	15,793	6,136	NA(1)	NA	14,884	18,741
Public Pools-Attendance	182,547	162,890	126,592	115,124	95,641	7,144	166,496	179,132	183,778	218,010
Recreation-Attendance	74,090	99,780	141,408	138,635	15,143	25,573	107,667	120,821	139,691	152,160
Tennis Fees	\$ 599,583	\$ 592,660	\$ 557,403	\$ 189,267	\$ 360,013	\$ 235,934	\$ 446,130	\$ 440,919	\$ 365,066	\$ 367,720

Source: City Departments

NA - not available for Annual Report issuance

NA(1) - closed for renovation

Table 25

## CITY OF PITTSBURGH, PENNSYLVANIA

### CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

Function/Program

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Public Safety</b>										
Police Vehicles	368	250	250	290	295	304	299	219	338	329
Fire Trucks	84	60	40	38	38	38	38	37	39	39
Fire Stations	30	30	30	30	36	36	36	36	36	36
<b>Environmental Services</b>										
Tractors/Mowers	179	183	200	67	67	66	66	62	69	47
Recycling Trucks	18	24	18	20	11	8	8	8	8	8
<b>Parks and Recreation</b>										
Recreation Centers	10	10	11	10	10	10	10	10	10	10
Senior Community Centers	11	11	13	13	13	13	13	13	13	13
Tennis Courts	75	75	75	75	75	87	87	87	87	87
Swimming Pools	18	15	15	18	18	18	18	18	18	18
Playgrounds	124	124	124	124	128	128	128	128	128	128
Pickleball Courts	24	24	24	15	-	-	-	-	-	-

Source: City Departments

## **OTHER SECTION**

# CITY OF PITTSBURGH, PENNSYLVANIA

## SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

YEAR ENDED DECEMBER 31, 2025

<u>Official</u>	<u>Budgeted Annual Salary</u>	<u>Amount of Surety Bond</u>
Mayor	\$ 136,219	\$ 250,000
Director, OMB	135,574	250,000
Director of Finance	109,757	250,000
Controller	90,022	250,000
Members of City Council (9)	89,585	-

# CITY OF PITTSBURGH, PENNSYLVANIA

## SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2025

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
General Obligation Bonds, 2014	08/28/14	\$ 44,470,000	\$ 6,035,000	\$2,545,000 in 2026 \$3,490,000 in 2027	5.00 5.00	\$ 181,050	\$ 2,545,000
General Obligation Bonds, 2017	04/27/17	54,635,000	38,495,000	\$2,780,000 in 2026 \$2,915,000 in 2027 \$3,065,000 in 2028 \$3,215,000 in 2029 \$3,315,000 in 2030 \$3,480,000 in 2031 \$3,620,000 in 2032 \$3,765,000 in 2033 \$3,915,000 in 2034 \$4,110,000 in 2035	5.00 5.00 5.00 3.00 5.00 4.00 4.00 4.00 5.00 5.00	1,751,800	2,780,000
General Obligation Bonds, 2019	02/14/19	55,420,000	43,760,000	\$2,285,000 in 2026 \$2,400,000 in 2027 \$2,520,000 in 2028 \$2,645,000 in 2029 \$2,780,000 in 2030 \$2,920,000 in 2031 \$3,065,000 in 2032 \$3,185,000 in 2033 \$3,315,000 in 2034 \$3,445,000 in 2035 \$3,585,000 in 2036 \$3,730,000 in 2037 \$3,875,000 in 2038 \$4,010,000 in 2039	5.00 5.00 5.00 5.00 5.00 5.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00	1,866,475	2,285,000
Carry forward			<u>88,290,000</u>			<u>3,799,325</u>	<u>7,610,000</u>

(Continued)

**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds Brought Forward	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
			88,290,000			3,799,325	7,610,000
General Obligation Bonds, 2020	04/13/20	43,555,000	35,945,000	\$1,705,000 in 2026 \$1,790,000 in 2027 \$1,880,000 in 2028 \$1,970,000 in 2029 \$2,070,000 in 2030 \$2,175,000 in 2031 \$2,280,000 in 2032 \$2,395,000 in 2033 \$2,490,000 in 2034 \$2,590,000 in 2035 \$2,695,000 in 2036 \$2,805,000 in 2037 \$2,915,000 in 2038 \$3,030,000 in 2039 \$3,155,000 in 2040	5.00 5.00 5.00 5.00 5.00 5.00 5.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00 4.00	1,576,500	1,705,000
General Obligation Bonds, 2020A	08/05/20	32,580,000	23,755,000	\$2,540,000 in 2026 \$2,665,000 in 2027 \$2,800,000 in 2028 \$2,940,000 in 2029 \$3,060,000 in 2030 \$3,180,000 in 2031 \$3,305,000 in 2032 \$3,265,000 in 2033	5.00 5.00 5.00 4.00 4.00 4.00 3.00 3.00	964,550	2,540,000
General Obligation Bonds, 2020B	08/05/20	121,515,000	60,720,000	\$38,355,000 in 2026 \$615,000 in 2027 \$4,220,000 in 2028 \$4,285,000 in 2029 \$4,350,000 in 2030 \$4,425,000 in 2031 \$4,470,000 in 2032	1.19 1.36 1.56 1.62 1.68 1.80 1.91	837,537	38,355,000
Carry forward			208,710,000			5,375,825	50,210,000

(Continued)

**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
Brought Forward			208,710,000			5,375,825	50,210,000
General Obligation Bonds, 2021	03/25/21	46,010,000	45,990,000	\$5,000 in 2026 \$2,180,000 in 2027 \$2,285,000 in 2028 \$2,400,000 in 2029 \$2,520,000 in 2030 \$2,650,000 in 2031 \$2,780,000 in 2032 \$2,920,000 in 2033 \$3,065,000 in 2034 \$3,190,000 in 2035 \$3,315,000 in 2036 \$3,450,000 in 2037 \$3,585,000 in 2038 \$3,730,000 in 2039 \$3,880,000 in 2040 \$4,035,000 in 2041	5.00 5.00	2,415,250	5,000
General Obligation Bonds, 2022	04/05/22	51,115,000	46,240,000	\$1,790,000 in 2026 \$1,880,000 in 2027 \$1,970,000 in 2028 \$2,070,000 in 2029 \$2,175,000 in 2030 \$2,285,000 in 2031 \$2,400,000 in 2032 \$2,515,000 in 2033 \$2,645,000 in 2034 \$2,775,000 in 2035 \$2,915,000 in 2036 \$3,060,000 in 2037 \$3,215,000 in 2038 \$3,375,000 in 2039 \$3,545,000 in 2040 \$3,720,000 in 2041 \$3,905,000 in 2042	5.00 5.00	2,312,000	1,790,000
Carry forward			300,940,000			7,791,075	52,005,000

(Continued)



**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
Brought Forward			406,295,000			10,503,075	55,610,000
General Obligation Bonds, 2025	03/18/25	61,095,000	61,095,000	\$1,890,000 in 2026 \$1,985,000 in 2027 \$2,085,000 in 2028 \$2,190,000 in 2029 \$2,295,000 in 2030 \$2,410,000 in 2031 \$2,535,000 in 2032 \$2,660,000 in 2033 \$2,790,000 in 2034 \$2,930,000 in 2035 \$3,080,000 in 2036 \$3,230,000 in 2037 \$3,360,000 in 2038 \$3,495,000 in 2039 \$3,635,000 in 2040 \$3,780,000 in 2041 \$3,930,000 in 2042 \$4,095,000 in 2043 \$4,270,000 in 2044 \$4,450,000 in 2045	5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 4.00 4.00 4.00 4.00 4.00 4.00 4.125 4.25 4.25 4.25	2,749,250	1,890,000
Subtotal			467,390,000			13,252,325	57,500,000
Plus: Net bond premiums/discounts			44,865,160				
Financed purchase, 2020		5,610,255	1,065,249	\$527,927 in 2026 \$537,324 in 2027	1.80 1.80	18,961	527,927
Financed purchase, 2022		3,131,745	2,474,473	\$461,818 in 2026 \$477,794 in 2027 \$494,322 in 2028 \$511,422 in 2029 \$529,114 in 2030	3.50 3.50 3.50 3.50 3.50	85,599	461,818
Total: General obligation bonds payable and notes payable			<u>\$ 515,794,882</u>			<u>\$ 13,356,885</u>	<u>\$ 58,489,745</u>

(Continued)

# CITY OF PITTSBURGH, PENNSYLVANIA

## SCHEDULE OF BONDS AND NOTES PAYABLE

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
Parking Authority Refunding Bonds, Series 2015 A	10/15/15	\$ 67,395,000	\$ 3,985,000	\$3,985,000 in 2026	5.00	\$ 199,250	\$ 3,985,000
Parking Authority Refunding Bonds, Series 2020	11/19/20	23,490,000	23,490,000	\$4,045,000 in 2027 \$3,985,000 in 2028 \$3,935,000 in 2029 \$3,890,000 in 2030 \$3,845,000 in 2031 \$3,790,000 in 2032	1.99 2.23 2.33 2.48 2.58 2.68	558,413	-
Subtotal			27,475,000			757,663	3,985,000
Plus: Bond premium			91,989				
Total Public Parking Authority Bonds and Notes Payable			<u>\$ 27,566,989</u>			<u>\$ 757,663</u>	<u>\$ 3,985,000</u>

(Continued)

**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
<u>Pittsburgh Water Bonds</u>							
First Lien Revenue Bonds, 1998 Series B (zero coupon bonds)	3/1/1998	\$ 36,440,070	\$ 81,881,000	\$26,930,000 in 2027 \$26,930,000 in 2028 \$26,930,000 in 2029 \$14,660,000 in 2030	5.31 5.28 5.30 5.23	-	-
First Lien Revenue Refunding Bonds, 2017 Series A	12/21/17	159,795,000	50,655,000	\$28,535,000 in 2026 \$3,060,000 in 2027 \$3,210,000 in 2028 \$3,375,000 in 2029 \$3,545,000 in 2030 \$5,105,000 in 2031 \$3,825,000 in 2032	5.00 5.00 5.00 5.00 5.00 3.00 3.00	2,354,000	28,535,000
First Lien Revenue Refunding Bonds, 2017 Series C	12/28/17	218,805,000	146,057,000	\$750,000 in 2032 \$915,000 in 2033 \$3,997,000 in 2034 \$13,965,000 in 2035 \$17,010,000 in 2036 \$17,760,000 in 2037 \$18,543,000 in 2038 \$32,675,000 in 2039 \$40,442,000 in 2040	4.25 5.25 5.25 5.25 5.25 5.25 5.25 5.25	5,692,000	-
Pennvest Revolving Loans	Various	292,957,000	292,957,000	\$12,679,000 in 2026 \$18,746,000 in 2027 \$29,117,000 in 2028 \$21,214,000 in 2029 \$23,063,000 in 2030 \$22,176,000 in 2031 \$17,304,000 in 2032 \$16,539,000 in 2033 \$16,760,000 in 2034 \$16,702,000 in 2035 \$15,939,000 in 2036 \$12,857,000 in 2037 \$11,235,000 in 2038 \$11,105,000 in 2039 \$8,092,000 in 2040 \$7,466,000 in 2041 \$7,040,000 in 2042 \$5,727,000 in 2043 \$5,737,000 in 2044 \$4,728,000 in 2045 \$3,596,000 in 2046 \$2,468,000 in 2047 \$795,000 in 2048 \$803,000 in 2049 \$811,000 in 2050 \$258,000 in 2051	Variable	461,000	3,139,000
Carry forward			<u>571,550,000</u>			<u>8,507,000</u>	<u>31,674,000</u>

**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
Brought Forward			571,550,000			8,507,000	31,674,000
SWAP Borrowing, 2017	12/28/17	70,869,000	31,710,000	\$2,207,000 in 2026 \$2,262,000 in 2027 \$2,318,000 in 2028 \$2,375,000 in 2029 \$2,434,000 in 2030 \$2,495,000 in 2031 \$2,554,000 in 2032 \$2,611,000 in 2033 \$2,636,000 in 2034 \$2,527,000 in 2035 \$2,275,000 in 2036 \$1,973,000 in 2037 \$1,648,000 in 2038 \$1,156,000 in 2039 \$240,000 in 2040	3.80 3.80	775,000	2,207,000
Subordinate Revenue Refunding Bonds, 2019 Series B	06/18/19	104,290,000	104,290,000	\$2,990,000 in 2030 \$15,405,000 in 2031 \$25,600,000 in 2032 \$26,635,000 in 2033 \$27,880,000 in 2034 \$5,780,000 in 2035	5.00 5.00 5.00 5.00 4.00 4.00	4,878,000	-
Carry forward			707,550,000			14,160,000	33,881,000

(Continued)







**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds Brought Forward	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
			<u>1,039,497,000</u>			<u>24,756,050</u>	<u>40,251,000</u>
First Lien Revenue Bonds, 2023 Series A	07/03/23	106,075,000	103,545,000	\$1,780,000 in 2026 \$1,870,000 in 2027 \$1,965,000 in 2028 \$2,060,000 in 2029 \$2,165,000 in 2030 \$2,275,000 in 2031 \$2,385,000 in 2032 \$2,505,000 in 2033 \$2,630,000 in 2034 \$2,765,000 in 2035 \$2,900,000 in 2036 \$3,045,000 in 2037 \$3,200,000 in 2038 \$3,360,000 in 2039 \$3,525,000 in 2040 \$3,700,000 in 2041 \$3,885,000 in 2042 \$4,080,000 in 2043 \$23,680,000 in 2048 \$29,770,000 in 2053	5.00 5.00	5,954,000	1,780,000
First Lien Revenue Refunding Bonds, 2023 Series B	07/03/23	144,530,000	130,000,000	\$9,100,000 in 2030 \$9,305,000 in 2031 \$2,380,000 in 2032 \$6,490,000 in 2033 \$3,725,000 in 2034 \$17,135,000 in 2035 \$20,960,000 in 2036 \$21,980,000 in 2037 \$23,050,000 in 2038 \$10,810,000 in 2039 \$5,065,000 in 2040	5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00	-	9,100,000
Federal Loan - Water Infrastructure Finance and Innovation Act	05/16/23	52,500,000	<u>21,280,000</u>	Repayment to begin upon completion of project	SLGS rate plus .01%	-	-

**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
Brought Forward			<u>1,294,322,000</u>			<u>30,710,050</u>	<u>51,131,000</u>
First Lien Revenue Bonds, 2025 Series A	01/29/25	129,220,000	<u>129,220,000</u>	\$2,065,000 in 2027	5.00	<u>6,520,000</u>	-
				\$2,170,000 in 2028	5.00		
				\$2,280,000 in 2029	5.00		
				\$2,390,000 in 2030	5.00		
				\$2,510,000 in 2031	5.00		
				\$2,635,000 in 2032	5.00		
				\$2,770,000 in 2033	5.00		
				\$2,910,000 in 2034	5.00		
				\$3,055,000 in 2035	5.00		
				\$3,205,000 in 2036	5.00		
				\$3,365,000 in 2037	5.00		
				\$3,535,000 in 2038	5.00		
				\$3,710,000 in 2039	5.00		
				\$3,895,000 in 2040	5.00		
				\$4,090,000 in 2041	5.00		
				\$4,295,000 in 2042	5.00		
				\$4,510,000 in 2043	5.00		
				\$4,735,000 in 2044	5.00		
				\$4,975,000 in 2045	5.00		
				\$5,220,000 in 2046	5.00		
				\$5,485,000 in 2047	5.00		
				\$5,770,000 in 2048	5.00		
				\$6,075,000 in 2049	5.00		
				\$6,390,000 in 2050	5.00		
				\$6,730,000 in 2051	5.00		
				\$7,065,000 in 2052	5.00		
				\$7,415,000 in 2053	5.00		
				\$7,790,000 in 2054	5.00		
				\$8,180,000 in 2055	5.00		



**CITY OF PITTSBURGH, PENNSYLVANIA**

**SCHEDULE OF BONDS AND NOTES PAYABLE**

YEAR ENDED DECEMBER 31, 2025

(Continued)

Serial Bonds Brought Forward	Date of Issue	Amount Sold	Amount Outstanding	Maturity Information	Coupon or Ceiling Rate of Interest	2026 Maximum Debt Service Requirements	
						Interest	Principal
			<u>1,452,867,000</u>			<u>38,473,050</u>	<u>51,771,000</u>
Subordinate Revenue Note, Series B of 2025	10/29/25	7,500,000	7,500,000	\$275,000 in 2026	5.50	602,000	640,000
				\$225,000 in 2027	5.50		
				\$240,000 in 2028	5.50		
				\$250,000 in 2029	5.50		
				\$265,000 in 2030	5.50		
				\$280,000 in 2031	5.50		
				\$295,000 in 2032	5.50		
				\$310,000 in 2033	5.50		
				\$325,000 in 2034	5.50		
				\$345,000 in 2035	5.50		
				\$365,000 in 2036	5.50		
				\$385,000 in 2037	5.50		
				\$405,000 in 2038	5.50		
				\$430,000 in 2039	5.50		
				\$450,000 in 2040	5.50		
				\$475,000 in 2041	5.50		
				\$500,000 in 2042	5.50		
				\$530,000 in 2043	5.50		
				\$560,000 in 2044	5.50		
				\$590,000 in 2045	5.50		
Gross Water and Sewer Authority Revenue Bonds and other borrowings			1,460,367,000			39,075,050	52,411,000
Plus: Net bond premium			<u>91,181,000</u>			-	-
Net Water and Sewer Authority Revenue Bonds and other borrowings			<u>\$ 1,551,548,000</u>			<u>\$ 39,075,050</u>	<u>\$ 52,411,000</u>

(Concluded)