COMPLIANCE AUDIT

City of Aliquippa Police Pension Plan

Beaver County, Pennsylvania

For the Period
January 1, 2023 to December 31, 2025

September 2026

Commonwealth of Pennsylvania
Department of the Auditor General

Timothy L. DeFoor • Auditor General

Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

TIMOTHY L. DEFOOR
AUDITOR GENERAL

The Honorable Mayor and City Council
City of Aliquippa
Beaver County
Aliquippa, PA 15001

We have conducted a compliance audit of the City of Aliquippa Police Pension Plan for the period January 1, 2023 to December 31, 2025. We also evaluated compliance with some requirements subsequent to that period when possible. The audit was conducted pursuant to authority derived from the Municipal Pension Plan Funding Standard and Recovery Act (Act 205 of 1984, as amended, 53 P.S. § 895.402(j)), which requires the Auditor General, as deemed necessary, to audit every municipality which receives general municipal pension system state aid and every municipal pension plan and fund in which general municipal pension system state aid is deposited. The audit was not conducted, nor was it required to be, in accordance with Government Auditing Standards issued by the Comptroller General of the United States. We planned and performed the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The objectives of the audit were:

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

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

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

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

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

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

- We determined whether retirement benefits calculated for plan members who retired and the plan member who elected to vest during the current audit period represent payments to all (and only) those entitled to receive them and were properly determined and disbursed in accordance with the plan's governing document, applicable laws, and regulations by recalculating the amount of the monthly pension benefits due to the retired individuals and comparing these amounts to supporting documentation evidencing amounts determined and actually paid or payable to the recipients.

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

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

The City of Aliquippa contracted with an independent certified public accounting firm for an audit of its basic financial statements for the year ended December 31, 2023, which are available at the city's offices. Those financial statements were not audited by us and, accordingly, we express no opinion or other form of assurance on them.

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

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

Finding No. 1 – Noncompliance With Prior Recommendation - Pension Benefit Payments Made To Deceased Individuals

Finding No. 2 – Noncompliance With Prior Recommendation - Failure To Maintain Vested And Retired Pension Benefit Calculations

Finding No. 3 – Partial Compliance With Prior Recommendation - Failure To Determine Impact On State Aid Allocations Attributable To Excess Benefits Provided

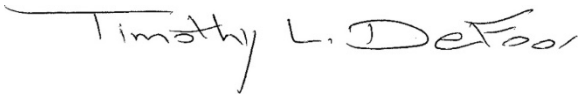
Finding No. 4 – Failure To Properly Fund The City's Pension Plan In Accordance With Special Taxing Provisions Of Act 205

Finding No. 5 – Failure To File Actuarial Valuation Report

Finding Nos. 1, 2, and 3 contained in this audit report repeat conditions that were cited in our previous reports that have not been corrected by city officials. We are concerned by the city's failure to correct those previously reported findings and strongly encourage timely implementation of the recommendations in this audit report.

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

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



Timothy L. DeFoor
Auditor General
June 10, 2026

CONTENTS

Page

Background 1

Status of Prior Findings 2

Findings and Recommendations:

Finding No. 1 – Noncompliance With Prior Recommendation - Pension Benefit Payments Made To Deceased Individuals 4

Finding No. 2 – Noncompliance With Prior Recommendation - Failure To Maintain Vested And Retired Pension Benefit Calculations 5

Finding No. 3 – Partial Compliance With Prior Recommendation - Failure To Determine Impact On State Aid Allocations Attributable To Excess Benefits Provided 6

Finding No. 4 – Failure To Properly Fund The City's Pension Plans In Accordance With Special Taxing Provisions Of Act 205 8

Finding No. 5 – Failure To File Actuarial Valuation Report 10

Potential Withhold of State Aid 12

Supplementary Information 13

Report Distribution List 17

BACKGROUND

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

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

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

Act 67 - The Third Class City Code, Act of November 24, 2015 (P.L. 242, No. 67), as amended, 11 Pa. C.S. § 10101 et seq.

The City of Aliquippa Police Pension Plan is a single-employer defined benefit pension plan locally controlled by the provisions of Ordinance No. 1 of 2018, which consolidates and restates the police pension plan in its entirety, adopted pursuant to Act 67. The plan is also affected by the provisions of collective bargaining agreements between the city and its police officers. The plan was established December 1, 1957. Active members are required to contribute 5 percent of monthly pay to the plan plus $1 per month until age 65. As of December 31, 2025, the plan had 11 active members, 1 terminated member eligible for vested benefits in the future, and 24 retirees receiving pension benefits from the plan.

CITY OF ALIQUIPPA POLICE PENSION PLAN
STATUS OF PRIOR FINDINGS

Compliance With Prior Recommendation

The City of Aliquippa has complied with the prior recommendation concerning the following:

- Incorrect Data On Certification Form AG 385 Resulting In An Overpayment Of State Aid

  On April 2, 2026, the city reimbursed $10,040 to the Commonwealth for the overpayment of state aid received in 2023.

Partial Compliance With Prior Recommendation

The City of Aliquippa has partially complied with the prior recommendation concerning the following:

- Failure To Determine Impact On State Aid Allocations Attributable To Excess Benefits Provided

  In March 2026, the city submitted Forms AG-MP-1 to this department as of January 1, 2021 and January 1, 2023, which had been completed by the plan's actuary. It was determined that there was no impact on the city's 2024 and 2025 state aid allocations, however, the city failed to determine the impact of the submitted information on the city's state aid allocations received in 2022 and 2023 as was also recommended, as further discussed in the Findings and Recommendations section of this report.

Noncompliance With Prior Recommendations

The City of Aliquippa has not complied with the prior recommendation concerning the following as further discussed in the Findings and Recommendations section of this report:

- Pension Benefit Payments Made To Deceased Individuals

- Failure To Maintain Vested Pension Benefit Calculations

CITY OF ALIQUIPPA POLICE PENSION PLAN
STATUS OF PRIOR FINDINGS

Status Of Prior Recommendation

- Incorrect Pension Benefit Paid

  As disclosed in two prior audit reports, the pension plan is paying $131 per month to a retiree who retired July 30, 2015, in excess of the amount calculated in accordance with the plan document. *(It was noted the city inadvertently included the non-taxable portion of the benefit as an addition to the authorized monthly benefit)*. Plan officials correctly calculated the monthly pension benefit of $4,168 per month due to the individual; however, the plan continues to pay the retiree $4,299 per month *(totaling approximately $17,160 in excess payments through the date of this report)*. It was previously recommended that the city adjusts the recipient's pension benefit, accordingly. The city administrator had previously indicated that the city will not pursue the matter, and as of the completion of the current audit, the monthly pension benefit remained unadjusted.

  To the extent that the city has determined to pay the additional pension benefit *($131 per month)* to the retiree in excess of that authorized by the plan document, the excess must be reflected in the Act 205 actuarial valuation reports for the plan and funded in accordance with Act 205 funding standards. This benefit is deemed ineligible for funding with state pension aid and as such, the city is required to consult with the plan's actuary and include this benefit when determining whether to prepare Form AG-MP-1. This matter is further addressed in Finding No. 3 in the Findings and Recommendations section of this report.

CITY OF ALIQUIPPA POLICE PENSION PLAN
FINDINGS AND RECOMMENDATIONS

Finding No. 1 – Noncompliance With Prior Recommendation - Pension Benefit Payments Made To Deceased Individuals

Condition: As disclosed in prior audit reports, the city failed to address recovery of pension payments made to deceased individuals between 2013 and 2021, totaling $47,239. During the current audit period, the city distributed pension payments to two deceased individuals in the amounts of $1,273 for March and April 2023 and $91,710 from July 2023 through the end of the current audit period. The payments were distributed from the employees' pension plan and police pension plan as follows:

Number of Employees	Pension Plan	Years of Payments	Amount
2	Employees'	2013-2015	$ 23,044
1	Police	2013-2016	$ 21,011
1	Police	2020-2021	$ 3,184
1	Police	2023	$ 1,273
1	Police	2023-2025	$ 91,710
		Total	$ 140,222

Criteria: As disclosed in prior reports, the City has a fiduciary responsibility to monitor the continued eligibility of individuals receiving pension benefits and ensure that each eligible individual receives only the benefits to which he or she is entitled as well as detecting timely and properly terminating payments to deceased individuals.

Cause: The City, again, failed to ensure internal control procedures are in place to cease payments upon death of an eligible recipient.

Effect: The plans are at risk of experiencing unnecessary losses totaling at least $140,222 for pension payments made to deceased individuals.

Recommendation: We again recommend that, to the extent possible, the city determine whether payments require recovery, whether current payments need to be stopped, or whether outstanding payments need to be reconciled.

We also recommend that the city implement internal control procedures to timely detect and cease payments to deceased benefit recipients and ensure benefit payments are only made to eligible recipients.

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

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

Finding No. 2 – Noncompliance With Prior Recommendation - Failure To Maintain Vested And Retired Pension Benefit Calculations

Condition: As disclosed in the prior audit report, the city failed to calculate and maintain a vested pension benefit calculation for a plan member who terminated employment with the city December 31, 2020. In addition, a similar condition occurred during the current audit period. The city failed to maintain and provide a copy of a pension benefit calculation for a plan member who retired June 9, 2024.

Criteria: Sound internal control procedures dictate that vested and retired pension benefits should be determined in a timely manner following a plan member's termination and/or retirement and that the city should maintain adequate supporting documentation to substantiate the accuracy of pension benefit determinations to avoid discrepancies occurring when the former employee is eligible to begin receiving a pension benefit.

Cause: Plan officials have not authorized the pension consultant to prepare a benefit calculation for the vested plan member. In addition, plan officials failed to maintain documentation for the retired individual.

Effect: The failure of plan officials to maintain vested or retired pension benefit calculations could result in inconsistent or improper benefit calculations and incorrect benefit payments from the pension plan.

Recommendation: We again recommend that plan officials prepare the vested benefit calculation for the vested plan member and maintain and provide a copy of the retired benefit calculation for the retired plan member. We also recommend that municipal officials establish adequate internal control procedures to ensure that all pension benefit calculations are properly determined and maintained by the city.

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

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

Finding No. 3 – Partial Compliance With Prior Recommendation - Failure To Determine Impact On State Aid Allocations Attributable To Excess Benefits Provided

Condition: As disclosed in the Status of Prior Findings section of this report, the city partially complied with the prior recommendation by preparing Forms AG-MP-1 as of January 1, 2021, and January 1, 2023, and submitting these forms to the department in March 2026. However, the city failed to determine the impact of the reported excess benefits paid *(Form AG-MP-1 as of January 1, 2021)* on the city's state aid allocations received in 2022 and 2023. Based on a calculation prepared by this department, it was estimated that the city received excess state aid in the amount of $32,255 in 2022 and $32,255 in 2023, totaling $64,510. Based on the Form AG-MP-1 as of January 1, 2023, there was no effect on the city's 2024 and 2025 state aid allocations.

Criteria: To the extent that a municipality is not in compliance with the Third Class City Code and/or is contractually obligated to pay benefits to existing retirees in excess of those authorized by the Third Class City Code, the excess benefits must be reflected in the Act 205 actuarial valuation reports for the plan and funded in accordance with Act 205 funding standards. However, these excess benefits are deemed ineligible for funding with state pension aid and as such, municipal officials are required to consult with the plan's actuary and determine whether to prepare Form AG-MP-1 and submit the completed form to the Department to determine the impact of the excess benefits on the municipality's annual state aid allocation. If it is determined the excess benefits had an impact on the municipality's state aid after the submission of this information, the plan's actuary would then be required to contact the Municipal Pension & Fire Relief Programs Unit to verify any overpayment of state aid received and the city would be required to reimburse the overpayment to the Commonwealth.

Cause: The city did not take action to fully comply with the prior audit recommendation.

Effect: The city received excess state aid totaling $64,510 in 2022 and 2023.

In addition, the city used state aid towards funding the minimum municipal obligations (MMOs) due to the police pension plan; therefore, if the reimbursement to the Commonwealth is made from the police pension plan, the plan's MMOs may not be fully paid.

Furthermore, the city's future state aid allocations may be withheld until the finding recommendation is complied with.

Finding No. 3 – (Continued)

Recommendation: We recommend that the city return the excess state aid received in 2022 and 2023, totaling $64,510, to the Commonwealth, with interest compounded annually from the date of receipt to the date of repayment, at a rate earned by the pension plan. A check in this amount should be made payable to: Commonwealth of Pennsylvania and mailed to: Department of the Auditor General, Municipal Pension & Fire Relief Programs Unit, 321 Finance Building, Harrisburg, PA 17120. A copy of the interest calculation must be submitted along with the check.

If the reimbursement to the Commonwealth is made from police pension plan funds, we recommend that any resulting MMO deficiency be paid to the pension plan with interest, at a rate earned by the pension plan.

Furthermore, to the extent that the city remains contractually obligated to pay benefits to retirees in excess of those authorized by the Third Class City Code and the excess benefit are reflected in the Act 205 actuarial valuation report for the plan and funded in accordance with Act 205 funding standards, these excess benefits will be deemed ineligible for funding with state pension aid and we again recommend that municipal officials timely consult the plan's actuary and determine whether to prepare future Forms AG-MP-1 and submit the completed forms to the Department in a timely manner. If it is determined the excess benefits had an impact on the city's future state aid allocations after the submission of this information, the plan's actuary should contact the Department to verify the overpayments of state aid received and the city should reimburse such overpayments to the Commonwealth, accordingly.

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

Auditor's Conclusion: Due to the potential withhold of state aid, the city's compliance with the finding recommendation will be monitored subsequent to the release of the audit report and through our next audit of the plan.

Finding No. 4 – Failure To Properly Fund The City's Pension Plans In Accordance With Special Taxing Provisions Of Act 205

Condition: Under the discretionary remedies available through the distress provisions of Act 205 to provide short-term fiscal relief to local governments operating public pension plans, the city previously increased its Earned Income Tax rate for both residents and non-residents of the city for the sole purpose of defraying the additional costs required to be paid pursuant to Act 205 directly related to the city's pension plans. Additionally, the city commissioned its pension plan actuarial firm to prepare the calculation necessary to determine the appropriate funding levels mandated under the distress provisions of Act 205. However, during the current audit period, the city did not reconcile and maintain its required level of municipal contributions to the police, firefighter, and city employees' pension plans from other sources prior to implementation of the special tax as required by the distress provisions of Act 205.

Criteria: With regard to the MMO, Section 302(c) of Act 205 states, in part:

> Annually, the chief administrative officer of the pension plan shall determine the minimum obligation of the municipality with respect to the pension plan for the following plan year.

Section 302(d) of Act 205 states, in part:

> The minimum obligation of the municipality shall be payable to the pension plan from the revenue of the municipality.

Furthermore, relative to the funding of certain distressed pension plans, Section 607(f) of Act 205 states:

> **(f) Special municipal taxing authority.**
> (1) If the tax rates set by the municipality on earned income or on real property are at the maximum provided by applicable law, the municipality may increase its tax on either earned income or real property above those maximum rates. The proceeds of this special municipal tax increase shall be used solely to defray the additional costs required to be paid pursuant to this act which are directly related to the pension plans of the municipality. The municipality utilizing this special municipal taxing authority shall not reduce the level of municipal contributions to the pension plans prior to the implementation of the special municipal taxing authority. (Emphasis added.)

Finding No. 4 – (Continued)

(2) The average level of municipal contributions to the pension plans from all revenue sources for the three years immediately prior to the implementation of the special municipal taxing authority shall be expressed as a percentage of the average covered payroll for that same three-year period: Provided, however, That any supplemental contributions made to the plans pursuant to any pension recovery legislation enacted by the municipalities shall be excluded for purposes of determining the level of municipal contribution to the pension plans prior to the implementation of the special municipal taxing authority. In each year subsequent to the implementation of the special municipal taxing authority, the municipal contributions to the pension plan from all revenue sources existing prior to the implementation of the special existing municipal taxing authority, reduced by any supplemental pension recovery contributions, shall equal or exceed this average percentage of the current covered payroll. A municipality utilizing the provisions of section 404 may levy or continue to levy the special municipal tax increase under this subsection provided that the municipality does not reduce the level of municipal contributions to the pension plans prior to the implementation of the special municipal taxing authority. In executing the procedure prescribed in this subsection to determine the level of municipal contributions, the debt service payments for bonds or notes issued under section 404 shall be considered municipal contributions. (Emphasis added.)

Cause: Although city administrators commissioned an actuarial firm to prepare the calculation necessary to determine the appropriate funding levels mandated by Section 607(f) of Act 205, after enacting the special taxing legislation, plan officials failed to implement adequate internal control procedures to ensure that the city did not reduce its level of contributions to its pension plans prior to the implementation of the special municipal tax before application of funding available under the special tax provisions of Act 205.

Effect: The failure to properly apply the provisions of Section 607(f) of Act 205 and fund the pension plans with the required level of municipal contributions appears to have resulted in reduced annual funding towards the city's pension plans in 2023, 2024, and 2025 and could result in the plans not having sufficient resources to meet current and future benefit obligations to its members.

Recommendation: We recommend that the city reconcile the total contributions to the pension plans during 2023, 2024, and 2025 from sources other than the special tax funding with its required level of funding from sources prior the implementation of the special tax *(i.e., the baseline percentages as previously determined by the city)* in accordance with Act 205 and deposit the additional funds necessary to meet the city's required funding level for the respective years.

Finding No. 4 – (Continued)

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

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.

Finding No. 5 – Failure To File Actuarial Valuation Report

Condition: Actuarial valuation report form type C for the police pension plan with a valuation date of January 1, 2025, was not submitted to the Municipal Pension Reporting Program by the March 31, 2026, deadline, as required by Act 205 and remained delinquent at the completion of our audit fieldwork.

Criteria: Section 201(a) of Act 205 states, in part:

> Each municipality which has established or maintains a pension plan for its employees, including any municipality which participates in the Pennsylvania Municipal Retirement System, shall cause to be made actuarial valuation reports. Actuarial valuation reports shall be made biennially, unless the applicable municipality is applying or has previously applied for supplemental State assistance pursuant to Section 603, whereupon actuarial valuation reports shall be made annually.

Furthermore, Section 201(b) of Act 205 states, in part:

> The biennial actuarial valuation report required pursuant to subsection (a) shall be made as of the beginning of each plan year occurring in an odd-numbered calendar year and shall be filed with the executive director of the commission no later than the last business day of March occurring in the following calendar year.

In addition, Section 204 of Act 205 provides:

> If a complete actuarial valuation report or experience investigation is not filed in a timely fashion, any and all financing which is provided to the municipality by the Commonwealth and is dedicated for pension plan purposes shall be withheld until the report or investigation is filed.

Finding No. 5 – (Continued)

Finally, Section 402(e)(7) of Act 205 states, in part:

> Any municipality which has not filed with the commission on a timely basis, pursuant to the applicable municipal pension plan actuarial reporting law, an actuarial report for each of the municipal pension plans which it has established or maintains shall be entitled to receive as general municipal pension system State aid, at such time as compliance with the actuarial reporting requirement occurs, the adjusted amount of general municipal system State aid per unit….

Cause: Municipal officials failed to establish adequate internal controls to ensure that the report was filed as required.

Effect: Future state aid, if any, will be withheld until the necessary report is filed. In addition, the plan may receive less state aid than it would have received had the report been filed in a timely manner.

Recommendation: We recommend that the municipality take immediate action to complete the January 1, 2025 Act 205 actuarial valuation report which was due by March 31, 2026 and submit it to the Municipal Pension Reporting Program. By submitting the report as soon as possible, the municipality can minimize the length of time the pension state aid will be withheld due to the delinquent filing of the required report.

Furthermore, to ensure that future actuarial filing deadlines are met and to improve pension plan administration, we recommend that plan officials develop and implement internal control procedures, such as a calendar listing the various reporting and filing deadlines required by Act 205, including the actuarial valuation report filing date.

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

Auditor's Conclusion: Compliance will be evaluated during our next audit of the plan.

CITY OF ALIQUIPPA POLICE PENSION PLAN
POTENTIAL WITHHOLD OF STATE AID

Finding No. 3 contained in this audit report cites an overpayment of state aid to the city in the amount of $64,510, plus interest. A condition of this nature may lead to a total withholding of state aid in the future unless that finding is corrected. A check in this amount with interest, at a rate earned by the pension plan, should be made payable to: Commonwealth of Pennsylvania, and mailed to: Department of the Auditor General, Municipal Pension & Fire Relief Programs Unit, 321 Finance Building, Harrisburg, PA 17120.

CITY OF ALIQUIPPA POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF FUNDING PROGRESS

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

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

	(1)	(2)	(3)	(4)
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded (Assets in Excess of) Actuarial Accrued Liability (b) - (a)	Funded Ratio (a)/(b)
01-01-19	$ 9,155,435	$ 11,402,259	$ 2,246,824	80.3%
01-01-21	11,510,018	10,829,008	(681,010)	106.3%
01-01-23	13,026,052	10,760,811	(2,265,241)	121.1%

Note: The market values of the plan's assets at 01-01-19, 01-01-21, and 01-01-23 have been adjusted to reflect a 4-year smoothing of gains and/or losses subject to a corridor between 90 to 110 percent of the market value of assets. This method will lower contributions in years of less than expected returns and increase contributions in years of greater than expected returns. The net effect over long periods of time is to have less variance in contribution levels from year to year.

CITY OF ALIQUIPPA POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

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

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

CITY OF ALIQUIPPA POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
(UNAUDITED)

SCHEDULE OF CONTRIBUTIONS FROM EMPLOYER
AND OTHER CONTRIBUTING ENTITIES

Year Ended December 31	Annual Required Contribution	Percentage Contributed
2020	$ 572,737	182.3%
2021	476,452	169.9%
2022	435,179	195.0%
2023	59,774	682.5%
2024	119,908	312.2%
2025	None	N/A

N/A – Not applicable

CITY OF ALIQUIPPA POLICE PENSION PLAN
SUPPLEMENTARY INFORMATION
NOTES TO SUPPLEMENTARY SCHEDULES
(UNAUDITED)

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

Actuarial valuation date	January 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Not applicable
Remaining amortization period	None
Asset valuation method	Fair value, 4-year smoothing subject to a corridor between 90-110% of the market value of assets.
Actuarial assumptions:	
Investment rate of return	6.5%
Projected salary increases	4.5%

CITY OF ALIQUIPPA POLICE PENSION PLAN
REPORT DISTRIBUTION LIST

This report was initially distributed to the following:

The Honorable Joshua D. Shapiro
Governor
Commonwealth of Pennsylvania

The Honorable Dwan Walker
Mayor

Mr. Donald C. Walker III
Council Member

Ms. Nora Lemon
Council Member

Ms. Barbara Hill
Council Member

Ms. Karma Jackson
Council Member

Mr. Samuel L. Gill
City Administrator

Ms. Tina VanFleet
Finance Administrator

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: news@PaAuditor.gov.