

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019



City of Pittsburg, California
www.ci.pittsburg.ca.us

City of Pittsburg California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019



Prepared by the Finance Department

Brad Farmer
Director of Finance

Laura Mendez
Division Manager, Financial Reporting



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

City of Pittsburg
Basic Financial Statements
For the Year Ended June 30, 2019
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CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019



**City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565-3814**

December 2, 2019

Honorable Mayor
Members of the City Council
And Residents of Pittsburg

We are pleased to present the City of Pittsburg Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2019 (FY 2018-19). The information in this CAFR is prepared in accordance with “Generally Accepted Accounting Principles” (GAAP) and includes an unmodified opinion on the report by the City’s independent certified public accountants. Although we rely on the standards and expertise of these external authorities, the City is responsible for the accuracy and fairness of this report, inclusive of all disclosures that are necessary to enable the reader to understand the City’s operations.

For those readers interested in a more detailed review of the City’s financial statements, a narrative section called Management’s Discussion and Analysis (MDA) has been included as part of the Financial Section. The MDA reports on the financial highlights of the City and provides additional analysis on the variances and trends reported as part of the financial statements. The MDA also discloses significant items affecting the financial condition of the City and is designed to be read in conjunction with this letter of transmittal.

City Profile

The City was incorporated in 1903 and is located along the Sacramento-San Joaquin River Delta, situated on the north side of Mount Diablo. Pittsburg is located in the northeast part of Contra Costa County.

The City is a general law City and operates utilizing the Council-Manager form of government. The five Council members are elected at large for staggered four-year terms to govern the City. Also elected to four-year terms are the City Treasurer and City Clerk. The City Council is responsible for establishing goals, priorities, and policies; adopting an annual budget; appointing commissions and committees; and hiring the City Manager and City Attorney. The City Manager is responsible for implementing the Council’s policies, overseeing the day-to-day operations of the City and appointing the directors of the City’s departments.

The City provides a full range of municipal services, including police, water treatment and distribution, sewer collection, streets, cultural and recreational facilities, public works, parks, economic development, planning, zoning, building inspection, code enforcement, housing assistance, marina operations, energy distribution, engineering, and general administration. The Contra Costa County Fire Protection District provides fire protection services for the City.

Reporting Entities

The financial statements included in this CAFR present the City (the primary government) with all the City funds, Housing Authority, Pittsburg Power Company (Pittsburg Power) and Pittsburg Arts and Community Foundation (PACF) as component units. These three component units are separate legal entities; however, the members of the City Council also serve as members of the Housing Authority Board, the Successor Agency Board, the Southwest Pittsburg Geologic Hazard Abatement District II (“GHAD II”) Board, and the Pittsburg Power Company Board. Therefore, the financial information for the Housing Authority, Successor Agency to the former Redevelopment Agency of the City of Pittsburg (SA), GHAD II, and Pittsburg Power Company are blended with the City’s financial information.

Economic Conditions and Outlook

Pittsburg’s population has grown to approximately 72,437. Unemployment rates have continued to drop from 17.4% at the peak of the recession to 3.1% in 2019. During this past year the City continued to see increased revenues from sales, property and other taxes.

Sales Tax revenue increased by six percent (6%) or \$830,272 from prior year as a result of catch-up by California Dept of Taxation Administration (CDFTA) on backlog taxes initially generated upon takeover of responsibilities from Bureau of Equalization (BOE) in 2018.

The City’s Gas Tax revenue increased by fifty-eight percent (58%) due to the Road Maintenance and Rehabilitation Accountability Act (RMRA). This was adopted to help fund local streets, roads and infrastructure repairs and collection which started mid-year of FY 2017-18. The increase of \$998,495 was due to full year collection in FY 2018-19.

Consistent with increases in the City’s assessment value, Motor Vehicle Revenue, also known as VLF Swap, increased by seven percent (7%) or \$327,261 from prior year.

While revenues continue to improve, staff throughout the City have continued to be diligent in maintaining a low level of costs to deliver the core services to both the residents and the business community.

The City’s Economic Development department continues to partner with the Chamber of Commerce to attract new businesses, assist existing businesses, and collaborate with organizations to train and enable residents to find employment. EastBay Works, Los Medanos College and Future Build are entities the City works with to provide businesses and residents with employment and training opportunities locally.

General Fund Condition and Long-term Plans

The City developed a 20-year General Fund Forecast and Balancing Plan (“20-Year Plan”) to assist City Management and City Council on the General Fund budget and use of the Budget Stabilization Fund. Periodically, the 20-year Plan is updated based on current revenue and expenditure information.

This plan incorporates anticipated fluctuations of revenues and expenditures over a longer term, thus allowing the City to manage its affairs in a prudent fiscal manner, while providing services to residents and businesses necessary for a growing community.

These plans help the City fund the Budget Stabilization Fund as required by policy at the end of FY 2017-18.

Fiscal Sustainability Ordinance

In June 2017, the City passed an updated Fiscal Sustainability Ordinance to ensure the City protects its revenues and to ensure proper fiscal responsibility. As part of the Ordinance, reserve levels and funding mechanics were mandated to provide for emergencies and ensure that proper fiscal reserve levels were maintained. Within the Ordinance, reserve levels were set at 30% of annual operating expenses for the City’s General Fund, Internal Service Funds and Enterprise Funds. The reserve level was placed at a percentage of operating expenses rather than a static number to ensure adequate reserve levels are maintained over time. The City also established a Budget Stabilization Fund to provide a minimum of \$2 million or 5% of the City’s annual General Fund operating expenses. The Budget Stabilization Fund was fully funded in FY 2017-18.

Major Initiatives:

Capital Projects completed FY 2018-19:

- Water Main – Buchanan Road
- Sewer/Water Line Replacement/Rehabilitation Program
- Railroad Avenue Storm Drainage Improvements
- Water Treatment Plant Filter Media Replacement
- School Area Safety Improvements
- Loveridge Road Waterline Project
- Downtown Sidewalk Repair

FY 2019-20 Major Initiatives:

Capital Projects Scheduled for Construction during FY 2019-20:

- Railroad Avenue Pavement Project (Central Avenue to 17th Street)
- Marina Maintenance Dredging – George Lowy Basin
- Montezuma Slough Pump Station Replacement
- West Leland Road Underground & Street Lighting Project
- Loveridge Road Pavement Project (East Leland Road to California Avenue)
- CDBG Curb Ramp Project (Highland Meadows)

The City has received several applications for a new development near Pittsburg Center BART, the system extension station that opened in May 2019. The station has proved to be popular with commuters, and ridership has exceeded BART's projections. The station has had a significant impact on traffic patterns, including increased pedestrian and bicycle traffic throughout the area, particularly during commute hours. Proposals for new developments near the station include a 125-room hotel, higher density housing and other transit-oriented commercial developments consistent with the Railroad Avenue Specific Plan adopted by the City Council.

The City has completed Preliminary Engineering Studies for the 1.7-mile James Donlon Boulevard Extension, a new bypass between Antioch and Kirker Pass Road that is designed to relieve congestion along a regional traffic corridor. The extension will provide a commute alternative to Buchanan Road and is supported by regional traffic impact fees. During FY 2019-20 the City's consultant will continue the design process in preparation for advertising the project for bids. Construction is scheduled for FY 2022-23.

OTHER INFORMATION

The City is responsible for establishing and maintaining internal control structures designed to ensure that the assets be protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structures are 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 valuation of costs and benefits requires estimates and judgments by management.

Single Audit and Compliance

As a recipient of federal and state financial assistance, the City is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the Finance staff of the City. In management's opinion, the City's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions. In addition, the results of the City's Single Audit for the fiscal year ended June 30, 2018 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The City maintains budgetary controls to safeguard City assets and ensures compliance with legal provisions embodied in the annual appropriated budget as approved by the City Council. Activities of the General Fund, Special Revenue funds and Capital Projects funds are included in the annual appropriated budget. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also applies and maintains an encumbrance accounting system as a technique to accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The City has received the “Government Finance Officers Association’s Distinguished Budget Presentation” award for its budget document.

Appropriations Limit

Proposition 4, the “Gann” initiative, was passed by California voters in 1978 and is intended to limit governmental General Fund appropriations. The appropriation limit is calculated each year based upon FY 1978-79 appropriations, modified by the composite consumer price index, and population changes that have occurred in subsequent years. The City’s General Fund appropriation limit for FY 2018-19 amounted to \$161,174,749. The City’s FY 2018-19 General Fund budget was \$44.6 million, which is below the appropriation limit.

Cash Management

The City temporarily holds idle cash in the Local Agency Investment Fund (LAIF) as administered by the Treasurer of the State of California. LAIF invests in obligations of the United States Treasury, Federal Agency Coupons and Discount Notes, Medium Term Notes, and Certificates of Deposit. These investments, as permitted under an investment policy adopted by the City Council, defines eligible investments and maturities of the City’s investment portfolio and requires securities to be held by the City or by a qualified custodial institution and registered in the name of the City. The quarterly return on LAIF pooled investments at June 30, 2019 was 2.57%, an increase of 0.67% compared to the prior fiscal year of 1.90%. Total LAIF interest earnings were \$494,976 for FY 2018-19 an increase of \$106,215 compared to the prior fiscal year amount of \$388,761.

Risk Management

The City is self-insured for the first \$25,000 of each loss and maintains excess liability insurance through the Management Pooling Authority (MPA). The City is self-insured for liability occurrences over \$29 million per occurrence. The City also maintains statutory excess workers’ compensation insurance through the Municipal Pooling Authority (MPA).

Independent Audit

Maze & Associates, Certified Public Accountants, an independent public accounting firm, has examined the financial statements of the City and its affiliated agencies. Their opinion on the City’s financial statements and supplemental information is included within this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pittsburg for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. In order to receive the “Certificate of Achievement” award, a government agency must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgements

The preparation of this report is the result of the concerted effort and dedication of all employees of the City of Pittsburg Finance Department. However, we would like to acknowledge Laura Mendez and the extra effort she invested in completing this year’s Audited Financial Statements.

Finally, we would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and transparent manner.

Respectfully submitted,

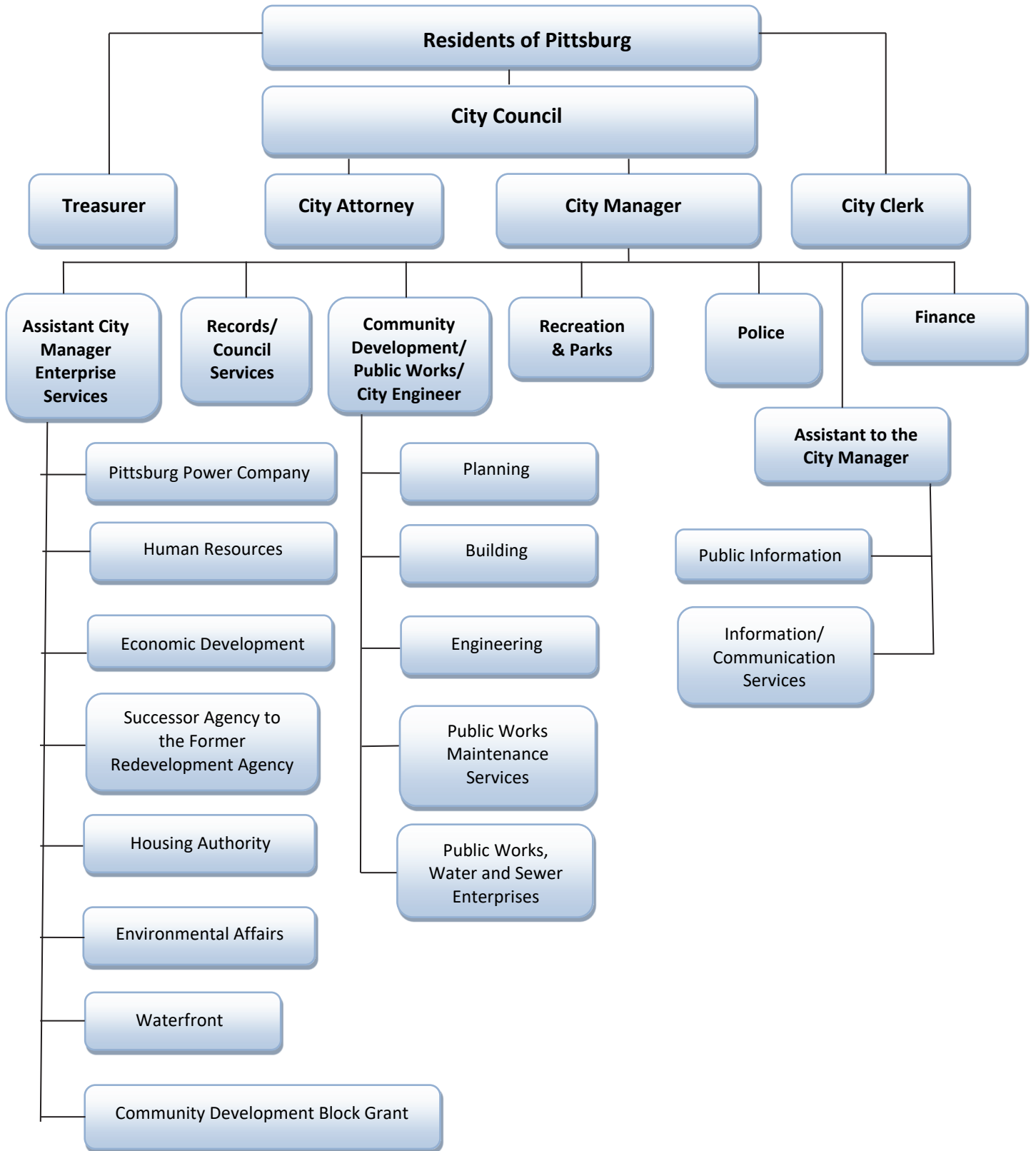


Garrett Evans
City Manager



Brad Farmer
Director of Finance

➤ CITY GOVERNMENT ORGANIZATION



City of Pittsburg
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2019

City Council

Juan Antonio Banales, Mayor
Jelani Killings, Vice Mayor
Merl Craft, Council Member
Holland Barrett White, Council Member
Shanelle Scales-Preston, Council Member

Other Elected Officials

Alice E. Evenson, City Clerk
Nancy L. Parent, City Treasurer

City Attorney

Donna Mooney, Esquire, City Attorney

Management Staff

Garrett Evans, City Manager
Fritz McKinley, Assistant City Manager/Director Public Works
Brian Addington, Chief of Police
Alice E. Evenson, Director of Records and Council Services
Brad Farmer, Director of Finance
Jill Hecht, Director of Community Development
Maria Aliotti, Director of Community Services
Stacey Shell, Director of Human Resources



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

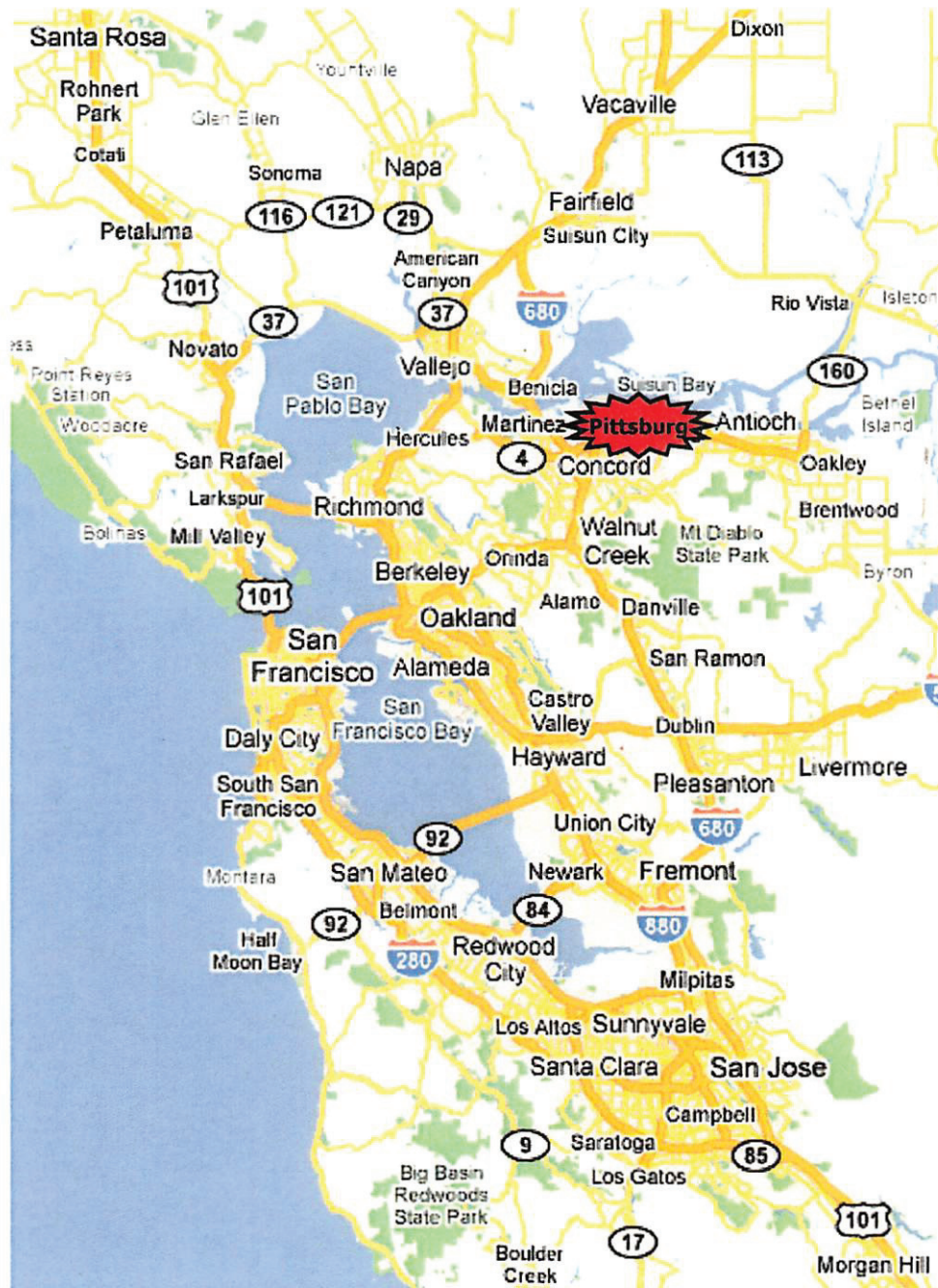
**City of Pittsburg
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council of the
City of Pittsburg, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pittsburg, California (City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplementary Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary 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. Such 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.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2019 our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
December 2, 2019



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pittsburg (the City), we offer readers this discussion and analysis of the City's financial performance for the year ending June 30, 2019 (FY 2018-19). The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). We encourage readers to consider the information presented here in conjunction with additional information which can be found in the introductory section of this report and within the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets & deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the FY 2018-19 by \$380.7 million (M) (*net position*).

The City's total net position of \$380.7M increased from the prior FY 2017-18 by \$10.4M. See below for breakdown of governmental and business type activities.

As of June 30, 2019, the City's governmental fund balance saw an increase of \$4.9M resulting in a balance of \$46.9M compared to the prior fiscal year balance of \$42.0M. The difference is a combination of additional general revenues: increase in taxes and fees, excess pass through revenues from the Successor Agency, Successor Agency loan payoff, increase in investment earnings and an offsetting of costs incurred in personnel, contractual and capital outlay expenditures.

The City's net position from business type activities (enterprise funds) increased by appropriately \$8.8M from \$133.6M to \$142.4M. The increase is a combination of additional fees due to rate increases, investment earnings coming in higher as compared to prior year and an increase in net capital assets.

- As of June 30, 2019, the fund balance (total assets minus total liabilities) for the General Fund, which includes the Budget Stabilization and Economic Development funds, was \$24.5M. The detail of this amount is as follows: \$2.0M was designated as "Nonspendable" for items that are not in a spendable form such as deposits, interfund advances and inventory, \$0.8M was designated as "Assigned" for economic development activities and encumbrances intended to be used for specific purposes designated by the City Council and \$21.7M as unassigned. The unassigned balance consists of \$19.2M in General Fund operating reserve available to cover expenses in the event of an emergency and \$2.5M in the Budget Stabilization Fund that can be used to balance future budgets subject to the limits of the Fiscal Sustainability Ordinance.
- There are three major funds in the Governmental Funds section of the Comprehensive Annual Financial Report: 1) the General Fund, 2) Housing Authority (Section 8) and 3) Successor Agency Housing.
- There are five major enterprise funds in the Proprietary Funds section of the Comprehensive Annual Financial Report: (1) Water Utility, (2) Sewer Utility, (3) Marina, (4) Pittsburg Power Company (including Island Energy) and (5) Waterfront Operations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements.

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. These statements consist of:

- The Statement of Net Position presents information on all the City's assets and deferred outflow of resources and liabilities, with the difference between the two reported as "net position". Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The Statement of Activities presents information reflecting any change in the government's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs (regardless of the timing of related cash flows). Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation and compensated leave of absence).

Both of the Government-Wide Financial Statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include legislative and legal, general government, public safety, public works, community development and recreation. The business-type activities of the City include Water, Sewer, Marina, Pittsburg Power Company (includes Island Energy operation), and Waterfront Operations.

The Government-Wide Financial Statements include not only the City but the Housing Authority and Housing Successor Agency. Financial information for these component units are blended with the financial statements of the primary government itself.

Fund Financial Statements - A "fund" is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Pittsburgh, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and City's fiduciary funds.

City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2019

- **Governmental Funds:** These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the Government-Wide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. However, this information does not encompass the additional long-term focus of the government-wide statements. Reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.

The City maintains 45 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for three funds that are considered to be major funds. These funds consist of the General Fund, Housing Authority (Section 8), and the Successor Agency Housing Fund. Data from the other 42 governmental funds, which are combined into a single, aggregated presentation under Other Governmental Funds, are considered as non-major funds.

A budgetary comparison statement has been provided for the funds that have an adopted budget to demonstrate compliance with this budget.

Proprietary Funds: The City maintains two different types of proprietary funds; Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as “business-type activities” in the Government-Wide Financial Statements. The Enterprise Funds are used to account for Water, Sewer, Marina, Pittsburgh Power Company (including Island Energy) operations, and Waterfront Operations.

- *Enterprise Funds* provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Water Fund, the Sewer Fund, the Marina Fund, Pittsburgh Power Company (including Island Energy), and Waterfront Operations, all of which are considered to be major funds. Conversely, Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund Financial Statements.
- *Internal Service* funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for maintaining its fleet of vehicles, building maintenance, information and communication systems, risk management/insurance, and employee fringe benefits activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within “governmental activities” in the government-wide financial statements.

Fiduciary Funds: Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-Wide Financial Statement because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that which is used for Proprietary Funds. The Assessment District Bonds Fund, the Environmental Impact Fee Fund and the Other Impact Fees Fund are held as Fiduciary Funds by the City. With the dissolution of Redevelopment Agency per ABX 1484, the activities of the Successor Agency to the Former Redevelopment Agency are reported as Private Purpose Trust Fund in the Fiduciary Fund section. Also, included in the Fiduciary Funds is the Miscellaneous Employee Retirement System.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

Notes To The 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. This year, the City implemented the following GASB Pronouncements:

GASB Statement 88 - Certain Disclosures Related to Debt Including Direct Borrowing and Direct Placement .

For a detailed description of the all the pronouncements see Note 1R - Summary of Significant Accounting Policies.

Other 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, combined net position (government and business-type activities) totaled \$380.7M at the close of the Fiscal Year ending June 30, 2019, which is \$10.4m more than the Fiscal Year ending June 30, 2018.

The Government-Wide Financial Statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The following table reflects the Summary of Net Position for the Fiscal Year ended June 30, 2019 with the comparative data for the Fiscal Year ended June 30, 2018 as restated.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

City of Pittsburg
Summary of Net Position
As of June 30, 2019

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Current Assets | \$ 93,545,399 | \$ 97,173,968 | \$ 50,217,039 | \$ 57,050,648 | \$ 143,762,438 | \$ 154,224,616 |
| Capital Assets | 250,420,599 | 250,406,743 | 147,324,571 | 147,949,655 | 397,745,170 | 398,356,398 |
| Total Assets | 343,965,998 | 347,580,711 | 197,541,610 | 205,000,303 | 541,507,608 | 552,581,014 |
| Deferred Outflow of Resources | 17,987,857 | 13,475,481 | 3,247,810 | 2,802,393 | 21,235,667 | 16,277,874 |
| Current Liabilities | 12,159,321 | 12,817,305 | 8,917,057 | 9,316,656 | 21,076,378 | 22,133,961 |
| Non-Current Liabilities | 107,438,296 | 106,728,948 | 57,653,618 | 54,997,885 | 165,091,914 | 161,726,833 |
| Total Liabilities | 119,597,617 | 119,546,253 | 66,570,675 | 64,314,541 | 186,168,292 | 183,860,794 |
| Deferred Inflows of Resources | 5,678,690 | 3,264,894 | 663,686 | 1,069,350 | 6,342,376 | 4,334,244 |
| Net Investment in Capital Assets | 249,540,604 | 248,811,743 | 105,621,313 | 108,577,637 | 355,161,917 | 357,389,380 |
| Restricted | 21,203,698 | 27,518,072 | 25,743,990 | 33,305,962 | 46,947,688 | 60,824,034 |
| Unrestricted | (34,066,754) | (38,084,770) | 2,189,756 | 535,206 | (31,876,998) | (37,549,564) |
| Total Net Position as Restated (Note 9E) | \$ 236,677,548 | \$ 238,245,045 | \$ 133,555,059 | \$ 142,418,805 | \$ 370,232,607 | \$ 380,663,850 |

Current assets are assets that are liquid in nature or can be converted into cash quickly. Current liabilities are outstanding liabilities that are due within one year.

The Statement of Net Position contains more detailed information on current assets, capital assets, deferred outflows of resources, current liabilities, non-current liabilities and deferred inflows of resources.

At the end of the FY 2018-19 the total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$380.7M.

Changes in Net Position - In FY 2018-19 the City's total Governmental expenditures of \$84.3M were less than the revenues and transfers of \$85.8M by \$1.5M. The City's expenses cover a range of services for the Governmental Activities: the largest expenses were in Public Safety \$30.4M, Community Development and Services \$26.9M and Public Works \$15.0M. These expenses include capital outlays, which are now reflected in the City's capital assets. Further analysis is provided within the governmental and business-type sections on the following pages. For additional information on the Capital Assets, please refer to Note 6 - Capital Assets disclosure.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

Governmental Activities - Governmental Activities reflect an increase of \$1.6M in net position, and Business Activities reflect an increase of \$8.8M in net position for the FY 2018-19. A comparison of the cost of services by function for the City's Governmental Activities is shown below, along with the revenues used to cover the net expenses of the Governmental Activities, as well as comparative data from the FY 2017-18.

Statement of Changes in Net position
Fiscal Year Ended June 30, 2019
With comparative data for fiscal year ended June 30, 2018

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Revenue: | | | | | | |
| <i>Program Revenues:</i> | | | | | | |
| Charges for Services | \$ 17,635,524 | \$ 22,038,768 | \$ 38,291,043 | \$ 41,388,639 | \$ 55,926,567 | \$ 63,427,407 |
| Operating Grants and Contributions | 17,924,456 | 19,071,198 | 139,465 | 179,686 | 18,063,921 | 19,250,884 |
| Capital Grants and Contributions | 1,132,855 | 897,177 | - | 53,000 | 1,132,855 | 950,177 |
| Sub-Total | 36,692,835 | 42,007,143 | 38,430,508 | 41,621,325 | 75,123,343 | 83,628,468 |
| <i>General Revenues:</i> | | | | | | |
| Property Taxes | 3,972,711 | 4,039,499 | - | - | 3,972,711 | 4,039,499 |
| Sales Tax | 13,616,195 | 14,446,467 | - | - | 13,616,195 | 14,446,467 |
| Franchise Fees | 4,928,647 | 5,118,174 | - | - | 4,928,647 | 5,118,174 |
| Motor Vehicle in lieu fees | 4,825,687 | 5,152,948 | - | - | 4,825,687 | 5,152,948 |
| Gas Taxes | 1,720,291 | 2,718,786 | - | - | 1,720,291 | 2,718,786 |
| Other Taxes | 10,248,840 | 9,339,331 | - | - | 10,248,840 | 9,339,331 |
| Investment Earnings-Unrestricted | 590,186 | 1,755,074 | 373,857 | 1,678,989 | 964,043 | 3,434,063 |
| Gain on Sale of Assets | 15,950 | 47,729 | 56,375 | 40,246 | 72,325 | 87,975 |
| Sub-Total | 39,918,507 | 42,618,008 | 430,232 | 1,719,235 | 40,348,739 | 44,337,243 |
| Total Revenues | 76,611,342 | 84,625,151 | 38,860,740 | 43,340,560 | 115,472,082 | 127,965,711 |
| Expenses: | | | | | | |
| General Government | 4,615,532 | 4,179,280 | - | - | 4,615,532 | 4,179,280 |
| City Council | 67,947 | 107,074 | - | - | 67,947 | 107,074 |
| City Manager & Clerk | 700,808 | 700,225 | - | - | 700,808 | 700,225 |
| City Attorney | 361,908 | 415,320 | - | - | 361,908 | 415,320 |
| Human Resources | 1,071,270 | 1,180,938 | - | - | 1,071,270 | 1,180,938 |
| Finance and Services | 2,163,865 | 2,026,141 | - | - | 2,163,865 | 2,026,141 |
| Community Development & Services | 25,907,831 | 26,929,340 | - | - | 25,907,831 | 26,929,340 |
| Public Safety | 28,241,337 | 30,371,957 | - | - | 28,241,337 | 30,371,957 |
| Public Works | 14,832,846 | 14,999,725 | - | - | 14,832,846 | 14,999,725 |
| Interest on Long-Term Debt | 4,031,806 | 3,352,170 | - | - | 4,031,806 | 3,352,170 |
| Water Utility | - | - | 18,728,126 | 18,893,219 | 18,728,126 | 18,893,219 |
| Sewer Utility | - | - | 3,027,448 | 3,175,703 | 3,027,448 | 3,175,703 |
| Marina | - | - | 2,369,801 | 2,484,823 | 2,369,801 | 2,484,823 |
| Pittsburg Power | - | - | 6,947,359 | 7,502,071 | 6,947,359 | 7,502,071 |
| Waterfront Operations | - | - | 1,405,996 | 1,216,482 | 1,405,996 | 1,216,482 |
| Total Expenses | 81,995,150 | 84,262,170 | 32,478,730 | 33,272,298 | 114,473,880 | 117,534,468 |
| Increase(Decrease) in Net Position before Transfers | (5,383,808) | 362,981 | 6,382,010 | 10,068,262 | 998,202 | 10,431,243 |
| Transfers | 1,544,688 | 1,204,516 | (1,544,688) | (1,204,516) | - | - |
| Change in Net Position | (3,839,120) | 1,567,497 | 4,837,322 | 8,863,746 | 998,202 | 10,431,243 |
| Net Position-Beginning of Year (As Restated) | 244,926,583 | 236,677,548 | 130,301,828 | 133,555,059 | 375,228,411 | 370,232,607 |
| Prior period adjustment due to implementation of GASB 75 (Note 9E) | (4,409,915) | - | (1,584,091) | - | (5,994,006) | - |
| Net Position - End of Year | \$ 236,677,548 | \$ 238,245,045 | \$ 133,555,059 | \$ 142,418,805 | \$ 370,232,607 | \$ 380,663,850 |

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

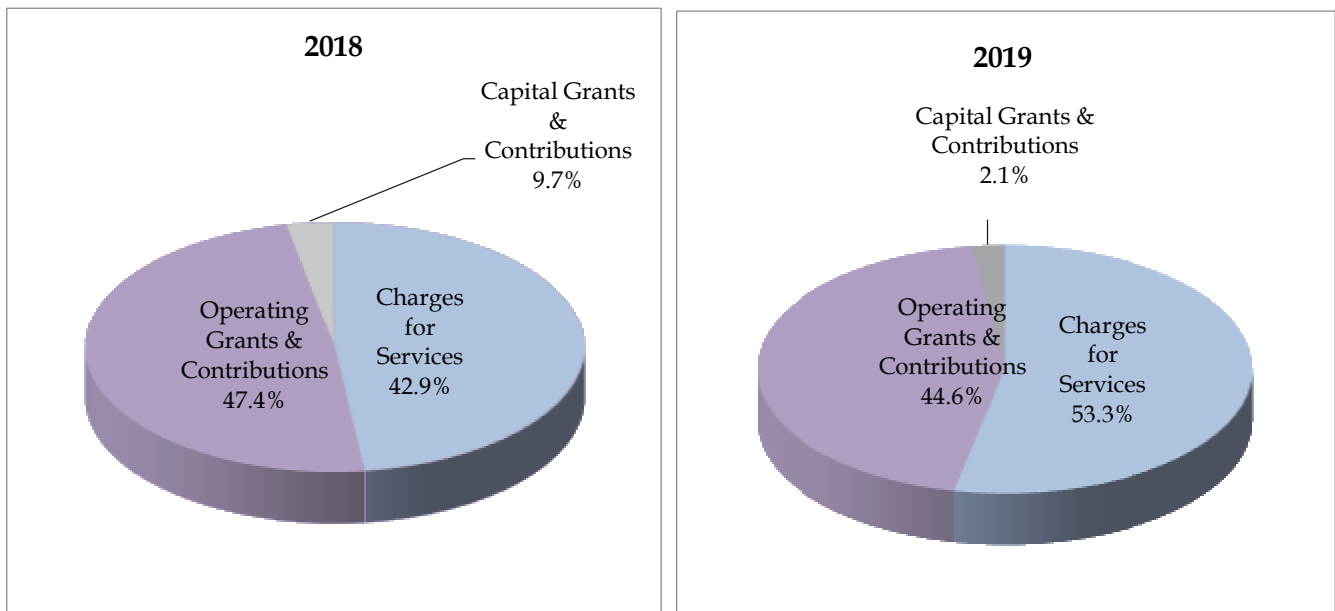
Total Program Revenues from Governmental Activities were \$42.0M in FY 2018-19. Per GASB 34, program revenues are derived directly from the program or from parties outside the reporting government's taxpayers or citizenry. Program Revenues reduce the net cost of the program to be financed from the government's general revenues. As reflected in the pie chart below, 53.3% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 44.6% from the Operating Grants and Contributions category (including restricted revenues such as Gas Tax, Measure J Tax, Asset Seizure fund and Federal/State Grants), and 2.1% from Capital Grants and Contributions.

The Charges for Services increased by \$4.4M primarily due to 1.) The City received \$1.2M excess pass through revenues from the Successor Agency, 2.) Steadfast Marina loan payoff of \$1.3M, 3.) permit fees for capital projects increased by \$1.3M and 4.) \$.6M increase in public safety fees.

The Operating Grants and Contributions increased by \$1.1M. This is due to the Community Development program that received \$1.1M more for Housing Authority reimbursements from Housing Urban Development (HUD) due to being in shortfall status.

Capital Grants and Contributions decreased by \$.2M. In prior fiscal year Public Safety received a grant to purchase a patrol vessel.

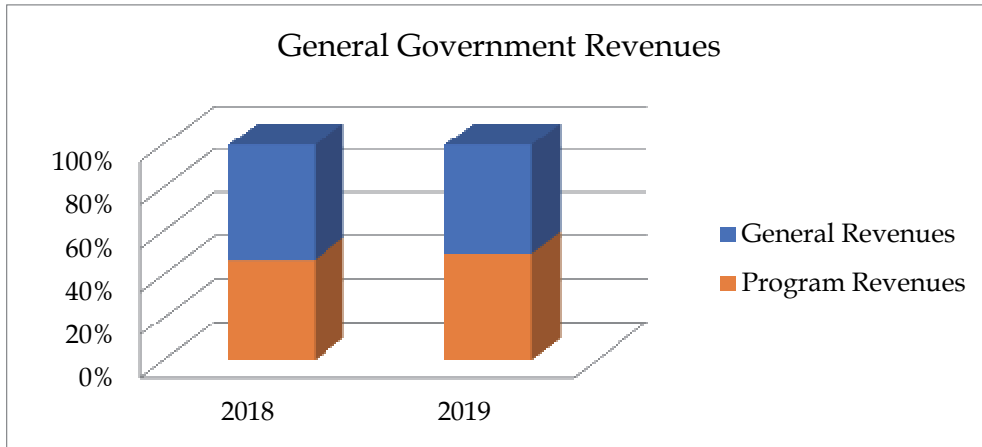
Government Revenues by Program Type



City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

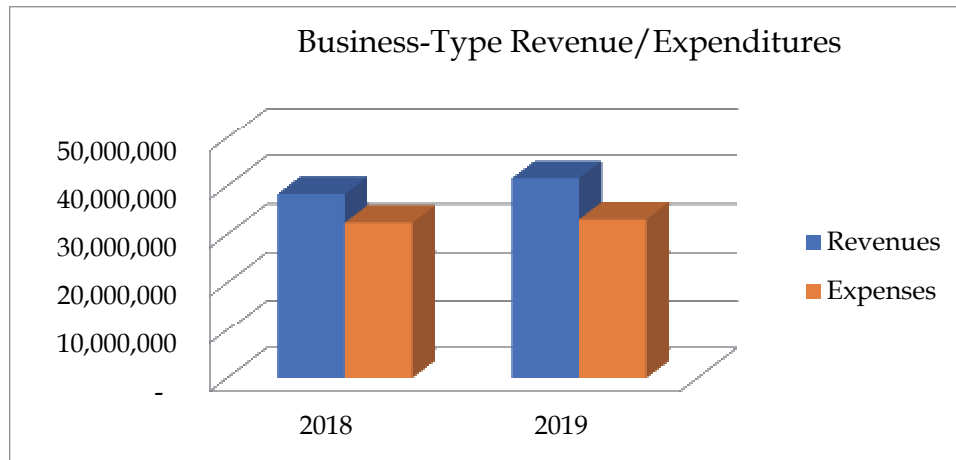
About 31% of General Government services in FY 2018-19 were funded by General Revenues. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. Interest on long-term debt is paid through general revenues.

General revenues from Governmental Activities represented \$42.6M or 50% of total City revenues, and Program revenues reflected \$42.0M or 49% of total Governmental Activities revenues. Sales Taxes comprised the largest percentage of General Revenues, \$14.4M or 33.0%, received during the fiscal year.



City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

Business-Type Activities – Net position for Business-Type Activities were \$142.4M, a net increase of \$8.8M over the prior fiscal year. Total program revenues for Business-Type Activities were \$41.6M. Total expenses for Business-Type Activities were \$33.1M for the FY 2018-19. The increase in both revenues and expenses is attributed to fee increases for revenues and Capital Improvement Projects (CIP) that were not in the prior fiscal year for expenses.



City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City’s Governmental Funds is to provide information on near-term inflows, outflows, and balances of spending 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 Housing Authority (Section 8), which is reported as a Special Revenue Fund, saw an increase in fund balance of \$358k. This is due to a increase in program funding from HUD.

General Fund Budgetary Highlights - The final amended budget totaled \$46.5M, including \$1,875,226 for prior fiscal year budget carry forward totals and new appropriation amendments to the originally adopted budget. These amendments are briefly summarized below.

The City Council approved the following budget carry-forwards and amendments during the current fiscal year:

| Budget Carry Forwards: | | Approved Amendements: | |
|-------------------------------------|-------------------|-------------------------------|---------------------|
| Engineering - Contractural Services | \$ 82,075 | City Council | \$ 19,709 |
| Non-Departmental - Contingencies | 183,666 | City Manager | 103,115 |
| | | City Clerk | 2,852 |
| | | City Attorney | (56,831) |
| | | Human Resources | 7,519 |
| | | Finance and services | (3,256) |
| | | Graffiti Removal | (4,148) |
| | | Planning | 326,598 |
| | | Buidling | (55,536) |
| | | Engineering | (55,464) |
| | | Recreation | 168,033 |
| | | Public Safety | 904,869 |
| | | Public Works - Administration | (693) |
| | | Public Works - Street | 1,736 |
| | | Non-Departmental | 250,982 |
| Total Budget Carryovers | <u>\$ 265,741</u> | Total Amendements | <u>\$ 1,609,485</u> |
| | | Grand Total | <u>\$ 1,875,226</u> |

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

At the close of the FY 2018-19, General Fund revenues exceeded the revised budget by \$2.7M. This increase is primarily attributable to excess pass through revenues from the Successor Agency.

General Fund Expenditures were \$757,096 higher than the original budget and \$1,772,743 lower than the revised budget. The reduced spending reflects staff's consistent efforts to maintain control over costs while awaiting the actual variable revenues to materialize such as sales and use taxes and pass-through payments. Staff has taken great care over the past several years to reduce or delay spending on non-critical items during the current fiscal year in an effort to meet the requirements of the City's Budget Stabilization Ordinance. During the past year, the City saw savings in 1) salaries and wages including fringe of \$980,880, 2) contractual services of \$300,103 and 3) operating expenses of \$491,760. As a result of delayed spending, the City has \$185,000 in budgetary carry forwards to FY 2019-20. These carryovers reflect the City's continued commitment to reinvest in the areas of greatest need while exercising care in the manner in which it spends available resources.

Deferred revenue in the General Fund is \$1.3M. The balance consists of \$913,000 for future infrastructure construction projects and \$387,000 for various projects within the City. Please see Note 4 for further explanation.

The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but with more detail. According to standardized Governmental reporting, the Water Fund, Sewer Fund, and Pittsburg Power Company are major funds. The Marina and Waterfront Operations Fund are not considered to be major funds; however, the City has elected to continue to report the Marina and Waterfront Operations Funds as major funds.

Total net position of the Business-Type Activities was \$142.4M at the end of the year, an increase of \$8.8M from the prior fiscal year.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

Capital Asset and Debt Administration – The City’s investment in capital assets for its Governmental and Business Type activities as of June 30, 2019, was \$398.4M (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges, water lines, and sewer and storm systems. The total increase in the City’s investment in capital assets net of depreciation was \$.6M as compared to prior year.

City of Pittsburg
Capital Assets
(Net of Depreciation)
June 30, 2019

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Non-depreciable assets: | | | | | | |
| Land | \$ 34,687,011 | \$ 34,687,011 | \$ 1,646,186 | \$ 1,646,186 | \$ 36,333,197 | \$ 36,333,197 |
| Construction in Progress | 15,203,098 | 19,481,254 | 28,833,255 | 25,057,321 | 44,036,353 | 44,538,575 |
| Total | 49,890,109 | 54,168,265 | 30,479,441 | 26,703,507 | 80,369,550 | 80,871,772 |
| Depreciable assets (net of depreciation): | | | | | | |
| Buildings and improvements | 54,698,094 | 53,778,000 | 15,109,268 | 22,097,679 | 69,807,362 | 75,875,679 |
| Machinery and Equipment | 3,751,722 | 5,677,606 | 6,541,838 | 6,051,122 | 10,293,560 | 11,728,728 |
| Infrastructure | 142,080,674 | 136,782,872 | 95,194,024 | 93,097,347 | 237,274,698 | 229,880,219 |
| Total | 200,530,490 | 196,238,478 | 116,845,130 | 121,246,148 | 317,375,620 | 317,484,626 |
| Total | \$ 250,420,599 | \$ 250,406,743 | \$ 147,324,571 | \$ 147,949,655 | \$ 397,745,170 | \$ 398,356,398 |

Please see more detailed information regarding the City's capital assets in Note 6 of the Basic Financial Statements.

Debt Service Administration – At the end of the fiscal year, the City had total long-term debt outstanding of \$34.9M which consisted of: 2006 Pension Obligation Bonds in the amount of \$33.3M, a loan from California Energy Resources Conservation and Development Commission for conversion of the City's light poles to more energy efficiency LED lights in the amount of \$212,194, a telephone voice over internet protocol (VOIP) system capital lease for \$363,626, street sweeper capital lease for \$70,754, fleet vehicles/street sweeper capital lease for \$498,647, various fleet equipment for \$261,368 and a loan from PG&E to partially fund the replacement of the City Hall Chiller in the amount of \$188,411. As of June 30, 2019, the \$39.4M in Business-Type Activities Long Term Debt comprised of two revenue bonds in the Water and Sewer Funds, \$27.3M and \$1.6M respectively and a California Infrastructure and Economic Development Bank (I-Bank) loan for financing the modifications of Pittsburg Water Treatment Plant and other infrastructures in the amount of \$10.5M.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2019

City of Pittsburg
Long-Term Debt
June 30, 2019

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Pension Obligation Bonds | \$ 34,030,018 | \$ 33,260,642 | \$ - | \$ - | \$ 34,030,018 | \$ 33,260,642 |
| Energy Conservation Loan | 278,821 | 212,194 | - | - | 278,821 | 212,194 |
| Capital Lease - VOIP | 484,835 | 363,626 | - | - | 484,835 | 363,626 |
| Capital Lease - Street Sweeper | 116,339 | 70,754 | - | - | 116,339 | 70,754 |
| PG&E Efficient Loan | 209,740 | 188,411 | - | - | 209,740 | 188,411 |
| Capital Lease-Fleet Vehicles/Street Sweeper | - | 498,647 | - | - | - | 498,647 |
| Capital Lease-Fleet Equipment | - | 261,368 | - | - | - | 261,368 |
| 2008 A Revenue Bonds | - | - | - | - | - | - |
| 2016 Water Revenue Refunding Bonds | - | - | 28,650,000 | 27,335,000 | 28,650,000 | 27,335,000 |
| 2014 Waste Water Revenue Bonds | - | - | 2,350,000 | 1,578,000 | 2,350,000 | 1,578,000 |
| 2014 I-Bank Loan | - | - | 10,703,258 | 10,459,018 | 10,703,258 | 10,459,018 |
| Total | \$ 35,119,753 | \$ 34,855,642 | \$ 41,703,258 | \$ 39,372,018 | \$ 76,823,011 | \$ 74,227,660 |

Fleet Vehicles/Street Sweeper

On November 15, 2018, the City entered into a five year lease agreement for a total principal cost of \$549,017 with Holman Capital Corporation to finance the purchase of three vehicles and a street sweeper for the Fleet Maintenance Department. The interest rate on the capital lease is 3.80% and principal and interest payments are due semi-annually, commencing May 15, 2019, and maturing on November 15, 2023.

Fleet Equipment

On April 24, 2019, the City entered into a five year lease agreement for a total principal cost of \$261,368 with Holman Capital Corporation for various equipment. The interest rate on the capital lease is 3.80% and principal and interest payments are due semi-annually, commencing October 24, 2019, maturing on April 24, 2019.

Please see more detailed information regarding the City's outstanding debt in Note 7 of the Basic Financial Statements.

Looking Forward

The City is proud of the results of the current years activities. Each Department Head and their Staff takes a great deal of pride providing top quality services to our residents and business community, while being fiscally conservative. This approach requires City staff to consistently monitor all of our expenses while exploring and utilizing every alternative revenue source.

Requests for Information - This financial report is designed to provide a general overview of the finances for the City of Pittsburg. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Pittsburg, Finance Department, 65 Civic Avenue, Pittsburg, California 94565.



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

**BASIC
FINANCIAL
STATEMENTS**



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

City of Pittsburg
STATEMENT OF NET POSITION
June 30, 2019

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments (Note 2) | \$ 46,834,116 | \$ 49,304,301 | \$ 96,138,417 |
| Restricted cash and investments (Note 2) | 3,016,603 | 15 | 3,016,618 |
| Receivables: | | | |
| Accounts | 8,199,109 | 5,723,451 | 13,922,560 |
| Interest | 523,700 | - | 523,700 |
| Loans/notes (Note 3) | 38,678,752 | 333,137 | 39,011,889 |
| Internal balances (Note 1H) | (1,076,012) | 1,076,012 | - |
| Inventory | 820,506 | 223,374 | 1,043,880 |
| Prepaid items and other assets | 177,194 | 390,358 | 567,552 |
| Total current assets | <u>97,173,968</u> | <u>57,050,648</u> | <u>154,224,616</u> |
| Noncurrent assets: | | | |
| Capital assets (Note 6): | | | |
| Land and nondepreciable assets | 54,168,265 | 26,703,507 | 80,871,772 |
| Depreciable capital assets, net of accumulated depreciation | 196,238,478 | 121,246,148 | 317,484,626 |
| Total capital assets, net | <u>250,406,743</u> | <u>147,949,655</u> | <u>398,356,398</u> |
| Total Assets | <u>347,580,711</u> | <u>205,000,303</u> | <u>552,581,014</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related (Note 11) | 11,845,823 | 2,230,108 | 14,075,931 |
| OPEB related (Note 12) | 1,629,658 | 572,285 | 2,201,943 |
| Total Deferred Outflows of Resources | <u>13,475,481</u> | <u>2,802,393</u> | <u>16,277,874</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 2,177,916 | 2,043,741 | 4,221,657 |
| Salaries payable | 2,188,024 | - | 2,188,024 |
| Interest payable (Note 1J) | 703,126 | 647,439 | 1,350,565 |
| Refundable deposits | 1,345,182 | 1,684,718 | 3,029,900 |
| Taxes payable | 25,640 | 152,524 | 178,164 |
| Loans payable | 131,813 | - | 131,813 |
| Due to other agencies | 12,281 | - | 12,281 |
| Unearned revenue (Note 4) | 1,781,722 | 1,855,812 | 3,637,534 |
| Claims and judgment payable-due within one year (Note 10) | 74,522 | - | 74,522 |
| Compensated absences - due within one year (Note 1M) | 1,727,025 | 537,610 | 2,264,635 |
| Long-term debt - due within one year (Note 7) | 2,650,054 | 2,394,812 | 5,044,866 |
| Total current liabilities | <u>12,817,305</u> | <u>9,316,656</u> | <u>22,133,961</u> |
| Noncurrent liabilities: | | | |
| Compensated absences - due in more than one year (Note 1M) | 575,675 | 179,204 | 754,879 |
| Net pension liability - due in more than one year (Note 11) | 46,331,387 | 7,940,029 | 54,271,416 |
| Net OPEB liability - due in more than one year (Note 12) | 27,616,298 | 9,901,446 | 37,517,744 |
| Long-term debt - due in more than one year (Note 7) | 32,205,588 | 36,977,206 | 69,182,794 |
| Total noncurrent liabilities | <u>106,728,948</u> | <u>54,997,885</u> | <u>161,726,833</u> |
| Total Liabilities | <u>119,546,253</u> | <u>64,314,541</u> | <u>183,860,794</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related (Note 11) | 3,199,175 | 1,045,773 | 4,244,948 |
| OPEB related (Note 12) | 65,719 | 23,577 | 89,296 |
| Total Deferred Inflows of Resources | <u>3,264,894</u> | <u>1,069,350</u> | <u>4,334,244</u> |
| NET POSITION (Note 9) | | | |
| Net investment in capital assets | <u>248,811,743</u> | <u>108,577,637</u> | <u>357,389,380</u> |
| Restricted for: | | | |
| Capital projects | 9,636,517 | 22,570,955 | 32,207,472 |
| Debt service | 3,036,559 | 3,964,943 | 7,001,502 |
| Special purpose projects (Note 9D) | 14,844,996 | 578,435 | 15,423,431 |
| Facility fee reserve | - | 6,191,629 | 6,191,629 |
| Total restricted net position | <u>27,518,072</u> | <u>33,305,962</u> | <u>60,824,034</u> |
| Unrestricted | <u>(38,084,770)</u> | <u>535,206</u> | <u>(37,549,564)</u> |
| Total Net Position | <u>\$ 238,245,045</u> | <u>\$ 142,418,805</u> | <u>\$ 380,663,850</u> |

See accompanying notes to financial statements

City of Pittsburg
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | Total |
|---|-----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental Activities: | | | | | | | |
| General government | \$ 4,159,686 | \$ 9,147,750 | \$ - | \$ 701,934 | \$ 5,689,998 | | \$ 5,689,998 |
| City Council | 107,074 | - | - | - | (107,074) | | (107,074) |
| City Manager and City Clerk | 700,225 | 422 | - | - | (699,803) | | (699,803) |
| City Attorney | 415,320 | 60 | - | - | (415,260) | | (415,260) |
| Human resources | 1,180,938 | 188 | - | - | (1,180,750) | | (1,180,750) |
| Finance and services | 2,026,141 | 158,467 | - | - | (1,867,674) | | (1,867,674) |
| Community development and services | 26,927,327 | 6,691,251 | 18,551,948 | 74,813 | (1,609,315) | | (1,609,315) |
| Public safety | 30,371,957 | 3,926,464 | 451,569 | 5,188 | (25,988,736) | | (25,988,736) |
| Public works | 14,998,964 | 2,114,166 | 67,681 | 115,242 | (12,701,875) | | (12,701,875) |
| Interest on long-term debt | 3,374,537 | - | - | - | (3,374,537) | | (3,374,537) |
| Total Governmental Activities | 84,262,169 | 22,038,768 | 19,071,198 | 897,177 | (42,255,026) | | (42,255,026) |
| Business-type Activities: | | | | | | | |
| Water Utility | 18,893,219 | 23,240,951 | 30,852 | - | - | \$ 4,378,584 | 4,378,584 |
| Sewer Utility | 3,175,703 | 5,510,632 | - | - | - | 2,334,929 | 2,334,929 |
| Marina | 2,484,823 | 2,156,979 | - | - | - | (327,844) | (327,844) |
| Pittsburg Power | 7,502,071 | 8,938,923 | 148,834 | - | - | 1,585,686 | 1,585,686 |
| Water Front Operations | 1,216,482 | 1,541,154 | - | 53,000 | - | 377,672 | 377,672 |
| Total Business-type Activities | 33,272,298 | 41,388,639 | 179,686 | 53,000 | - | 8,349,027 | 8,349,027 |
| Total | \$ 117,534,467 | \$ 63,427,407 | \$ 19,250,884 | \$ 950,177 | (42,255,026) | 8,349,027 | (33,905,999) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 4,039,499 | - | 4,039,499 |
| Sales taxes | | | | | 14,446,467 | - | 14,446,467 |
| Franchise taxes | | | | | 5,118,174 | - | 5,118,174 |
| Gas taxes | | | | | 2,718,786 | - | 2,718,786 |
| Other taxes | | | | | 9,339,331 | - | 9,339,331 |
| Motor Vehicle in-lieu (unrestricted) | | | | | 5,152,948 | - | 5,152,948 |
| Investment earnings-unrestricted | | | | | 1,802,802 | 1,719,235 | 3,522,037 |
| Transfers (Note 5C) | | | | | 1,204,516 | (1,204,516) | - |
| Total General Revenues and Transfers | | | | | 43,822,523 | 514,719 | 44,337,242 |
| Change in Net Position | | | | | 1,567,497 | 8,863,746 | 10,431,243 |
| Net Position - Beginning of Year | | | | | 236,677,548 | 133,555,059 | 370,232,607 |
| Net Position-End of Year | | | | | \$ 238,245,045 | \$ 142,418,805 | \$ 380,663,850 |

See accompanying notes to financial statements

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources which are not accounted for in another fund. The General Fund includes the Budget Stabilization and Economic Development fund balances and activity.

Housing Authority (Section 8) Special Revenue Fund was established to administer grants from the Housing and Urban Development Department (HUD) to subsidize the rental costs of low-income families and homeless veterans.

Successor Agency Housing Special Revenue Fund was established to account for activities related to the assets assumed by the City as Housing Successor to the Pittsburg Redevelopment Agency for the housing activities of the former Redevelopment Agency.

City of Pittsburg
Balance Sheet
Governmental Funds
June 30, 2019

| | General Fund | Housing Authority (Section 8) | Successor Agency Housing |
|---|----------------------|-------------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and investments (Note 2) | \$ 21,318,251 | \$ 552,562 | \$ 3,281,122 |
| Restricted cash and investments (Note 2) | - | - | - |
| Receivables: | | | |
| Accounts | 4,897,048 | 96,261 | - |
| Interest | 523,700 | - | - |
| Loans and notes (Note 3) | 3,333,765 | - | 30,754,630 |
| Due from other funds (Note 5A) | 1,150,682 | - | - |
| Inventory | 61,506 | 1,374 | - |
| Prepaid items and other assets | 47,906 | 14,261 | - |
| Advances to other funds (Note 5B) | - | - | - |
| Total Assets | \$ 31,332,858 | \$ 664,458 | \$ 34,035,752 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts payable | \$ 752,708 | \$ 17,394 | \$ 6,706 |
| Salaries payable | 1,543,372 | - | - |
| Taxes payable | 25,640 | - | - |
| Refundable deposits | 1,288,129 | 2,630 | - |
| Loans payable | - | - | - |
| Unearned revenue (Note 4) | 1,304,762 | 134,206 | - |
| Due to other agencies | - | - | - |
| Due to other funds (Note 5A) | - | - | - |
| Advances from other funds (Note 5B) | 520,000 | - | - |
| Total Liabilities | 5,434,611 | 154,230 | 6,706 |
| Deferred Inflows of Resources: | | | |
| Unavailable revenue (Note 4B) | 1,411,781 | - | 30,754,630 |
| Total Liabilities and Deferred Inflows of Resources | 6,846,392 | 154,230 | 30,761,336 |
| Fund Balances (Note 9): | | | |
| Nonspendable | 2,031,396 | 15,635 | - |
| Restricted | - | 494,593 | 3,274,416 |
| Committed | - | - | - |
| Assigned | 802,151 | - | - |
| Unassigned | 21,652,919 | - | - |
| Total Fund Balances | 24,486,466 | 510,228 | 3,274,416 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 31,332,858 | \$ 664,458 | \$ 34,035,752 |

See accompanying notes to basic financial statements

| Other Governmental Funds | | Total Governmental Funds | |
|--------------------------|-------------------|--------------------------|-------------------|
| \$ | 15,051,063 | \$ | 40,202,998 |
| | 3,016,603 | | 3,016,603 |
| | 3,196,614 | | 8,189,923 |
| | - | | 523,700 |
| | 4,590,357 | | 38,678,752 |
| | - | | 1,150,682 |
| | 308,283 | | 371,163 |
| | 22,624 | | 84,791 |
| | 3,381,708 | | 3,381,708 |
| <u>\$</u> | <u>29,567,252</u> | <u>\$</u> | <u>95,600,320</u> |
| | | | |
| \$ | 1,025,626 | \$ | 1,802,434 |
| | - | | 1,543,372 |
| | - | | 25,640 |
| | 54,423 | | 1,345,182 |
| | 131,813 | | 131,813 |
| | 342,754 | | 1,781,722 |
| | 12,281 | | 12,281 |
| | 1,150,682 | | 1,150,682 |
| | 3,756,708 | | 4,276,708 |
| | 6,474,287 | | 12,069,834 |
| | | | |
| | 4,458,544 | | 36,624,955 |
| | | | |
| | 10,932,831 | | 48,694,789 |
| | | | |
| | 330,907 | | 2,377,938 |
| | 19,893,696 | | 23,662,705 |
| | 2,161,973 | | 2,161,973 |
| | 3,586 | | 805,737 |
| | (3,755,741) | | 17,897,178 |
| | | | |
| | 18,634,421 | | 46,905,531 |
| <u>\$</u> | <u>29,567,252</u> | <u>\$</u> | <u>95,600,320</u> |

City of Pittsburg
Reconciliation of the
Governmental Funds Balance Sheet
with the Statement of Net Position
June 30, 2019

Total fund balances reported on the Governmental Funds Balance Sheet \$ 46,905,531

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 246,749,550

LONG TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Governmental Funds:

| | |
|---|--------------|
| Long-term debt | (33,472,836) |
| Interest payable | (703,126) |
| Compensated absences | (2,213,578) |
| Net pension liability and related deferred inflows/outflows | (37,684,739) |
| Net OPEB liability and related deferred inflows/outflows | (26,052,359) |

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as assets or liabilities in the Governmental Funds:

| | |
|---------------------|------------|
| Unavailable revenue | 36,624,955 |
|---------------------|------------|

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal Service Funds are not Governmental Funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual Governmental Funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items on the Statement of Net Position.

| | |
|------------------------------|-------------|
| Cash and investments | 6,631,118 |
| Accounts receivable | 9,186 |
| Inventory | 449,343 |
| Prepaid/other assets | 92,403 |
| Capital assets | 3,657,193 |
| Accounts payable | (1,020,134) |
| Compensated absences | (89,122) |
| Advance from other funds | (181,012) |
| Claims and judgments payable | (74,522) |
| Capital lease | (1,382,806) |
| | (1,382,806) |

| | |
|---|----------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 238,245,045 |
|---|----------------|

See accompanying notes to financial statements



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

City of Pittsburg
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2019

| | General Fund | Housing Authority (Section 8) | Successor Agency Housing |
|--|----------------------|-------------------------------------|--------------------------------|
| REVENUES: | | | |
| Property tax | \$ 4,039,499 | \$ - | \$ - |
| Sales tax | 14,446,467 | - | - |
| Franchise tax | 4,964,564 | - | - |
| Other taxes | 1,838,743 | - | - |
| Intergovernmental revenues | 8,658,056 | 16,937,113 | - |
| Permits, licenses, and fees | 776,162 | - | - |
| Fines and forfeitures | 413,647 | - | - |
| Special assessments | - | - | - |
| Service fees | 4,500,742 | 1,134,054 | 7,845 |
| Use of money and property | 802,564 | 13,707 | 221,011 |
| Other revenues | 3,094,769 | 90,279 | 1,773,352 |
| Total Revenues | 43,535,213 | 18,175,153 | 2,002,208 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government | 2,992,071 | - | - |
| City Council | 107,074 | - | - |
| City Manager and City Clerk | 639,267 | - | - |
| City Attorney | 414,666 | - | - |
| Human resources | 1,144,145 | - | - |
| Finance and services | 1,535,614 | - | - |
| Community development and services | 6,262,117 | 17,798,079 | 273,105 |
| Public safety | 28,347,665 | - | - |
| Public works - administration | 90,322 | - | - |
| Public works - streets | 2,366,111 | - | - |
| Public works - parks | 160,508 | - | - |
| Capital outlay and improvements | - | - | - |
| Debt service: | | | |
| Principal retirement | - | - | - |
| Interest and fiscal charges | - | - | - |
| Total Expenditures | 44,059,560 | 17,798,079 | 273,105 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (524,347) | 377,074 | 1,729,103 |
| OTHER FINANCING SOURCES (USES): | | | |
| Gain (loss) on sale of capital assets | 53,670 | - | - |
| Gain (loss) on sale of inventory | - | - | - |
| Transfers in (Note 5C) | 5,271,157 | - | - |
| Transfers out (Note 5C) | (1,569,076) | (18,586) | (559) |
| Total Other Financing Sources (uses) | 3,755,751 | (18,586) | (559) |
| NET CHANGE IN FUND BALANCES | 3,231,404 | 358,488 | 1,728,544 |
| FUND BALANCES: | | | |
| Beginning of year | 21,255,062 | 151,740 | 1,545,872 |
| End of year | \$ 24,486,466 | \$ 510,228 | \$ 3,274,416 |

See accompanying notes to basic financial statements

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ - | \$ 4,039,499 |
| - | 14,446,467 |
| 153,610 | 5,118,174 |
| 4,942,874 | 6,781,617 |
| 3,864,824 | 29,459,993 |
| 2,228,565 | 3,004,727 |
| 1,221 | 414,868 |
| 4,051,809 | 4,051,809 |
| 4,717,200 | 10,359,841 |
| 632,350 | 1,669,632 |
| 2,611,632 | 7,570,032 |
| <u>23,204,085</u> | <u>86,916,659</u> |
| 24,880 | 3,016,951 |
| - | 107,074 |
| - | 639,267 |
| - | 414,666 |
| - | 1,144,145 |
| 317,538 | 1,853,152 |
| 3,722,047 | 28,055,348 |
| 1,759,188 | 30,106,853 |
| 394,978 | 485,300 |
| 6,244,285 | 8,610,396 |
| - | 160,508 |
| 3,958,527 | 3,958,527 |
| 2,226,627 | 2,226,627 |
| 1,982,212 | 1,982,212 |
| <u>20,630,282</u> | <u>82,761,026</u> |
| 2,573,803 | 4,155,633 |
| - | 53,670 |
| (5,941) | (5,941) |
| 3,205,957 | 8,477,114 |
| (6,224,763) | (7,812,984) |
| <u>(3,024,747)</u> | <u>711,859</u> |
| (450,944) | 4,867,492 |
| 19,085,365 | 42,038,039 |
| <u>\$ 18,634,421</u> | <u>\$ 46,905,531</u> |

City of Pittsburg
Reconciliation of the
Net Change in Fund Balances-Total Governmental Funds
with the Statement of Activities
For the year ended June 30, 2019

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 4,867,492

Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital additions from the following departments are therefore added back to fund balance:

| | |
|---|-----------|
| Capital outlay | 3,958,527 |
| Amount charged to public works department | 3,110,595 |
| Amount charged to public safety | 1,343,272 |
| Amount charged to community development and services department | 828,667 |
| Other non-capitalized expenditures are deducted from fund balance | (1,638) |

| | |
|--|--------------|
| Depreciation expense is deducted from the fund balance (Depreciation expense is net of Internal Service Fund depreciation \$715,251 which has already been allocated to serviced funds.) | (10,147,414) |
|--|--------------|

| | |
|--|-----------|
| Retirements of capital assets are deducted from the fund balance | (224,235) |
|--|-----------|

LONG TERM DEBT AND PAYMENTS

| | |
|---|-----------|
| Repayment of debt principal is added back to fund balance | 2,226,627 |
|---|-----------|

| | |
|---|-------------|
| Accreted interest is deducted from fund balance | (1,390,624) |
|---|-------------|

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

| | |
|---|-------------|
| Interest payable | 12,554 |
| Deferred revenue | (1,769,263) |
| Compensated absences | 32,396 |
| Net pension liability, deferred inflows and deferred outflows | (777,835) |
| Net OPEB liability, deferred inflows and deferred outflows | (1,114,583) |

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds.

The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

| | |
|---|---------|
| Change in Net Position - All Internal Service Funds | 612,959 |
|---|---------|

| | |
|---|--------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | \$ 1,567,497 |
|---|--------------|

PROPRIETARY FUND FINANCIAL STATEMENTS

The enterprise funds account for activities that are financed and operated in a manner similar to private business enterprises. The City Council has determined that the costs of providing the following services to the public be recovered primarily through user charges.

Water Utility Fund -This fund accounts for the revenues and expenses associated with management, operation, and maintenance of water treatment and distribution system to water customers of the City of Pittsburg. It also accounts for the maintenance of water plant, distribution reservoirs, and water lines.

Sewer Utility Fund -This fund accounts for the revenues and expenses associated with the maintenance and repair of 126 miles of sewer mains, sewer lift stations and sewer laterals within the City's right-of-way.

Marina Fund -This fund accounts for the revenues received from Marina berth rentals, from sales of gasoline, and expenditures from operation and maintenance.

Pittsburg Power Fund - This fund was created by the Joint Powers Agreement between the City of Pittsburg and the Redevelopment Agency to develop revenue streams, to manage different activities for power related projects, capital improvement projects, and bond issuance process. This fund also accounts for expenditures incurred in maintenance of the facilities, in distributing gas and electricity to the industries, schools, business, and residents of Mare Island, in Vallejo, and to account for revenues collected from services to customers.

Water Front Operations Fund - This fund was created for the collection of rents and other trust revenues from the tidelands granted by the Contra Costa County Local Agency Formation Commission within Pittsburg's city limits. The City shall submit a plan indicating details of intended development, preservation, or other use of the trust lands. Any use of the trust lands shall be consistent with the plan as approved by the Commission.

City of Pittsburgh
Statement of Net Position
Proprietary Funds
June 30, 2019

| | Major Enterprise Funds | | |
|--|------------------------|----------------------|----------------------|
| | Water Utility | Sewer Utility | Marina |
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments (Note 2) | \$ 27,451,059 | \$ 9,735,584 | \$ 1,780,293 |
| Restricted cash and investments (Note 2) | 15 | - | - |
| Receivables: | | | |
| Accounts | 3,435,590 | 671,255 | 66,713 |
| Loans receivable (Note 3) | - | - | - |
| Inventory | 128,301 | 24,823 | 9,149 |
| Prepaid items and other assets | 37,072 | 523 | 3,244 |
| Total current assets | <u>31,052,037</u> | <u>10,432,185</u> | <u>1,859,399</u> |
| Noncurrent assets: | | | |
| Advance to other funds (Note 5B) | - | 701,012 | - |
| Capital assets (Note 6): | | | |
| Land and nondepreciable assets | 17,891,431 | 6,169,396 | - |
| Depreciable assets, net | 75,210,358 | 25,705,112 | 11,986,065 |
| Total noncurrent assets | <u>93,101,789</u> | <u>32,575,520</u> | <u>11,986,065</u> |
| Total Assets | <u>124,153,826</u> | <u>43,007,705</u> | <u>13,845,464</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related (Note 11) | 1,083,151 | 254,859 | 191,144 |
| OPEB related (Note 12) | 321,704 | 67,379 | 48,443 |
| Total Deferred Outflow of Resources | <u>1,404,855</u> | <u>322,238</u> | <u>239,587</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 863,768 | 57,479 | 84,061 |
| Salaries payable | - | - | - |
| Refundable deposits | 1,398,588 | 5,000 | 78,915 |
| Taxes payable | - | - | 7,061 |
| Accrued interest payable | 645,401 | 2,038 | - |
| Unearned revenue (Note 4) | - | - | - |
| Compensated absences payable - due within one year (Note 1M) | 293,398 | 79,765 | 68,904 |
| Claims and judgments payable - due within one year (Note 10C) | - | - | - |
| Long-term debt - due within one year (Note 7) | 1,612,812 | 782,000 | - |
| Total current liabilities | <u>4,813,967</u> | <u>926,282</u> | <u>238,941</u> |
| Noncurrent liabilities: | | | |
| Advance from other funds (Note 5B) | - | - | - |
| Compensated absences payable - due in more than one year (Note 1M) | 97,799 | 26,588 | 22,969 |
| Net pension liability - due in more than one year (Note 11) | 3,856,585 | 907,432 | 680,574 |
| Net OPEB liability - due in more than one year (Note 12) | 5,474,374 | 1,353,637 | 856,216 |
| Long-term debt - due in more than one year (Note 7) | 36,181,206 | 796,000 | - |
| Total noncurrent liabilities | <u>45,609,964</u> | <u>3,083,657</u> | <u>1,559,759</u> |
| Total Liabilities | <u>50,423,931</u> | <u>4,009,939</u> | <u>1,798,700</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related (Note 11) | 507,947 | 119,517 | 89,638 |
| OPEB related (Note 12) | 13,029 | 3,236 | 2,041 |
| Total Deferred Inflows of Resources | <u>520,976</u> | <u>122,753</u> | <u>91,679</u> |
| NET POSITION (Note 9) | | | |
| Net investment in capital assets | 55,307,771 | 30,296,508 | 11,986,065 |
| Restricted for: | | | |
| Capital projects | 3,575,918 | 16,067,411 | 20,000 |
| Debt service | 3,161,514 | 803,429 | - |
| Special purpose | 15 | - | - |
| Facility fees | 5,418,081 | 773,548 | - |
| Unrestricted | 7,150,475 | (8,743,645) | 188,607 |
| Total Net Position | <u>\$ 74,613,774</u> | <u>\$ 39,197,251</u> | <u>\$ 12,194,672</u> |

See accompanying notes to basic financial statements

| Major Enterprise Funds | | Total Enterprise Funds | Governmental Activities Internal Service Funds |
|------------------------|------------------------|------------------------|--|
| Pittsburg Power | Water Front Operations | | |
| \$ 7,845,492 | \$ 2,491,873 | \$ 49,304,301 | \$ 6,631,118 |
| - | - | 15 | - |
| 1,530,373 | 19,520 | 5,723,451 | 9,186 |
| 333,137 | - | 333,137 | - |
| 61,101 | - | 223,374 | 449,343 |
| 164,104 | 185,415 | 390,358 | 92,403 |
| <u>9,934,207</u> | <u>2,696,808</u> | <u>55,974,636</u> | <u>7,182,050</u> |
| 375,000 | - | 1,076,012 | - |
| 2,320,693 | 321,987 | 26,703,507 | 261,368 |
| 8,114,159 | 230,454 | 121,246,148 | 3,395,825 |
| <u>10,809,852</u> | <u>552,441</u> | <u>149,025,667</u> | <u>3,657,193</u> |
| <u>20,744,059</u> | <u>3,249,249</u> | <u>205,000,303</u> | <u>10,839,243</u> |
| 573,523 | 127,431 | 2,230,108 | - |
| 96,665 | 38,094 | 572,285 | - |
| <u>670,188</u> | <u>165,525</u> | <u>2,802,393</u> | <u>-</u> |
| 559,997 | 478,436 | 2,043,741 | 375,482 |
| - | - | - | 644,652 |
| 28,097 | 174,118 | 1,684,718 | - |
| 145,463 | - | 152,524 | - |
| - | - | 647,439 | - |
| 928,738 | 927,074 | 1,855,812 | - |
| 73,433 | 22,110 | 537,610 | 66,843 |
| - | - | - | 74,522 |
| - | - | 2,394,812 | 341,428 |
| <u>1,735,728</u> | <u>1,601,738</u> | <u>9,316,656</u> | <u>1,502,927</u> |
| - | - | - | 181,012 |
| 24,478 | 7,370 | 179,204 | 22,279 |
| 2,041,722 | 453,716 | 7,940,029 | - |
| 1,712,108 | 505,111 | 9,901,446 | - |
| - | - | 36,977,206 | 1,041,378 |
| <u>3,778,308</u> | <u>966,197</u> | <u>54,997,885</u> | <u>1,244,669</u> |
| <u>5,514,036</u> | <u>2,567,935</u> | <u>64,314,541</u> | <u>2,747,596</u> |
| 268,913 | 59,758 | 1,045,773 | - |
| 4,080 | 1,191 | 23,577 | - |
| <u>272,993</u> | <u>60,949</u> | <u>1,069,350</u> | <u>-</u> |
| 10,434,852 | 552,441 | 108,577,637 | 2,462,798 |
| 1,392,406 | 1,515,220 | 22,570,955 | - |
| - | - | 3,964,943 | - |
| 578,420 | - | 578,435 | - |
| - | - | 6,191,629 | - |
| <u>3,221,540</u> | <u>(1,281,771)</u> | <u>535,206</u> | <u>5,628,849</u> |
| \$ 15,627,218 | \$ 785,890 | \$ 142,418,805 | \$ 8,091,647 |

City of Pittsburgh
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

| | Major Enterprise Funds | | |
|---|------------------------|------------------|------------------|
| | Water Utility | Sewer Utility | Marina |
| OPERATING REVENUES: | | | |
| Charges for services | \$ 21,203,928 | \$ 4,845,710 | \$ 1,346,074 |
| Meter fees | 26,134 | - | - |
| Other fees | 315,130 | - | 75 |
| Facility reserve fees | 1,225,135 | 518,548 | - |
| Rent and concessions | - | - | 52,073 |
| Gas and oil sales | - | - | 720,151 |
| Other operating revenues | 501,476 | 146,374 | 38,606 |
| Total Operating Revenues | 23,271,803 | 5,510,632 | 2,156,979 |
| OPERATING EXPENSES: | | | |
| Salaries and wages | 3,487,868 | 937,466 | 456,210 |
| Department supplies | 7,094,222 | 49,851 | 564,992 |
| Rentals | 13,679 | 278 | 17,596 |
| Utilities | 875,050 | 7,563 | 168,656 |
| Maintenance and operations | 66,476 | 122,764 | 163,156 |
| Depreciation (Note 6) | 1,594,343 | 914,624 | 525,802 |
| Insurance premiums | - | - | - |
| Insurance deductible | 219,519 | 45,810 | 24,446 |
| Fringe benefits | 3,005,987 | 782,481 | 417,522 |
| Other operating expenses | 942,055 | 281,754 | 146,443 |
| Total Operating Expenses | 17,299,199 | 3,142,591 | 2,484,823 |
| OPERATING INCOME (LOSS) | 5,972,604 | 2,368,041 | (327,844) |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Investment earnings | 821,824 | 317,459 | 54,876 |
| Interest and fiscal charges | (1,594,020) | (33,112) | - |
| Gain on disposal of inventory | - | - | - |
| Gain (loss) on disposal of assets | - | - | - |
| Total Nonoperating Revenues (Expenses) | (772,196) | 284,347 | 54,876 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS | 5,200,408 | 2,652,388 | (272,968) |
| CONTRIBUTIONS AND TRANSFERS: | | | |
| Transfers in (Note 5C) | 820,389 | - | - |
| Transfers out (Note 5C) | (420,234) | (850,593) | (44,438) |
| Total Contributions and Transfers | 400,155 | (850,593) | (44,438) |
| Change in Net Position | 5,600,563 | 1,801,795 | (317,406) |
| NET POSITION: | | | |
| Beginning of Year | 69,013,211 | 37,395,456 | 12,512,078 |
| End of Year | \$ 74,613,774 | \$ 39,197,251 | \$ 12,194,672 |

See accompanying notes to basic financial statements

| Major Enterprise Funds | | Total Enterprise Funds | Governmental Activities Internal Service Funds |
|------------------------|------------------------|------------------------|--|
| Pittsburg Power | Water Front Operations | | |
| \$ 6,760,425 | \$ 6,995 | \$ 34,163,132 | \$ 11,315,176 |
| - | - | 26,134 | - |
| 1,318,470 | - | 1,633,675 | - |
| - | - | 1,743,683 | - |
| 216,976 | 1,528,526 | 1,797,575 | - |
| - | - | 720,151 | - |
| 791,886 | 58,633 | 1,536,975 | 67,600 |
| 9,087,757 | 1,594,154 | 41,621,325 | 11,382,776 |
| 1,312,667 | 352,756 | 6,546,967 | 687,674 |
| 2,422,054 | 821 | 10,131,940 | 918,300 |
| 42,540 | 94 | 74,187 | 39,430 |
| 83,889 | - | 1,135,158 | 342,506 |
| 1,177,669 | 322,642 | 1,852,707 | 1,424,107 |
| 565,134 | 7,099 | 3,607,002 | 715,251 |
| 143,749 | - | 143,749 | 1,623,311 |
| 44,854 | 23,637 | 358,266 | 201,636 |
| 1,010,279 | 324,202 | 5,540,471 | 5,365,443 |
| 699,236 | 185,231 | 2,254,719 | 64,074 |
| 7,502,071 | 1,216,482 | 31,645,166 | 11,381,732 |
| 1,585,686 | 377,672 | 9,976,159 | 1,044 |
| 495,036 | 70,286 | 1,759,481 | (14,255) |
| - | - | (1,627,132) | - |
| 61,674 | - | 61,674 | - |
| (101,920) | - | (101,920) | 85,784 |
| 454,790 | 70,286 | 92,103 | 71,529 |
| 2,040,476 | 447,958 | 10,068,262 | 72,573 |
| 37,587 | 22,072 | 880,048 | 561,625 |
| (758,818) | (10,481) | (2,084,564) | (21,239) |
| (721,231) | 11,591 | (1,204,516) | 540,386 |
| 1,319,245 | 459,549 | 8,863,746 | 612,959 |
| 14,307,973 | 326,341 | 133,555,059 | 7,478,688 |
| \$ 15,627,218 | \$ 785,890 | \$ 142,418,805 | \$ 8,091,647 |

City of Pittsburg
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

| | Major Enterprise Funds | | |
|---|------------------------|---------------------|---------------------|
| | Water Utility | Sewer Utility | Marina |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers | \$ 22,482,714 | \$ 5,298,224 | \$ 2,060,944 |
| Cash payments to suppliers of goods and services | (9,134,832) | (844,311) | (1,049,929) |
| Cash payments to or on behalf of employees for services | (6,131,309) | (1,572,392) | (823,095) |
| Other operating revenues | 501,476 | 146,374 | 38,606 |
| Net cash provided (used) by operating activities | 7,718,049 | 3,027,895 | 226,526 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Interfund receipts | - | 157,431 | - |
| Interfund payments | - | - | - |
| Transfers in | 820,389 | - | - |
| Transfers out | (420,234) | (850,593) | (44,438) |
| Net cash provided (used) by noncapital financing activities | 400,155 | (693,162) | (44,438) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | |
| Principal paid on long-term debt | (1,559,240) | (772,000) | - |
| Interest and fiscal charges paid on long-term debt | (1,619,508) | (34,109) | - |
| Payments made on capital lease | - | - | - |
| Proceeds from capital lease | - | - | - |
| Proceeds from sale of inventory | - | - | - |
| Proceeds from sale of capital assets | - | - | - |
| Acquisition of capital assets | (932,069) | (2,445,705) | (9,090) |
| Net cash provided (used) by capital and related financing activities | (4,110,817) | (3,251,814) | (9,090) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest on investments | 821,824 | 317,459 | 54,876 |
| Net cash provided (used) by investing activities | 821,824 | 317,459 | 54,876 |
| Net increase (decrease) in cash and cash equivalents | 4,829,211 | (599,622) | 227,874 |
| CASH AND CASH EQUIVALENTS: | | | |
| Beginning of Year | 22,621,863 | 10,335,206 | 1,552,419 |
| End of Year | \$ 27,451,074 | \$ 9,735,584 | \$ 1,780,293 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | |
| Operating income (loss) | \$ 5,972,604 | \$ 2,368,041 | \$ (327,844) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 1,594,343 | 914,624 | 525,802 |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | (250,541) | (6,586) | (54,532) |
| Loans receivable | - | - | - |
| Inventory | - | - | - |
| Prepaid items | (37,072) | (523) | (2,897) |
| Accounts payable | (17,737) | (336,291) | 33,620 |
| Salaries and wages payable | (26,834) | (5,089) | (4,088) |
| Refundable deposits | 93,906 | - | (2,136) |
| Taxes payable | - | - | 3,876 |
| Unearned revenue | - | (58,925) | - |
| Compensated absences | 92,306 | 86,711 | 6,273 |
| Due to retirement system | 143,578 | 33,783 | 25,338 |
| Due to OPEB system | 153,496 | 32,150 | 23,114 |
| Insurance claims payable | - | - | - |
| Net cash provided (used) by operating activities | \$ 7,718,049 | \$ 3,027,895 | \$ 226,526 |

See accompanying notes to basic financial statements

| Major Enterprise Funds | | Total | Governmental |
|------------------------|---------------------|----------------------|---------------------|
| Pittsburg | Water Front | Enterprise | Activities |
| Power | Operations | Funds | Internal |
| | | | Service Funds |
| \$ 7,586,076 | \$ 1,826,547 | \$ 39,254,505 | \$ 11,558,019 |
| (4,542,474) | (394,375) | (15,965,921) | (5,647,582) |
| (2,244,081) | (648,547) | (11,419,424) | (4,481,707) |
| 791,886 | 58,633 | 1,536,975 | 54,559 |
| <u>1,591,407</u> | <u>842,258</u> | <u>13,406,135</u> | <u>1,483,289</u> |
| 90,769 | - | 248,200 | - |
| | - | - | (24,343) |
| 37,587 | 22,072 | 880,048 | 561,625 |
| (758,818) | (10,481) | (2,084,564) | (21,239) |
| <u>(630,462)</u> | <u>11,591</u> | <u>(956,316)</u> | <u>516,043</u> |
| - | - | (2,331,240) | - |
| - | - | (1,653,617) | - |
| - | - | - | (238,493) |
| - | - | - | 810,385 |
| 61,674 | - | 61,674 | - |
| - | - | - | 85,784 |
| <u>(647,227)</u> | <u>(299,915)</u> | <u>(4,334,006)</u> | <u>(1,833,621)</u> |
| <u>(585,553)</u> | <u>(299,915)</u> | <u>(8,257,189)</u> | <u>(1,175,945)</u> |
| 495,036 | 70,286 | 1,759,481 | (14,255) |
| <u>495,036</u> | <u>70,286</u> | <u>1,759,481</u> | <u>(14,255)</u> |
| 870,428 | 624,220 | 5,952,111 | 809,132 |
| 6,975,064 | 1,867,653 | 43,352,205 | 5,821,986 |
| <u>\$ 7,845,492</u> | <u>\$ 2,491,873</u> | <u>\$ 49,304,316</u> | <u>\$ 6,631,118</u> |
| \$ 1,585,686 | \$ 377,672 | \$ 9,976,159 | \$ 1,044 |
| 565,134 | 7,099 | 3,607,002 | 715,251 |
| (382,227) | (15,266) | (709,152) | (3,826) |
| (333,137) | - | (333,137) | - |
| 10,287 | - | 10,287 | 10,902 |
| 19,369 | (76,573) | (97,696) | 50,472 |
| 94,078 | 128,050 | (98,280) | 110,238 |
| (8,051) | (1,529) | (45,591) | 634,896 |
| (28,853) | 10,000 | 72,917 | - |
| 6,292 | - | 10,168 | - |
| (24,087) | 382,865 | 299,853 | - |
| (35,210) | (5,128) | 144,952 | 17,308 |
| 76,003 | 16,893 | 295,595 | - |
| 46,123 | 18,175 | 273,058 | - |
| - | - | - | (52,996) |
| <u>\$ 1,591,407</u> | <u>\$ 842,258</u> | <u>\$ 13,406,135</u> | <u>\$ 1,483,289</u> |



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

FIDUCIARY FUND FINANCIAL STATEMENTS

The fiduciary funds account for resources received and are held by the City in a fiduciary capacity. Disbursements are made in accordance with the trust agreement or applicable legislative enactment for each fund.

Successor Agency to the Redevelopment Agency Private - Purpose Trust - This fund was established to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of Pittsburg.

Agency Funds -These funds were created to account for all of the Assessment District Bonds, Environmental and Other Impact Fees. Special assessments received are used to meet the debt service requirements and to pay for the administrative costs. The environment impact fees are collected and utilized for environmental improvement projects and the other impact fees are collected on behalf of other agencies and remitted to them for their improvement projects. Other agencies include Contra Costa Fire Protection District (CCFPD), Contra Costa Water District (CCWD) and the East Contra Costa Regional Fee and Finance Authority (ECCRFF).



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

City of Pittsburgh
Statement of Fiduciary Net Position
June 30, 2019

| ASSETS | Successor Agency to the Redevelopment Agency Private-Purpose Trust | Agency Funds |
|--|---|---------------------|
| Cash and investments (Note 2) | \$ 2,076,429 | \$ 4,345,715 |
| Cash and investments held by fiscal agent (Note 2) | 43,670,542 | 2,817,612 |
| Assessment receivable | - | 1,899,521 |
| Inventory | 16,821 | - |
| Prepaid | 1,032 | - |
| Loans receivable (Notes 14A) | 8,626,730 | - |
| Capital assets (Note 14B): | | |
| Land | 5,972,756 | - |
| Depreciable capital assets, net | 1,546,588 | - |
| Total Assets | \$ 61,910,898 | \$ 9,062,848 |
| LIABILITIES | | |
| Accounts payable | \$ 5,359 | \$ 354,514 |
| Interest payable | 6,944,167 | - |
| Deferred assessments | - | 1,845,991 |
| Due to other parties | - | 41,023 |
| Due to other governments | 577,944 | - |
| Due to bond-holders | - | 6,821,320 |
| Compensated absences payable: | | |
| Due within one year | 23,735 | - |
| Due within more than one year | 5,561 | - |
| Long-term obligations (Note 14C): | | |
| Due in one year | 22,598,050 | - |
| Due in more than one year | 247,648,701 | - |
| Total Liabilities | 277,803,517 | \$ 9,062,848 |
| NET POSITION | | |
| Held in Trust for Private Purpose | \$ (215,892,619) | |

See accompanying notes to financial statements

City of Pittsburg
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

| ADDITIONS | Successor Agency to the Redevelopment Agency Private-Purpose Trust |
|--|---|
| Property tax | \$ 33,840,468 |
| Use of money and property | 703,109 |
| Other revenues | 396,623 |
| Total Additions | 34,940,200 |
| DEDUCTIONS | |
| General administration | 391,550 |
| Loss on disposition of capital assets (Note 14B) | 395,034 |
| Depreciation expense (Note 14B) | 43,542 |
| Interest and fiscal charges | 15,304,185 |
| Total Deductions | 16,134,311 |
| Change in Net Position | 18,805,889 |
| NET POSITION HELD IN TRUST | |
| Beginning of Year | (234,698,508) |
| End of Year | \$ (215,892,619) |

See accompanying notes to financial statements

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Pittsburg, California, (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City uses the City Council/Manager form of government. The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The criteria used in determining the scope of the reporting entity are based on the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by No. 61. The City is the primary governmental unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The following entities have been accounted for as "blended" component units of the City. Despite being legally separate, these entities are so intertwined with the City that they are, in substance, part of the City's operations. Accordingly, the balances and transactions of these component units are reported within the funds of the City. Balances for these entities are reported as separate funds in the special revenue and enterprise funds. The following specific criteria are used in determining that these other entities are blended component units:

- The members of the City Council also act as the governing bodies of the entities.
- The entities are managed by employees of the City. A portion of the City's salary and overhead expenses are billed to the entities each year.
- The City and the entities are financially interdependent. The City makes loans to the entities for community development purposes and for operational purposes. General revenues of the agencies are used to repay the loans to the City.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

The following is a brief review of the component units included in the accompanying basic financial statements of the City:

Housing Authority

Housing Authority Section 8, in the accompanying financial statements, was established to account for Federal funds for low income housing under both certificate and voucher programs. The Housing Authority also administers the Veterans Affairs Supportive Housing (VASH), which provides rental and other clinical services to homeless veterans. The Housing Authority is reported as a blended component unit because the Board is made up of the City Council members, and the Housing Authority has a financial benefit/burden relationship with the City. The Housing Authority is reported in the special revenue fund of the City. No separate financial report is issued by the Housing Authority.

Pittsburg Infrastructure Financing Authority

The Public Infrastructure Financing Authority (PIFA) was established by a Joint Exercise of Powers Agreement dated December 5, 1994, by and among the City and the former Redevelopment Agency, and is qualified to issue bonds under the Mello-Roos Local Bond Pooling Act of 1985. The PIFA was formed to finance the acquisition of certain public improvements and to refinance prior outstanding special assessment district debt with City commitment. The PIFA is reported as a blended component unit because its governing body consists of City Council members, and the PIFA has a financial benefit/burden relationship with the City. The PIFA is currently inactive; therefore, no separate financial report is issued.

Southwest Pittsburg GHAD II

The Southwest Pittsburg GHAD II (GHAD) was established by City Council in order to provide maintenance of slope stability in the open spaces areas of Southwest Pittsburg. Funding for the GHAD is provided through assessment fees levied on the property taxes of the homes built on the hillside areas. This fund centralizes the accounting for the revenues and expenses associated with GHAD as required by law.

Pittsburg Power Company

The Pittsburg Power Company (the Company) was established by a Joint Exercise of Powers Agreement dated September 23, 2006, by and among the City and the Agency. The Company was formed to establish a municipal utility for natural gas and electric service. The Company is reported in the Pittsburg Power enterprise fund of the City. No separate financial report is issued by the Company.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Pittsburg Arts and Community Foundation

The Pittsburg Arts and Community Foundation (PACF) was created as an independent non-profit corporation set up to increase, support and encourage art, literacy, education, economic development, affordable housing and other community resources and programs to benefit the City of Pittsburg and its residents.

Since the City of Pittsburg and PACF have the same governing board, have a financial benefit/burden relationship and the City can impose its will on PACF, it is required to be reported as a blended component unit of the City. Its financial information can be found as a special revenue fund under non-major Governmental Funds. No separate financial report is issued by PACF.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and deferred outflows and liabilities and deferred inflows, including capital assets, as well as infrastructure assets, and long-term liabilities and deferred inflows, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following inter-fund activities have been eliminated:

- Due to/from other funds
- Advances from/to other funds
- Transfers in/out

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect).

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide financial statements. The City has presented all major funds that met the qualifications for major fund reporting. The following are descriptions of the major funds.

General Fund - This fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources which are not accounted for in another fund. To comply with GASB 54, the Budget Stabilization, Economic Development and California Theatre balances are combined and reported under the General Fund. Details are as follows:

| Fund | Balances |
|----------------------|---------------|
| General Fund | \$ 21,735,688 |
| Budget Stabilization | 2,445,285 |
| Economic Development | 305,493 |
| Total | \$ 24,486,466 |

Housing Authority (Section 8) Special Revenue Fund - This fund was established to administer grants from Housing and Urban Development Department (HUD) to subsidize the rental costs of low-income families and veterans.

Successor Agency Housing Special Revenue Fund - This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current position. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, charges for services, Federal and State grants, sales taxes and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental and business-type activities in the government-wide financial statements as appropriate.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows, liabilities and deferred inflows (whether current or noncurrent) are included on the Statement of Fund Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the proprietary fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

The following are descriptions of the major enterprise funds.

Water Utility Fund - This fund accounts for the revenues and expenses associated with management, operation, and maintenance of water treatment and distribution system to water customers of the City of Pittsburg. It also accounts for the maintenance of water plant, distribution reservoirs, and water lines.

Sewer Utility Fund - This fund accounts for the revenues and expenses associated with the maintenance and repair of 126 miles of sewer mains, sewer lift stations and sewer laterals within the City's right-of-way.

Marina Fund - This fund accounts for the revenues received from Marina berth rentals, from sales of gasoline, and expenses from operation and maintenance.

Pittsburg Power Fund - This fund was created by the Joint Powers Agreement between the City of Pittsburg and the former Redevelopment Agency to develop revenue streams, to manage different activities for power related projects, capital improvement projects, and bond issuance process. This fund also accounts for expenditures incurred in maintenance of the facilities, in distributing gas and electricity to the industries, schools, business, and residents of Mare Island, in Vallejo, and to account for revenues collected from services to customers.

Water Front Operations Fund - This fund was created for the collection of rents and other trust revenues from the tidelands granted by the Contra Costa County Local Agency Formation Commission within Pittsburg's city limits. The City shall submit a plan indicating details of intended development, preservation, or other use of the trust lands. Any use of the trust lands shall be consistent with the plan as approved by the Commission.

Internal service fund balances and activities have been combined with governmental activities in the government-wide financial statements, and are comprised of the following funds:

Fleet Maintenance Fund - Used to account for the costs of operating, maintaining, and replacing automotive equipment used by other departments. Rental rates charged to the using departments include operating costs and equipment depreciation.

Building Maintenance Fund - Used to account for the cost of maintaining all City governmental buildings.

Insurance Fund - Used to account for revenues from charges to operating departments sufficient to provide adequate reserve for future claims.

Information/Communication Services Fund - Used to account for the cost of operating, maintaining and replacing a data processing system. Rental rates charged to the using departments include operating cost and equipment depreciation.

Fringe Benefits Fund - Used to allocate fringe costs to various departments.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Other Post-Employment Benefits (OPEB) Fund - Used to reduce unfunded OPEB liabilities and to pay the City's portion of current year retiree medical expenses. This fund receives its funding from surplus funds beyond the maximum amount required for the Budget Stabilization reserve (25% of surplus) and from Citywide allocations based on salaries.

115 Pension Trust Reserve Fund - Used to accumulate funds to pay down CalPERS Unfunded Accrued Liability.

The City also reports fiduciary fund types.

Fiduciary Fund Financial Statements - Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Change in Fiduciary Net Position. The City's fiduciary funds represent a private purpose trust fund, a pension trust fund and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The Fiduciary funds are accounted for on the accrual basis of accounting as are the Proprietary funds explained above.

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund (Successor Agency) - This fund was created to account for the accumulation of resources to be used for payments at appropriate amounts and times in the future.

Agency Funds - These funds were created to account for all of the Assessment District Bonds, Environmental and Other Impact Fees. Special assessments received are used to meet the debt service requirements and to pay for the administrative costs. The environmental impact fees are collected and utilized for environmental improvement projects and the other impact fees are collected on behalf of other agencies and remitted to them for their improvement projects. Other agencies include Contra Costa Fire Protection District (CCFPD), Contra Costa Water District (CCWD) and the East Contra Costa Regional Fee and Finance Authority (ECCRFF).

C. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the City's policy is to apply restricted net position first.

D. Spending Policy

The City's policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available, except for instances wherein an Agency ordinance or resolution specifies the fund balance.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

The Agency's policy is that committed and assigned fund balances are considered to have been spent first before unassigned fund balances have been spent, when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, except for instances wherein an Agency ordinance specifies the fund balance.

E. Cash and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City participates in an investment pool managed by the State of California, entitled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
- Overall Custodial Credit Risk
- Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

F. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects, and for pension trust reserves deposited in a Section 115 irrevocable trust.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

G. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within sixty days after year-end.

| | |
|-----------------|---|
| Lien Date | January 1 |
| Levy Date | July 1 |
| Due Date | Secured: November 1 and February 1 Unsecured: July 1 |
| Collection Date | Secured: December 10 and April 10 Unsecured: August 31 |

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the City and Contra Costa County. The Teeter Plan authorizes the Auditor/Controller of Contra Costa County to allocate 100% of the secured property taxes billed, but not yet paid.

H. Interfund Balances/Internal Balances

Advances to and advances from other funds represent inter-fund loans in the fund financial statements. Advances between funds are offset by a fund balance reservation or by deferred revenue in the applicable governmental funds to indicate that they are not expendable available financial resources.

Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as deferred revenue.

All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

I. Capital Assets

Capital assets, which include land, buildings, improvements other than buildings, machinery and equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

City policy has set the capitalization thresholds for reporting capital assets as follows:

- General Capital Assets \$5,000
- Infrastructure Capital Assets \$25,000

Depreciation is recorded on a straight-line method over the useful lives of the assets as follows:

- Building and Improvements 30 - 45 years
- Machinery and Equipment 5 - 20 years
- Infrastructure 30 - 75 years

The GASB Statement No. 34 requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB Statement No. 34, the City has included the value of all infrastructure assets in its Government-Wide Financial Statements.

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include:

- Street system
- Site amenities such as parking and landscaped areas used by the City in the conduct of its business.
- Water and sewer plants

Each major infrastructure system can be divided into subsystems. For example the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals and pavement markings), landscaping and land. These subsystems were not delineated in the Government-Wide Financial Statements. The appropriate operating department maintains information regarding the subsystems.

For all infrastructure systems, the City has elected to use the Basic Approach as defined by GASB Statement No. 34 for infrastructure reporting. The City conducted a valuation of its infrastructure assets as of July 1, 2002. This valuation determined the original cost using one of the following methods:

- 1) Use of historical records where available.
- 2) Standard unit costs appropriate for the construction/acquisition date of the asset.
- 3) Present replacement cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date.

The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date was computed on a straight-line method using industry accepted life expectancies for each infrastructure subsystem. The book value was then computed by deducting the accumulated depreciation from the original cost.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Interest accrued during capital assets construction, if any, is capitalized for the business-type activities and proprietary funds as part of the asset cost.

J. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability incurred for governmental fund types and proprietary fund types.

In the fund financial statements, propriety fund types recognize the interest payable when the liability is incurred.

K. Long-Term Debt

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt, which are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

L. Unearned Revenue

Government-Wide Financial Statements

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues in the Government-Wide Financial Statements are unearned grants and prepaid charges for services.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Fund Financial Statements

Unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which funds are not available to meet current financial obligations. Typical transactions for which unavailable revenue is recorded are grants received but not yet earned or available, interest on inter-fund advances receivable and long-term loans receivable.

M. Compensated Absences

City employees have vested interests in varying levels of vacation compensation. If vacation is not used by the employee during the term of employment, compensation is payable to the employee at the time of retirement or termination. Such compensation is calculated at the employee's then prevalent rate at the time of retirement or termination and compensated at 100% of accumulated hours. The City's liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. The liability for compensated absences is determined annually. Compensated absences for governmental activities are liquidated primarily by the General Fund.

Governmental funds include only amounts expected to be paid after the end of the fiscal year for terminated employees. The long-term liabilities are recorded in the Statement of Net Position.

The change in compensated absences was as follows:

| | Governmental Activities | Business-Type Activities | Total |
|-------------------|----------------------------|-----------------------------|---------------------|
| Beginning Balance | \$ 2,317,789 | \$ 630,786 | \$ 2,948,575 |
| Additions | 1,402,004 | 413,305 | 1,815,309 |
| Payments | (1,417,093) | (327,277) | (1,744,370) |
| Ending Balance | <u>\$ 2,302,700</u> | <u>\$ 716,814</u> | <u>\$ 3,019,514</u> |
| Current Portion | <u>\$ 1,727,025</u> | <u>\$ 537,610</u> | <u>\$ 2,264,635</u> |

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has reported deferred outflows of resources in the Statement of Net Position and Proprietary Fund Statements for the pension and OPEB related adjustments.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance 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 item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from loans. The City has reported deferred inflows of resources in the statement of net position and proprietary fund statements for pension and OPEB related adjustments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

P. Estimates and Assumptions

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Q. New Fund

During fiscal year ended June 30, 2019, the City created the 115 Pension Trust Reserve Internal Service Fund.

R. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

The City has implemented the requirements GASB Statement 88 – *Certain Disclosures Related to Debt Including Direct Borrowing and Direct Placements*.

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. See Notes 7 and 14 for more information.

NOTE 2 - CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form. Individual investments are generally made by their City's fiscal agent as required under its debt issues, or through the City's Investment Advisor, Chandler Asset Management (CAM).

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or Agency agreements.

| | Government-Wide Statement of Net Position | | | Separate Statement | |
|---------------------------------|---|--------------------------|---------------|--------------------|----------------|
| | Governmental Activities | Business-Type Activities | Total | Fiduciary Funds | Total |
| Cash and investments | \$ 46,834,116 | \$ 49,304,301 | \$ 96,138,417 | \$ 6,422,144 | \$ 102,560,561 |
| Restricted cash and investments | 3,016,603 | 15 | 3,016,618 | 46,488,154 | 49,504,772 |
| Total cash and investments | \$ 49,850,719 | \$ 49,304,316 | \$ 99,155,035 | \$ 52,910,298 | \$ 152,065,333 |

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following investments, provided the credit ratings of the issuers are acceptable to the City, and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum in Portfolio | Maximum per Issuer |
|-------------------------------------|------------------|------------------------|----------------------|--------------------|
| Asset-Backed Securities | 5 years | "AA" | 20% | 5% |
| Bankers' Acceptances (CAMP) | 180 days n/a | A1/P1 n/a | 40% none | 5% none |
| Certificates of Deposits | 1 year | "A" | 30% | 5% |
| Commercial Paper | 270 days | "A1" ST | 25% | 5% |
| Federal Agency Obligations | 5 years | none | none | none |
| Local Agency Investment Fund (LAIF) | n/a | none | \$65 million | none |
| Medium-Term Notes | 5 years | "A" | 30% | 5% |
| Money Market Funds | n/a | 2 highest ratings | 20% | 10% per |
| Negotiable Certificates of Deposit | 5 years | "A" LT | 30% | 5% |
| Repurchase Agreements | 90 days | "A" | 15% | 5% |
| State and Local Obligations | 5 years | "A-" | 30% | 5% |
| Supranational Securities | 5 years | "AA" | 30% | 10% |
| U.S. Treasury Obligations | 5 years | none | none | none |

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Pools*, investments were stated at fair value using the aggregate method.

The City's investments with Local Agency Investment Fund (LAIF), a State of California external investment pool, at June 30, 2019, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities.

As of June 30, 2019, the City had \$30,787,277 invested in LAIF, which had invested 49.13% of the pool investment funds in U.S. Treasury Obligations. The LAIF fair value factor of 1.001711790 was used to calculate the fair value of the investments in LAIF. The fair value of the City's position in the pool is materially equivalent to the value of the pool share. At June 30, 2019, these investments matured in an average of 173 days.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City and Successor Agency to the Redevelopment Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the agencies fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality |
|--|---------------------|---------------------------|
| Bankers' Acceptances | 360 days | A-1/A-1+/P1 |
| California Asset Management Program (CAMP) | n/a | none |
| Certificates of Deposit | 1 year | none |
| Commercial Paper | 270 days | A1/P1/F1 |
| Guaranteed Investment Agreements | n/a | none |
| Local Agency Investment Fund (LAIF) | n/a | none |
| Medium Term Notes | 5 years | A |
| Money Market Fund | n/a | 3 highest ratings |
| Municipal Obligations | n/a | AAA |
| Pre-refunded Municipal Obligations | n/a | AAA |
| Repurchase Agreements | 90 days | A |
| State of California Obligations | n/a | A |
| U.S. Agencies | n/a | AAA |
| U.S. Treasury Obligations | n/a | none |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. Fair Value Hierarchy

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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2019:

| | Level 1 | Level 2 | Total |
|--|----------------------|----------------------|-----------------------|
| Investments by Fair Value Level: | | | |
| U.S. Treasury Obligations | \$ 11,319,758 | \$ - | \$ 11,319,758 |
| Federal Agency Obligations | - | 11,838,367 | 11,838,367 |
| Commercial Paper | - | 1,094,071 | 1,094,071 |
| Municipal Obligations | - | 533,195 | 533,195 |
| Corporate Notes | - | 16,729,429 | 16,729,429 |
| Certificate of Deposits | - | 7,392,657 | 7,392,657 |
| Asset-Backed Securities | - | 7,507,386 | 7,507,386 |
| Supranational Securities | - | 3,918,071 | 3,918,071 |
| Held by Trustee: | | | |
| Federal Agency Obligations | - | 2,790,167 | 2,790,167 |
| Subtotal | \$ 11,319,758 | \$ 51,803,343 | 63,123,101 |
| Investments Measured at Cost: | | | |
| Money Market Funds | | | 4,982,940 |
| Held with Trustee: | | | |
| Money Market Funds | | | 43,549,421 |
| Investments Exempt from Fair Value Hierarchy: | | | |
| Local Agency Investment Fund | | | 30,787,277 |
| Total Investments | | | 142,442,739 |
| Cash in banks and on hand | | | 9,622,594 |
| Total Cash and Investments | | | \$ 152,065,333 |

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Federal Agency Obligations, Commercial Paper, Municipal Obligations, Medium Term Corporate Notes, Certificates of Deposits, the Asset-Backed Securities and Supranational Securities classified in Level 2 of the fair value hierarchy, are valued using pricing techniques of matrix pricing or market corroborated pricing, with inputs such as yield curves or indices.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

These prices are obtained from various pricing sources by the City's custodian bank. The Certificates of Deposit are valued using techniques of matrix pricing and multi-dimensional relational model and/or option adjusted spread provided by the City's custodian bank. The Supranational Securities, classified in Level 2 of the fair value hierarchy, is valued based on information gathered from market sources and integrate relative credit information, observed movements, and sector news into the evaluated pricings applications and models provided by the City's custodian bank.

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity.

| Investment Type | Investment Maturities (in years) | | Total |
|-----------------------------------|----------------------------------|----------------------|-----------------------|
| | Less than 1 year | 1 - 5 years | |
| Local Agency Investment Fund | \$ 30,787,277 | \$ - | \$ 30,787,277 |
| Corporate Notes | 6,015,747 | 10,713,682 | 16,729,429 |
| Federal Agency Obligations | 1,786,086 | 10,052,281 | 11,838,367 |
| U.S. Treasury Obligations | 1,184,488 | 10,135,270 | 11,319,758 |
| Asset-Backed Securities | 4,931 | 7,502,455 | 7,507,386 |
| Certificates of Deposit | 5,581,658 | 1,810,999 | 7,392,657 |
| Money Market Funds | 4,982,940 | - | 4,982,940 |
| Supranational Securities | 1,344,938 | 2,573,133 | 3,918,071 |
| Commercial Paper | 1,094,071 | - | 1,094,071 |
| Municipal Obligations | - | 533,195 | 533,195 |
| Held by Trustee: | | | |
| Federal Agency Obligations | 2,790,167 | - | 2,790,167 |
| Held with Trustee: | | | |
| Money Market Funds | 43,549,421 | - | 43,549,421 |
| Total Investments | \$ 99,121,724 | \$ 43,321,015 | 142,442,739 |
| Cash in banks and on hand | | | 9,622,594 |
| Total Cash and Investments | | | \$ 152,065,333 |

Money Market Funds are available for withdrawal on demand and at June 30, 2019 matured in an average of 25 days.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (Continued)

G. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2019 for each investment type as provided by Standard and Poor's investment rating system.

| | Fair Value | AAA/AAAm | AA+ | AA | AA- / A-1+ | A+ / A / A-1 | A- / A-2 | BBB+ (A) | Not Rated |
|------------------------------|----------------|---------------|---------------|--------------|--------------|---------------|--------------|------------|---------------|
| U.S. Treasury Obligations | \$ 11,319,758 | \$ - | \$ 11,319,758 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Federal Agency Obligations | 11,838,367 | - | 11,838,367 | - | - | - | - | - | - |
| Commercial Paper | 1,094,071 | - | - | - | - | 1,094,071 | - | - | - |
| Corporate Notes | 16,729,429 | - | - | 1,088,132 | 1,059,578 | 7,808,989 | 5,836,361 | 936,369 | - |
| Municipal Obligations | 533,195 | - | - | - | 533,195 | - | - | - | - |
| Certificates of Deposit | 7,392,657 | - | - | - | 4,244,392 | 3,148,265 | - | - | - |
| Asset-Backed Securities | 7,507,386 | 5,802,666 | - | - | - | - | - | - | 1,704,720 |
| Supranational Securities | 3,918,071 | 3,918,071 | - | - | - | - | - | - | - |
| Local Agency Investment Fund | 30,787,277 | - | - | - | - | - | - | - | 30,787,277 |
| Money Market Funds | 4,982,940 | 4,982,940 | - | - | - | - | - | - | - |
| Held by Trustee: | | | | | | | | | |
| Federal Agency Obligation | 2,790,167 | - | - | - | 2,790,167 | - | - | - | - |
| Held with Trustee: | | | | | | | | | |
| Money Market Funds | 43,549,421 | - | - | - | - | - | - | - | 43,549,421 |
| Total Investments | 142,442,739 | \$ 14,703,677 | \$ 23,158,125 | \$ 1,088,132 | \$ 8,627,332 | \$ 12,051,325 | \$ 5,836,361 | \$ 936,369 | \$ 76,041,418 |
| Cash in banks and on hand | 9,622,594 | | | | | | | | |
| Total Cash and Investments | \$ 152,065,333 | | | | | | | | |

Notes to schedule:

(A) Corporate Notes rated BBB+ are based on the Standard and Poor's investment rating system as of June 30, 2019. Moody's Rating and Fitch Rating for these investments is A as of June 30, 2019 and all investments are in compliance with the City's Investment Policy.

H. Concentration of Credit Risk

Investments in the securities of any individual issuers, other than U.S. Treasury Securities, mutual funds and the California Local Agency Investment Fund, that represent 5% or more of the City's total investments are as follows as of June 30, 2019.

| Issuer | Investment Type | Amount |
|-------------------------|----------------------------|--------------|
| <i>Government-Wide:</i> | | |
| Federal Home Loan Banks | Federal Agency Obligations | \$ 7,367,028 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - LOANS AND NOTES RECEIVABLES

As of June 30, 2019, loans and notes receivable consisted of the following:

| Description | Balance |
|--|----------------------|
| <i>Governmental Activities:</i> | |
| CalHome Program Loans | \$ 466,066 |
| Century Plaza Corporation | 1,411,781 |
| Domus Development LLC | 7,498,538 |
| Domus Development LLC Loan (Sienna Court) | 5,511,206 |
| Fairfield Belmont, L.P. Loan | 4,205,122 |
| HUD Community Development Block Grant | 263,844 |
| Low Income Families Loans | 844,720 |
| Mariner Walk Loan | 180,000 |
| Vista Del Mar Loans | 200,000 |
| Mercy Housing California Loan | 4,628,576 |
| PACF Loans | 573,671 |
| Presidio Village Senior Housing | 739,372 |
| Rehabilitation and Construction Loans | 1,389,643 |
| Residential Loans on Vidrio | 1,921,984 |
| Resources for Community Development Loan | 6,947,096 |
| 9th Street Associates (Santa Fe Commons Housing Development) | 1,897,133 |
| Total Governmental Activities - Loans and Notes Receivable | <u>38,678,752</u> |
| <i>Business-Type Activities-Enterprise Fund:</i> | |
| Lumpy's Diner Loan | 333,137 |
| Total Loans and Notes Receivable | <u>\$ 39,011,889</u> |

A. CalHome Program Loans

CalHome Program funds of \$600,000 were awarded by the State of California and are used to provide first-time home buyer mortgage assistance as well as housing rehabilitation assistance for low income homeowners. Loans are payable upon sale or transfer of property, when the property ceases to be owner-occupied, or upon the CalHome loan maturity date. The outstanding balance as of June 30, 2019 was \$466,066.

B. Century Plaza Corporation Loan

During fiscal year 2013-14, the City of Pittsburgh approved a loan to Century Plaza Corporation for anchor tenant retention and remodeling of the Century Plaza. The total approved loan amount was \$1,300,000 and was disbursed over five years. Loan bears 2% annual interest and is due and payable on July 1, 2023. Century Plaza Corporation will receive a loan repayment credit effective July 1, 2019 if it follows the terms stipulated by the loan agreement. The accrued interest will be forgiven along with the loan credit. The outstanding balance as of June 30, 2019 was \$1,411,781.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

C. Domus Development LLC Loan

During fiscal year 2005-2006, the former Redevelopment Agency entered into a Development and Disposition Agreement with Domus Development LLC (Developer) of up to \$8,000,000 for the development of a 28-unit residential rental dwelling and an 8,000 square feet ground floor commercial space at the northeast corner of Railroad Avenue and 10th Street. Funding was provided by the Housing-Set Aside funds in the amount of \$6,000,000 and \$2,000,000 by future tax increments. During the fiscal year 2007-2008, an amendment was filed to increase the loan up to an additional \$800,000 and \$4,845,755 of the loan was disbursed to the Developer. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2019 was \$7,498,538.

D. Domus Development LLC (Sienna Court) Loan

During fiscal year 2007-2008, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$250,000 to Domus Development LLC for the feasibility study of a senior affordable housing development (Sienna Court). The loan bears interest of 3% per annum. The Domus Development LLC loan was amended in fiscal year 2010-2011 to increase the loan by an additional \$850,000, and then further amended in fiscal year 2010-2011 bringing total loan funding to \$4,323,645. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor. The outstanding balance as of June 30, 2019 was \$5,511,206.

E. Fairfield Belmont, L.P. Loan

During fiscal year 2004-2005, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$4,880,000 to the Fairfield Belmont, L.P. for the purchase and renovation of 224 affordable residential units located within the Redevelopment Project Area. The loan bears the lesser interest of 1% per year or the amount of the former Redevelopment Agency Receipts and provides for the Agency to receive 20% of the project's residual receipts annually. With the dissolution of the Redevelopment Agency effective February 1, 2012, the assets of the Agency, including this loan were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2019 was \$4,205,122.

F. HUD Community Development Block Grant (CDBG) Loans

The HUD CDBG Special Revenue fund had a loans receivable balance of \$263,844 as of June 30, 2019, which consisted of \$116,813 in CDBG entitlement loans and \$147,031 in First Time Homebuyer loans.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

G. Low Income Families Loans

During fiscal year 2006-2007 and 2007-2008, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds to low income families to purchase homes. The loans bear no interest and are deferred until the property changes title or are refinanced for cash. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2019 was \$844,720.

H. Mariner Walk Loan and Vista Del Mar Loans

During fiscal year 2005-2006, a Development and Disposition Agreement was entered into with Olson Urban Housing LLC (Developer) of up to \$1,000,000 and with Lyon Vista Del Mar 533, LLC (Developer) of up to \$800,000, to provide mortgage assistance for qualified moderate income households purchasing the affordable units. With the dissolution of the Agency effective February 1, 2012, the loans were assumed by the Housing Successor. The outstanding balance as of June 30, 2019 was \$180,000 and \$200,000, respectively, for the property owners.

I. Mercy Housing California Loan

During fiscal year 2005-2006, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$1,052,854 to Mercy Housing California for the development of a 64-unit dwelling and child care center located within the Redevelopment Project Area. During the fiscal year 2007-2008, an amendment was filed to increase the loan for a total of \$4,952,854. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2019 was \$4,628,576.

J. Other Assistance Loan

During fiscal year 2014-15, the City of Pittsburgh approved a loan of up to \$150,000 for the properties at 444 and 446 Railroad Avenue. The loan bore interest of 3% per annum. Payment was deferred until September 1, 2018 at which point monthly payments of principal and interest would be due for a term of 3 years. The outstanding amount of the loan was paid off as of June 30, 2019.

K. Pittsburgh Arts and Community Foundation (PACF) Loans

During fiscal year 2010-2011, the PACF assumed a construction loan and lease due from a Pittsburgh resident. The loan will be repaid through lease payments on 159 4th Street, with a balloon payment due on December 1, 2023. During fiscal year 2011-2012, PACF assumed an NSP Home Buyer assistance program loan that was issued to a Pittsburgh resident. Loan payments are deferred for 10 years, expiring on March 24, 2020, and will be forgiven if certain terms are met. The outstanding balances of these loans as of June 30, 2019 were \$549,248 and \$24,423, respectively, totaling \$573,671.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

L. Palm Plaza Development and Palm Plaza Group, LLC Loans

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund provided \$728,000 and \$940,000 to Palm Plaza Group, LLC and Palm Plaza Development, respectively, for the purchase and renovation of residential units located within the Redevelopment Project Area. With the dissolution of the Agency effective February 1, 2012, these loans were assumed by the Housing Successor Agency. The outstanding balance for the Palm Plaza Group, LLC and Palm Plaza Development loans were paid off as of June 30, 2019.

M. Presidio Village Senior Housing Loans

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$566,150 to Pacific Community Services for prior construction of 104 units called the Presidio Village Senior Housing. The loan bears interest of 3% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance and accrued interest as of June 30, 2019 was \$739,372.

N. Rehabilitation and Construction Loans

Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types as of June 30, 2019 was \$1,389,643.

O. Residential Loans on Vidrio

During fiscal year 2010-2011, the City of Pittsburg financed several residential loans to the homebuyers of Vidrio Condominium. The outstanding balances as of June 30, 2019 was \$1,921,984.

P. Resources for Community Development Loan

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$6,105,848 to Resources for Community Development for the development of 71 rental dwellings and a community center. During the fiscal year 2008-2009, an amendment was filed to increase the loan up to an additional \$350,000 and \$5,710,730 of the loan was disbursed to the Developer. The loan bears interest of 1% per annum and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2019 was \$6,947,096.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

Q. Steadfast Marina Heights L.P. Loan

During fiscal year 2004-2005, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$1,400,000 to the Steadfast Marina Heights L.P. for the purchase and renovation of 200 affordable residential units located within the Redevelopment Project Area. The loan bears interest of 7% per year or the amount of Agency Receipts and provides for the Agency to receive 30% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, the assets of the Agency, including this loan were assumed by the Housing Successor Agency. The outstanding balance of the loan was paid off as of June 30, 2019.

R. 9th Street Associates (Santa Fe Commons Housing Development Loan)

This is a rehabilitation and construction loan to eliminate blight to a property owner to assist improvements and rehabilitation of properties that were vacant or underutilized.

During fiscal year 2011-2012, the City provided a property development loan of \$1,614,713 to 9th Street Associates LP to develop the units at Santa Fe Commons. The loan terms include 3% simple interest and is due in 55 years. The repayment will be made from residual receipts. The outstanding balance as of June 30, 2019 was \$1,897,133.

S. Lumpy's Diner Loan

During fiscal year 2018-2019, the Pittsburgh Power Company (PPC) Enterprise Fund loaned \$348,206 to the owner of Lumpy's Diner Pittsburgh for the purchase of property located at 615 Railroad Avenue. The loan bears interest of 5%. Principal and interest payments are due monthly commencing October 1, 2018 through 2038. The outstanding balance as of June 30, 2019 was \$331,137.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 4 - UNEARNED AND UNAVAILABLE REVENUE

A. Government-Wide Financial Statements

Unearned revenues in Government-Wide Financial Statements represent amounts for which revenues have not been earned. At June 30, 2019, unearned revenues in the Government-Wide Financial Statements consisted of unearned developer, donation, and grant revenues of \$1,781,722 in Governmental Activities and \$1,855,812 in Business-Type Activities.

B. Fund Financial Statements

At June 30, 2019, the following amounts were recorded in the Fund Financial Statements because either the revenues had not been earned or the funds were not available to finance expenditures of the current period:

| | Governmental Funds | | | | Total Governmental Funds |
|---|---------------------------|----------------------------------|--------------------------------|------------------------------------|--------------------------------|
| | General Fund | Housing Authority (Sec. 8) | Successor Agency Housing | Non-Major Governmental Funds | |
| Unearned developer/ donation revenue | \$ 3,227 | \$ - | \$ - | \$ - | \$ 3,227 |
| Unearned service revenue | 1,301,535 | 134,206 | - | 342,754 | 1,778,495 |
| Sub-total | <u>1,304,762</u> | <u>134,206</u> | <u>-</u> | <u>342,754</u> | <u>1,781,722</u> |
| Loans receivable | 1,411,781 | - | 30,754,630 | 4,458,544 | 36,624,955 |
| Total | <u>\$ 2,716,543</u> | <u>\$ 134,206</u> | <u>\$ 30,754,630</u> | <u>\$ 4,801,298</u> | <u>\$ 38,406,677</u> |

| | Business-Type Funds | | |
|---|----------------------------|---------------------------|---------------------|
| | Pittsburg Power | Water Front Operations | Total |
| Unearned developer/ donation revenue | \$ 595,601 | \$ - | \$ 595,601 |
| Unearned service revenue | 333,137 | 927,074 | 1,260,211 |
| | <u>\$ 928,738</u> | <u>\$ 927,074</u> | <u>\$ 1,855,812</u> |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5 - INTERFUND TRANSACTIONS

A. Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. Current interfund balances are as follows:

| <u>DUE FROM FUND:</u> | <u>DUE TO FUND:</u> | <u>AMOUNT</u> |
|-----------------------------------|---------------------|---------------------|
| Non-Major Governmental Funds: | | |
| <i>Special Revenue Funds:</i> | | |
| Miscellaneous Grants | General Fund | \$ 106,724 |
| Local Law Enforcement Block Grant | General Fund | 16,500 |
| HUD Community Development Grant | General Fund | 271,957 |
| Park Maintenance CFD 2007-1 | General Fund | 9,512 |
| <i>Capital Projects Funds:</i> | | |
| Community Capital Improvement | General Fund | 147,980 |
| Regional Freeway Security Fund | General Fund | 598,009 |
| | Due to General Fund | <u>\$ 1,150,682</u> |

B. Interfund Advances

At June 30, 2019, the following funds had advances that were not expected to be repaid within the next year:

| <u>FROM FUND:</u> | <u>TO FUND :</u> | <u>AMOUNT</u> |
|--|---|---------------------|
| GOVERNMENTAL FUNDS | | |
| Regional Traffic Mitigation Capital Projects Fund | Railroad Avenue Specific Area Plan Special Revenue Fund | \$ 3,381,708 |
| ENTERPRISE FUNDS | | |
| Sewer Utility Fund | General Fund | 520,000 |
| | Building Maintenance Internal Service Fund | 181,012 |
| Pittsburg Power Fund | Golf Course Special Revenue Fund | <u>375,000</u> |
| | TOTAL ADVANCES | <u>\$ 4,457,720</u> |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

During fiscal year 2006-2007, the General Fund advanced \$150,000 to the Park Maintenance CFD 2007-1 Special Revenue Fund to help to eliminate the deficit fund balance. Interest was accrued annually at the LAIF rate. As of June 30, 2019, the advance was paid off.

During fiscal year 2014-2015, the Regional Traffic Mitigation Capital Projects Fund advanced \$3,300,000 to the Railroad Avenue Specific Area Plan Special Revenue Fund to help fund the construction of the eBART Pittsburg Center Station Project. The advance is to be repaid to the Regional Traffic Mitigation Fund by June 30, 2044 and bears simple interest at the average State Local Agency Investment Fund (LAIF) interest rate. The repayment began in fiscal year 2015 with annual payments in amount up to the accrued interest due, and the current balance as of June 30, 2019 was \$3,381,708.

During fiscal year 2017-2018, the Sewer Utility Enterprise Fund advanced \$650,000 to the General Fund for the purchase of property located at the Northwest Corner of Railroad Avenue and Civic Avenue (APN 086-100-015) and associated expenses. The advance is to be repaid within five years and bears simple interest at the average LAIF rate. The current balance as of June 30, 2019 was \$520,000.

During fiscal year 2016-2017, the Sewer Utility Enterprise Fund advanced \$252,960 to the Building Maintenance Internal Service Fund to assist in financing the City Hall HVAC Chiller Replacement project. The advance is to be repaid within ten years and bears interest at 1.5% per year. The current balance as of June 30, 2019 was \$181,012.

During fiscal year 2017-2018, Pittsburg Power Enterprise Fund advanced \$90,000 to the General Fund for the purchase of property located on Frontage Road (APN 087-277-001) and cover all administrative and closing costs. Interest is accrued annually at the LAIF rate. As of June 30, 2019, the advance was paid off.

During fiscal year 2002-2003, the Pittsburg Power Enterprise Fund advanced \$375,000 to the Golf Course Special Revenue Fund for the replacement and improvements of golf carts. The advance was to be repaid within ten years provided the money is available in the Golf Fund. The current balance as of June 30, 2019 was \$375,000.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

C. Interfund Transfers

At June 30, 2019, the City had the following inter-fund transfers:

- A. Transfers to the General Fund were to fund General Fund operations and administrative services for which the other funds received services.
- B. Transfers to cover Citywide Lighting & Landscaping, Gas Tax (RMRA) and Golf Course operating expenses.
- C. Transfers for road maintenance/repairs/improvements and water/sewer infrastructure repairs, and accounts for program income in CDBG.
- D. Transfers to the Water Utility Enterprise Fund to subsidize senior discount.
- E. Transfers to cover Future Build Program.
- F. Transfers to fund unfunded OPEB liability and interfund loan for Chiller Replacement.
- G. Transfer to Water Utility Enterprise Fund to allocate Utility Billing administrative time as employees are split between Water and Sewer Funds.
- H. Transfers for Marina maintenance repairs and dredging.

| FROM FUND: | TO FUND: | AMOUNT | |
|--|--|---------------------|---|
| Water Utility Enterprise Fund | | \$ 276,048 | |
| Sewer Utility Enterprise Fund | | 55,210 | |
| Pittsburg Power Enterprise Fund | | 725,000 | |
| Non-Major Governmental Funds | | 4,214,899 | |
| | General Fund | <u>5,271,157</u> | A |
| General Fund | | 1,207,726 | B |
| Water Utility Enterprise Fund | | 32,000 | C |
| Sewer Utility Enterprise Fund | | 11,000 | C |
| Marina Enterprise Fund | | 5,457 | C |
| Non-Major Governmental Funds | | <u>1,949,774</u> | C |
| | Non-Major Governmental Funds | <u>3,205,957</u> | |
| | <i>Sub-total: Total Governmental Funds</i> | <u>8,477,114</u> | |
| General Fund | Water Utility Enterprise Fund | 60,880 | D |
| General Fund | Pittsburg Power Enterprise Fund | 37,587 | E |
| General Fund | Internal Service Funds | 262,883 | F |
| Housing Authority (Section 8) Special Revenue Fund | Internal Service Funds | 18,586 | F |
| Successor Agency Housing Special Revenue Fund | Internal Service Funds | 559 | F |
| Non-Major Governmental Funds | Internal Service Funds | 60,090 | F |
| Water Utility Enterprise Fund | Internal Service Funds | 112,186 | F |
| Sewer Utility Enterprise Fund | Internal Service Funds | 24,874 | F |
| Sewer Utility Enterprise Fund | Water Utility Enterprise Fund | 759,509 | G |
| Marina Enterprise Fund | Water Front Operations Enterprise Fund | 22,072 | H |
| Marina Enterprise fund | Internal Service Funds | 16,909 | F |
| Pittsburg Power Enterprise Fund | Internal Service Funds | 33,818 | F |
| Water Front Operations Enterprise Fund | Internal Service Funds | 10,481 | F |
| Internal Service Funds | Internal Service Funds | <u>21,239</u> | F |
| | <i>Sub-total: Total Proprietary Funds</i> | <u>1,441,673</u> | |
| | TOTAL TRANSFERS | <u>\$ 9,918,787</u> | |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2019, the City's capital assets consisted of the following:

| | Governmental Activities | Business-Type Activities | Total |
|--------------------------------|----------------------------|-----------------------------|-----------------------|
| Non-depreciable assets: | | | |
| Land | \$ 34,687,011 | \$ 1,646,186 | \$ 36,333,197 |
| Construction in progress | 19,481,254 | 25,057,321 | 44,538,575 |
| Total non-depreciable assets | <u>54,168,265</u> | <u>26,703,507</u> | <u>80,871,772</u> |
| Depreciable assets: | | | |
| Buildings and improvements | 97,361,293 | 32,471,634 | 129,832,927 |
| Machinery and equipment | 19,612,000 | 11,077,505 | 30,689,505 |
| Infrastructure | 298,120,320 | 145,416,823 | 443,537,143 |
| Total depreciable assets | <u>415,093,613</u> | <u>188,965,962</u> | <u>604,059,575</u> |
| Less accumulated depreciation: | | | |
| Buildings and improvements | (43,583,293) | (10,373,955) | (53,957,248) |
| Machinery and equipment | (13,934,394) | (5,026,383) | (18,960,777) |
| Infrastructure | (161,337,448) | (52,319,476) | (213,656,924) |
| Total accumulated depreciation | <u>(218,855,135)</u> | <u>(67,719,814)</u> | <u>(286,574,949)</u> |
| Total net depreciable assets | <u>196,238,478</u> | <u>121,246,148</u> | <u>317,484,626</u> |
| Total capital assets | <u>\$ 250,406,743</u> | <u>\$ 147,949,655</u> | <u>\$ 398,356,398</u> |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - CAPITAL ASSETS (Continued)

The following is a summary of capital assets for governmental activities:

| | Balance at July 1, 2018 | Additions | Deletions | Transfers | Balance at June 30, 2019 |
|--------------------------------|----------------------------|--------------|--------------|-------------|-----------------------------|
| Non-depreciable assets: | | | | | |
| Land | \$ 34,687,011 | \$ - | \$ - | \$ - | \$ 34,687,011 |
| Construction in Progress | 15,203,098 | 8,924,505 | - | (4,646,349) | 19,481,254 |
| Total | 49,890,109 | 8,924,505 | - | (4,646,349) | 54,168,265 |
| Depreciable assets: | | | | | |
| Buildings and Improvements | 95,388,521 | 224,235 | (224,235) | 1,972,772 | 97,361,293 |
| Machinery and Equipment | 17,296,107 | 1,920,996 | (880,613) | 1,275,510 | 19,612,000 |
| Infrastructure | 296,717,307 | 4,946 | - | 1,398,067 | 298,120,320 |
| Total | 409,401,935 | 2,150,177 | (1,104,848) | 4,646,349 | 415,093,613 |
| Less accumulated depreciation: | | | | | |
| Buildings and Improvements | (40,690,427) | (2,892,866) | - | - | (43,583,293) |
| Machinery and Equipment | (13,544,385) | (1,268,984) | 878,975 | - | (13,934,394) |
| Infrastructure | (154,636,633) | (6,700,815) | - | - | (161,337,448) |
| Total | (208,871,445) | (10,862,665) | 878,975 | - | (218,855,135) |
| Total depreciable assets, net | 200,530,490 | (8,712,488) | (225,873) | 4,646,349 | 196,238,478 |
| Total capital assets, net | \$ 250,420,599 | \$ 212,017 | \$ (225,873) | \$ - | \$ 250,406,743 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - CAPITAL ASSETS (Continued)

Governmental activities depreciation expense for capital assets for the year ended June 30, 2019 is as follows:

| | | |
|------------------------------------|----|-------------------|
| General government | \$ | 1,219,259 |
| City Manager and City Clerk | | 41,838 |
| Human resources | | 4,317 |
| Finance and services | | 87,068 |
| Community development and services | | 102,276 |
| Public safety | | 228,376 |
| Public works | | 8,464,554 |
| Internal Service Funds | | 714,977 |
| | | <hr/> |
| Total depreciation expense | \$ | <u>10,862,665</u> |

The following is a summary of capital assets for business-type activities:

| | Balance at July 1, 2018 | Additions | Deletions | Reclassifications | Balance at June 30, 2019 |
|--------------------------------|----------------------------|--------------------|---------------------|--------------------|-----------------------------|
| Non-depreciable assets: | | | | | |
| Land | \$ 1,646,186 | \$ - | \$ - | \$ - | \$ 1,646,186 |
| Construction in Progress | 28,833,255 | 4,180,752 | | (7,956,686) | 25,057,321 |
| Total | <u>30,479,441</u> | <u>4,180,752</u> | <u>-</u> | <u>(7,956,686)</u> | <u>26,703,507</u> |
| Depreciable assets: | | | | | |
| Buildings and improvements | 25,003,715 | - | (120,470) | 7,588,389 | 32,471,634 |
| Machinery and equipment | 10,931,398 | 153,254 | (7,147) | - | 11,077,505 |
| Infrastructure | 145,048,526 | - | - | 368,297 | 145,416,823 |
| Total | <u>180,983,639</u> | <u>153,254</u> | <u>(127,617)</u> | <u>7,956,686</u> | <u>188,965,962</u> |
| Less accumulated depreciation: | | | | | |
| Buildings and improvements | (9,894,447) | (499,334) | 19,826 | - | (10,373,955) |
| Machinery and equipment | (4,389,560) | (642,694) | 5,871 | - | (5,026,383) |
| Infrastructure | (49,854,502) | (2,464,974) | - | - | (52,319,476) |
| Total | <u>(64,138,509)</u> | <u>(3,607,002)</u> | <u>25,697</u> | <u>-</u> | <u>(67,719,814)</u> |
| Total depreciable assets, net | <u>116,845,130</u> | <u>(3,453,748)</u> | <u>(101,920)</u> | <u>7,956,686</u> | <u>121,246,148</u> |
| Total capital assets, net | <u>\$ 147,324,571</u> | <u>\$ 727,004</u> | <u>\$ (101,920)</u> | <u>\$ -</u> | <u>\$ 147,949,655</u> |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 6 - CAPITAL ASSETS (Continued)

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2019 are as follows:

| | | |
|------------------------|----|------------------|
| Water Utility | \$ | 1,594,343 |
| Sewer Utility | | 914,624 |
| Marina | | 525,802 |
| Pittsburg Power | | 565,134 |
| Water Front Operations | | 7,099 |
| | | <hr/> |
| Total | \$ | <u>3,607,002</u> |

B. Fund Financial Statements

The Governmental Fund Financial Statements do not present General Government Capital Assets. Consequently, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

The capital assets of the enterprise funds in the Proprietary Fund Financial Statements are the same as those shown in the business-type activities of the Government-Wide Financial Statements. Internal Service Funds capital assets are combined with governmental activities.

NOTE 7 - LONG TERM DEBT

Governmental Activities

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2019:

| Description | Original Issue Amount | Beginning Balance July 1, 2018 | Additions | Retirements | Ending Balance June 30, 2019 | Amounts Due Within One Year | Amounts Due in More Than One Year |
|--|-----------------------|--------------------------------|---------------------|---------------------|------------------------------|-----------------------------|-----------------------------------|
| Governmental Activities - Bonds | | | | | | | |
| 2006 Pension Obligation Bonds | \$ 39,566,056 | \$ 34,030,018 | \$ 1,390,624 | \$ 2,160,000 | \$ 33,260,642 | \$ 2,240,000 | \$ 31,020,642 |
| Governmental Activities - Direct Borrowings | | | | | | | |
| CEC Energy Conservation Loan | 571,097 | 278,821 | - | 66,627 | 212,194 | 68,626 | 143,568 |
| Capital Lease - Street Sweeper | 225,000 | 116,339 | - | 45,585 | 70,754 | 46,847 | 23,907 |
| Capital Lease - VOIP System Upgrade | 606,044 | 484,835 | - | 121,209 | 363,626 | 121,209 | 242,417 |
| PG&E Energy Efficient Loan | 213,294 | 209,740 | - | 21,329 | 188,411 | 21,329 | 167,082 |
| Capital Lease - Fleet Maintenance | 549,017 | - | 549,017 | 50,370 | 498,647 | 103,629 | 395,018 |
| Capital Lease - Fleet Maintenance Equipment | 261,368 | - | 261,368 | - | 261,368 | 48,414 | 212,954 |
| | | | <hr/> | | <hr/> | | <hr/> |
| Total Governmental Activities - Direct Borrowings | | 1,089,735 | 810,385 | 305,120 | 1,595,000 | 410,054 | 1,184,946 |
| | | | <hr/> | | <hr/> | | <hr/> |
| Total Governmental Activities | \$ 35,119,753 | \$ 2,201,009 | \$ 2,201,009 | \$ 2,465,120 | \$ 34,855,642 | \$ 2,650,054 | \$ 32,205,588 |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

Series 2006 Pension Obligation Bonds

On June 15, 2006, the City issued \$39,566,056 of Series 2006 Taxable Pension Obligations Bonds bearing interest at 5.784-6.115% to prepay the City’s unfunded accrued actuarial liability of the Miscellaneous and Safety plans through the California Public Employees’ Retirement System. The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to \$12,700,000 as of June 30, 2006. The Bonds are issued as current interest bonds and capital interest bonds where the current interest is payable annually on July 1, and the capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable from any form of taxation. The bond covenant contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs. Annual principal and interest payments on the bonds are expected to require approximately 5% of city-wide revenues. The total principal and interest remaining to be paid on the bonds is \$67,035,715. For the current year, principal and interest paid were \$3,578,272 and city-wide revenues were \$84,625,151.

The Bonds unaccrued discount and the current year accretion totaled \$17,213,159 and \$861,823, respectively, at June 30, 2019. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates between 5.85% and 6.12%. Repayment of the accreted principal commenced July 1, 2015. Final repayment will be July 1, 2036.

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2019, were as follows:

| Year Ending June 30, | Principal (1) | Interest | Total |
|-------------------------|----------------------|----------------------|----------------------|
| 2020 | \$ 2,240,000 | \$ 1,392,911 | \$ 3,632,911 |
| 2021 | 2,320,000 | 1,364,763 | 3,684,763 |
| 2022 | 2,405,000 | 1,333,684 | 3,738,684 |
| 2023 | 2,555,000 | 1,299,389 | 3,854,389 |
| 2024 | 2,650,000 | 1,261,572 | 3,911,572 |
| 2025-2029 | 13,840,000 | 5,691,696 | 19,531,696 |
| 2030-2034 | 15,975,000 | 4,267,776 | 20,242,776 |
| 2035-2037 | 7,960,000 | 478,924 | 8,438,924 |
| Total | \$ 49,945,000 | \$ 17,090,715 | \$ 67,035,715 |

(1) Includes unaccrued discount in the total amount of \$16,684,358.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

CEC Energy Conservation Loan (Direct Borrowing)

On May 31, 2012, the City obtained a State of California Energy Resources Conservation and Development Commission loan from the California Energy Commission (CEC), in the amount of \$571,097, bearing an interest rate of 3.00% to convert all decorative lamp fixtures from High Pressure Sodium (HPS) to Light Emitted Diode (LED), including the installation of 621 LED lamps on 610 poles. The loan is repayable from general funds from savings in energy costs, and interest and principal payments are payable semiannually on June 22 and December 22, commencing December 22, 2013.

As of June 30, 2019, the outstanding principal balance on the loan was \$212,194.

The annual debt service requirements to mature the loan outstanding at June 30, 2019 were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 68,626 | \$ 5,871 | \$ 74,497 |
| 2021 | 70,715 | 3,782 | 74,497 |
| 2022 | 72,853 | 1,645 | 74,498 |
| Total | <u>\$ 212,194</u> | <u>\$ 11,298</u> | <u>\$ 223,492</u> |

Capital Leases for Governmental Activities (Direct Borrowings)

On November 5, 2015, the City entered into a five year lease agreement for a total principal cost of \$225,000 with Holman Capital Corporation for one street sweeper. The interest rate on the capital lease is 2.75% and principal and interest payments are due semi-annually, commencing May 5, 2015, maturing on November 5, 2020. As of June 30, 2019, the outstanding principal balance of the lease was \$70,754.

The annual debt service requirements to mature the lease outstanding at June 30, 2019, are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|------------------|-----------------|------------------|
| 2020 | \$ 46,847 | \$ 1,626 | \$ 48,473 |
| 2021 | 23,907 | 328 | 24,235 |
| Total | <u>\$ 70,754</u> | <u>\$ 1,954</u> | <u>\$ 72,708</u> |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

On April 2, 2018, the City entered into a five year interest free (0%), master tax-exempt lease agreement for a total principal cost of \$606,044 with Key Government Finance, Inc. to finance the upgrade of the City’s computer network equipment and internet protocol phone system. Principal payments are due annually, commencing May 3, 2018, and maturing on May 3, 2022. As of June 30, 2019, the outstanding principal balance of the lease was \$363,626.

The annual debt service requirements to mature the lease outstanding at June 30, 2019 are as follows:

| Year Ending June 30, | Principal | Total |
|-------------------------|-------------------|-------------------|
| 2020 | \$ 121,209 | \$ 121,209 |
| 2021 | 121,209 | 121,209 |
| 2022 | 121,208 | 121,208 |
| Total | <u>\$ 363,626</u> | <u>\$ 363,626</u> |

On April 5, 2018, the City obtained a ten year, interest free (0%), no fee loan from Pacific Gas and Electric (PG&E) in the amount of \$213,294, to partially fund the cost of replacing the City Hall Chiller with an energy-efficient system. The loan is repayable from general funds. Principal payments are paid monthly with on-bill PG&E payments, commencing May 2018. As of June 30, 2019, the outstanding principal balance on the loan was \$188,411.

The annual debt service requirements to mature the lease outstanding at June 30, 2019, are as follows:

| Year Ending June 30, | Principal | Total |
|-------------------------|-------------------|-------------------|
| 2020 | \$ 21,329 | \$ 21,329 |
| 2021 | 21,329 | 21,329 |
| 2022 | 21,329 | 21,329 |
| 2023 | 21,329 | 21,329 |
| 2024 | 21,329 | 21,329 |
| 2025-2028 | 81,766 | 81,766 |
| Total | <u>\$ 188,411</u> | <u>\$ 188,411</u> |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

On November 15, 2018, the City entered into a five year lease agreement for a total principal cost of \$549,017 with Holman Capital Corporation to finance the purchase of three vehicles and a street sweeper for the Fleet Maintenance Department. The interest rate on the capital lease is 3.80% and principal and interest payments are due semi-annually, commencing May 15, 2019, and maturing on November 15, 2023. As of June 30, 2019, the outstanding principal balance of the lease was \$498,647.

The annual debt service requirements to mature the lease outstanding at June 30, 2019, are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 103,629 | \$ 17,973 | \$ 121,602 |
| 2021 | 107,603 | 13,998 | 121,601 |
| 2022 | 111,731 | 9,870 | 121,601 |
| 2023 | 116,018 | 5,584 | 121,602 |
| 2024 | 59,666 | 1,135 | 60,801 |
| Total | <u>\$ 498,647</u> | <u>\$ 48,560</u> | <u>\$ 547,207</u> |

On April 24, 2019, the City entered into a five year lease agreement for a total principal cost of \$261,368 with Holman Capital Corporation for various equipment. The interest rate on the capital lease is 3.80% and principal and interest payments are due semi-annually, commencing October 24, 2019, maturing on April 24, 2019. As of June 30, 2019, the outstanding principal balance of the lease was \$261,368.

The annual debt service requirements to mature the lease outstanding at June 30, 2019, are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-------------------|------------------|-------------------|
| 2020 | \$ 48,414 | \$ 9,476 | \$ 57,890 |
| 2021 | 50,271 | 7,619 | 57,890 |
| 2022 | 52,200 | 5,691 | 57,891 |
| 2023 | 54,202 | 3,688 | 57,890 |
| 2024 | 56,281 | 1,609 | 57,890 |
| Total | <u>\$ 261,368</u> | <u>\$ 28,083</u> | <u>\$ 289,451</u> |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

Business-Type Activities

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2019:

| Description | Original Issue Amount | Beginning Balance July 1, 2018 | Retirements | Ending Balance June 30, 2019 | Amounts Due Within One Year | Amounts Due in More Than One Year |
|---|-----------------------|--------------------------------|---------------------|------------------------------|-----------------------------|-----------------------------------|
| 2014 Waste Water Revenue Refunding Bonds (Bank of the West Private Placement) | \$ 5,342,000 | \$ 2,350,000 | \$ 772,000 | \$ 1,578,000 | \$ 782,000 | \$ 796,000 |
| 2016 Water Revenue Refunding Bonds | 30,850,000 | 28,650,000 | 1,315,000 | 27,335,000 | 1,360,000 | 25,975,000 |
| 2014 California Infrastructure and Economic Development Direct Bank Loan | 11,387,398 | 10,703,258 | 244,240 | 10,459,018 | 252,812 | 10,206,206 |
| | | <u>\$ 41,703,258</u> | <u>\$ 2,331,240</u> | <u>\$ 39,372,018</u> | <u>\$ 2,394,812</u> | <u>\$ 36,977,206</u> |

2014 Waste Water Revenue Refunding Bonds (Bank of the West Private Placement)

The City of Pittsburgh Financing Authority previously issued \$11,950,000 of Wastewater Revenue Refunding Bonds, Series 2004 pursuant to a Trust Agreement, a Master Installment Sale Agreement and a First Supplemental Installment Sale Agreement; all dated March 1, 2004. The bonds bore interest rates from 2.00%-4.25%.

To refinance the 2004 Bonds, the Financing Authority, with the City, entered into an installment sale agreement to provide funds in an aggregate principal amount of \$5,342,000. The financing was placed privately with Bank of the West. A portion of the proceeds of the Financing was deposited into an irrevocable escrow for full redemption of the 2004 Bonds. The installment sales payments bear an interest rate of 1.55% per annum with interest payments made semi-annually on June 1 and December 1 commencing December 1, 2014 through June 1, 2021. The installments are payable solely from Net Wastewater Revenues. Annual principal and interest payments are expected to require less than 15% percent of net revenues. The total principal and interest remaining to be paid is \$1,608,682. For the current year, principal and interest paid were \$805,434 and wastewater net revenues were \$3,600,124.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

The annual debt service requirements to mature the loan outstanding at June 30, 2019 were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|------------------|---------------------|
| 2020 | \$ 782,000 | \$ 21,429 | \$ 803,429 |
| 2021 | 796,000 | 9,254 | 805,254 |
| Total | <u>\$ 1,578,000</u> | <u>\$ 30,682</u> | <u>\$ 1,608,682</u> |

2016 Water Revenue Refunding Bonds

On November 15, 2016, the City issued 2016A Water Revenue Refunding Bonds in the amount of \$30,070,000 Series 2016A Tax Exempt and \$780,000 Series 2016-Taxable Bonds for a combined total of \$30,850,000. The proceeds from the Bonds were used to retire the 2008 Water Refunding Bond and to pay a Swap Termination Fee. The Tax-Exempt Bonds bear interest ranging from 2%-5% and the Taxable bonds bear interest of 0.87%. Interest on Tax-Exempt bonds is payable semi-annually each February 1st and August 1st. The Tax-Exempt bonds will mature on August 1, 2034.

The bond covenant contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

The annual debt service requirements to mature the loan outstanding at June 30, 2019 were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 1,360,000 | \$ 1,154,650 | \$ 2,514,650 |
| 2021 | 1,405,000 | 1,099,350 | 2,504,350 |
| 2022 | 1,450,000 | 1,042,250 | 2,492,250 |
| 2023 | 1,500,000 | 975,750 | 2,475,750 |
| 2024 | 1,560,000 | 899,250 | 2,459,250 |
| Thereafter | <u>20,060,000</u> | <u>4,343,575</u> | <u>24,403,575</u> |
| Total | <u>\$ 27,335,000</u> | <u>\$ 9,514,825</u> | <u>\$ 36,849,825</u> |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 7 - LONG TERM DEBT (Continued)

2014 California Infrastructure and Economic Development Bank Installment Sale Agreement (Direct Loan)

On November 17, 2014, the City of Pittsburg entered into an installment sale agreement (agreement) with the California Infrastructure and Economic Development Bank for financing the costs of modifications to the Pittsburg Water Treatment Plant and installation of approximately 9,100 feet of transmission line and other related costs. The principal amount provided under the agreement is \$11,387,398 payable over a term of 30 years. Principal payments are made annually on August 1, commencing August 1, 2015 through August 1, 2044. The installment sales payments bear an interest rate of 3.51% per annum with interest payments made semi-annually on February 1 and August 1, commencing February 1, 2015 through August 1, 2044. The installments are payable from Water Charge Revenues. During fiscal year ended June 30, 2019, principal and interest paid was \$647,748 and water charge revenues were \$23,271,803.

The agreement contains events of default that require the revenue of the City to be applied by the Bank as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the loan; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. The covenant also contains a subjective acceleration clause that allows the Bank to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

The annual debt service requirements to mature the outstanding balance at June 30, 2019, were as follows:

| Year Ending June 30, | Principal | Interest | Annual Fee |
|-------------------------|----------------------|---------------------|-------------------|
| 2020 | \$ 252,812 | \$ 362,675 | \$ 31,377 |
| 2021 | 261,686 | 353,645 | 30,619 |
| 2022 | 270,871 | 344,299 | 29,834 |
| 2023 | 280,379 | 334,624 | 29,021 |
| 2024 | 290,220 | 324,610 | 28,180 |
| 2025-2029 | 1,611,244 | 1,460,101 | 127,210 |
| 2030-2034 | 1,914,577 | 1,151,441 | 101,287 |
| 2035-2039 | 2,275,015 | 784,678 | 70,478 |
| 2040-2043 | 2,703,310 | 348,866 | 33,872 |
| 2044-2045 | 598,904 | 10,511 | 1,798 |
| Total | <u>\$ 10,459,018</u> | <u>\$ 5,475,450</u> | <u>\$ 483,676</u> |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activities. The activity for those issues for the year ended June 30, 2019, was as follows:

| | Balance June 30, 2018 | Retirements | Balance June 30, 2019 |
|---|--------------------------|---------------------|--------------------------|
| 2001-03 Century Plaza A.D. Bonds | \$ 3,070,000 | \$ 135,000 | \$ 2,935,000 |
| 2011 Pittsburgh IFA Bonds | 11,655,000 | 1,165,000 | 10,490,000 |
| 2015 Vista Del Mar A.D. Refunding Bonds | 9,000,000 | 365,000 | 8,635,000 |
| Total | <u>\$ 23,725,000</u> | <u>\$ 1,665,000</u> | <u>\$ 22,060,000</u> |

2001-03 Century Plaza Assessment District Bonds - The Century Plaza Bonds bear interest rates between 2.40% and 5.88% with interest payments made semi-annually on March 2 and September 2. The Century Plaza Bonds are to be paid from annual assessment installments. Proceeds from the Century Plaza Bonds were used to finance the construction and acquisition of certain public improvements within the City's Assessment District No. 2001-03. The outstanding balance at June 30, 2019 amounted to \$2,935,000.

2011 Pittsburgh Infrastructure Financing Authority Bonds - In August 2011, the City refinanced the 1998 Marina Walk Assessment District Bonds, 1998 Pittsburgh Infrastructure Financing Authority Bonds, 2001-01 San Marco Assessment District Bonds and 2001-02 Oak Hills South Assessment District Bonds. These Districts were consolidated into one Reassessment District No. 2011-1. The true interest cost of the refunded bonds is 4.5%. The outstanding balance at June 30, 2019 amounted to \$10,490,000.

2015 Vista Del Mar Assessment District Special Tax Refunding Bonds - In June 2015, the City refunded and defeased the 2005 Vista Del Mar Assessment District Bonds. The 2015 Vista Del Mar Bonds bear interest rates between 2.00% and 5.00% with interest payments made semi-annually on March 1 and September 1. The Vista Del Mar Bonds are to be paid from special taxes which are levied by the City on taxable real property within the boundaries of the District. The outstanding balance at June 30, 2019 amounted to \$8,635,000.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, and are described below:

In the Government-Wide Financial Statements, net positions are classified in the following categories.

Net Investment in Capital Assets, describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate income purposes.

Unrestricted describes the portion of Net Position which is not restricted to use.

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which requires the City to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then Nonspendable amounts are required to be presented as a component of the applicable category.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balances have constraints imposed by formal action of the City Council through City Resolution, which may be altered only by formal action (Resolution) of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed through City Resolution, Ordinance, or through language in the adopted budget, by the City Council or its designee (City Manager for items from \$75,000 to \$150,000 and Senior Executive Team members for items below \$75,000) and may be changed at the discretion of the City Council or its designee.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

To comply with GASB 54 requirements, the Budget Stabilization, Economic Development and California Theatre activities are consolidated within the General Fund. The following table provides details of the General Fund’s fund balance at June 30, 2019:

| <u>Fund/Activity</u> | <u>Nonspendable</u> | <u>Assigned</u> | <u>Unassigned</u> | <u>Total</u> |
|----------------------|---------------------|-------------------|----------------------|----------------------|
| General | \$ 2,030,826 | \$ 497,228 | \$ 19,207,634 | \$ 21,735,688 |
| Budget stabilization | - | - | 2,445,285 | 2,445,285 |
| Economic development | 570 | 304,923 | - | 305,493 |
| Total | <u>\$ 2,031,396</u> | <u>\$ 802,151</u> | <u>\$ 21,652,919</u> | <u>\$ 24,486,466</u> |

Budget Stabilization Arrangement

City Council adopted a Resolution establishing a Budget Stabilization Fund for the City’s General Fund and requires the City to deposit year-end surpluses into it. The funds can only be used to help balance future budgets. As of June 30, 2019, the Budget Stabilization, which is reported within the unassigned fund balance of the General Fund, had a balance of \$2,445,285.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2019, are listed below:

| Fund Balance Classifications | General Fund | Special Revenue | | | Total |
|---|----------------------|-----------------------------|--------------------------|--------------------------|----------------------|
| | | Housing Authority Section 8 | Successor Agency Housing | Other Governmental Funds | |
| Nonspendables: | | | | | |
| Items not in spendable form: | | | | | |
| Prepaid Items & Other Assets | \$ 47,906 | \$ 14,261 | \$ - | \$ 22,624 | \$ 84,791 |
| Loans and Notes Receivable | 1,921,984 | - | - | - | 1,921,984 |
| Inventory | 61,506 | 1,374 | - | 308,283 | 371,163 |
| Total Nonspendable Fund Balances | 2,031,396 | 15,635 | - | 330,907 | 2,377,938 |
| Restricted for: | | | | | |
| Special Revenue | - | - | - | 6,627,369 | 6,627,369 |
| Debt Service | - | - | - | 3,036,559 | 3,036,559 |
| Low Income Housing | - | 494,593 | 3,274,416 | 722,482 | 4,491,491 |
| Capital Projects | - | - | - | 9,507,286 | 9,507,286 |
| Total Restricted Fund Balances | - | 494,593 | 3,274,416 | 19,893,696 | 23,662,705 |
| Committed to: | | | | | |
| Capital Improvement | - | - | - | 784,620 | 784,620 |
| Field Replacement | - | - | - | 663,776 | 663,776 |
| Public Education | - | - | - | 713,577 | 713,577 |
| Total Committed Fund Balances | - | - | - | 2,161,973 | 2,161,973 |
| Assigned to: | | | | | |
| Reserved for Operations, Carryover Budget | 392,009 | - | - | - | 392,009 |
| Reserved for Police Buys | 1,220 | - | - | - | 1,220 |
| Reserved for Leisure Service | 6,656 | - | - | - | 6,656 |
| Reserved for Inventory | 62,624 | - | - | - | 62,624 |
| Payroll Imprest Fund Balance | 34,719 | - | - | - | 34,719 |
| For Economic Development | 304,923 | - | - | - | 304,923 |
| Public Safety | - | - | - | 3,586 | 3,586 |
| Total Assigned Fund Balances | 802,151 | - | - | 3,586 | 805,737 |
| Unassigned: | | | | | |
| General fund | 19,207,634 | - | - | (3,755,741) | 15,451,893 |
| Stabilization Arrangements | 2,445,285 | - | - | - | 2,445,285 |
| Other governmental funds | - | - | - | - | - |
| Total Unassigned Fund Balances | 21,652,919 | - | - | (3,755,741) | 17,897,178 |
| Total Fund Balances | \$ 24,486,466 | \$ 510,228 | \$ 3,274,416 | \$ 18,634,421 | \$ 46,905,531 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

C. Deficit Fund Balance/Net Position

At June 30, 2019, the following funds had deficit fund balances:

| Fund | Amount |
|------------------------------------|------------------|
| <i>Special Revenue Funds:</i> | |
| Railroad Avenue Specific Area Plan | \$ 3,381,708 (a) |
| Golf Course | 374,032 (b) |

- (a) The deficit will be reduced with future years' assessment revenues.
- (b) The deficit is caused by the recategorization of the Golf Course from an Enterprise Fund to a Special Revenue fund, as capital assets are no longer recorded within the fund, and will be reduced with future revenues.

D. Restricted Net Position for Special Projects and Programs

At June 30, 2019, the City has the following restricted net position for special projects and programs approved by Resolution 19-13698:

| | |
|---------------------------------------|---------------|
| Measure C Fund | \$ 4,864,616 |
| Gas Tax Fund | 1,448,688 |
| RMRA Gas Tax Fund | 315,809 |
| Grant Fund | 1,157,526 |
| NPDES Fund | 23,761 |
| Local Traffic Mitigation Fund | 4,396,774 |
| Park Dedication Fund | 524,772 |
| City Capital Improvement Project Fund | 1,467,167 |
| Kirker Creek Drainage Fund | 5,009 |
| Community Capital Improvement Fund | 279,962 |
| Regional Traffic Mitigation Fund | 19,031 |
| Capital Projects Fund | 341,881 |
| | \$ 14,844,996 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 10 - RISK MANAGEMENT

A. General Liability Insurance

The City is self-insured for the first \$25,000 of each loss and maintains excess liability insurance through Municipal Pooling Authority (MPA). The City is not insured for liability occurrences over \$29,000,000 per occurrence.

B. Workers' Compensation

The City maintains statutory excess workers' compensation insurance through MPA, and is insured for an individual accident resulting in claims up to statutory limits. The City is not self-insured for any initial portion of a claim but is self-insured for claims exceeding statutory limits.

C. Estimated Reserves for Claims

Municipalities are required to record their liability for uninsured claims and to reflect the current portion of this liability as expenditure in their financial statements. As discussed below, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion, of these claims.

The City reports all claims as a current liability based on historical results. The City's liability for uninsured claims, based on claims history, was computed as follows and is recorded in the Insurance Internal Service Fund:

| For the Years Ended June 30, | Claims Payable at July 1 | Fiscal Year Claims and Changes in Estimates | Claims Payments | Claims Payable at June 30 |
|------------------------------------|--------------------------------|--|--------------------|---------------------------------|
| 2010 | \$ 208,770 | \$ (95,076) | \$ (29,519) | \$ 84,175 |
| 2011 | 84,175 | 69,494 | - | 153,669 |
| 2012 | 153,669 | (27,629) | (8,327) | 117,713 |
| 2013 | 117,713 | 47,199 | (36,027) | 128,885 |
| 2014 | 128,885 | 88,503 | (22,323) | 195,065 |
| 2015 | 195,065 | 202,195 | (148,208) | 249,052 |
| 2016 | 249,052 | 90,846 | (189,401) | 150,497 |
| 2017 | 150,497 | 506,110 | (399,353) | 257,254 |
| 2018 | 257,254 | (65,124) | (64,612) | 127,518 |
| 2019 | 127,518 | 115,612 | (168,608) | 74,522 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 10 - RISK MANAGEMENT (Continued)

D. Purchased Insurance

MPA provides additional coverage for the following risks incurred by the City:

| Coverage Type | Deductible | Coverage Limits |
|-----------------------------------|------------|------------------|
| All Risk Fire and Property | \$ 25,000 | \$ 1,000,000,000 |
| All Vehicles (Physical Damage) | 2,000 | 250,000 |
| Boiler and Machinery | 5,000 | 100,000,000 |
| Cyber Liability | 50,000 | 2,000,000 |
| Employment Liability | 50,000 | 2,000,000 |
| Flood | 100,000 | 25,000,000 |
| Government Crime Coverage | 2,500 | 1,000,000 |
| Liability | 25,000 | 29,000,000 |
| Police Vehicles (Physical Damage) | 3,000 | 250,000 |
| Public Entity Pollution Liability | 100,000 | 1,000,000 |
| Workers' Compensation | None | Statutory Limits |

MPA is governed by a Board consisting of representatives from member municipalities.

The Board controls the operations of MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with MPA are in accordance with formulas established by MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 10 - RISK MANAGEMENT (Continued)

Audited financial statements can be obtained from Municipal Pooling Authority at 1911 San Miguel Drive #200, Walnut Creek, CA 94596-5332.

E. Adequacy of Protection

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Plan Descriptions and Summary of Balances by Plan

The City has two defined benefit pension plans, a Miscellaneous Plan and a Safety Plan. The Miscellaneous Plan is an Agent-Multiple Employer Plan and the Safety Plan is a Cost-Sharing Employer Plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City Ordinance.

All qualified permanent and probationary employees are eligible to participate in the separate Safety Plan, cost-sharing multiple employer defined benefit pension plan and Miscellaneous (all other) Plan, an agent multiple-employer defined benefit pension plan, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLANS

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

| Plan | Deferred Outflows of Resources | Net Pension Liability/ Proportionate Share of Net Pension Liability | Deferred Inflows of Resources | Pension Expense |
|--------------------|--------------------------------------|---|-------------------------------------|---------------------|
| CalPERS Plans: | | | | |
| Miscellaneous | \$ 6,371,477 | \$ 22,685,794 | \$ 2,987,922 | \$ 3,178,565 |
| Safety | 7,704,454 | 25,389,095 | 1,257,026 | 3,655,109 |
| CCCERA Closed Plan | - | 6,196,527 | - | 317,538 |
| Total | \$ 14,075,931 | \$ 54,271,416 | \$ 4,244,948 | \$ 7,151,212 |

Each Plan is discussed in detail below.

B. CalPERS Miscellaneous Plan

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plans’ provisions and benefits in effect at June 30, 2019, are summarized as follows:

| | Miscellaneous | | |
|---|---------------------------|------------------------------|--------------------------------|
| | Prior to July 10, 2011 | On or after July 10, 2011 | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | 2.0% @ 55 | 2.0% @ 60 | 2.0% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 | 62 | 62 |
| Monthly benefits, as a % of eligible compensation | 1.426% to 2.418% | 1.092% to 2.418% | 1.000% to 2.500% |
| Required employee contribution rates | 7% | 7% | 6.25% |
| Required employer contribution rates | 15.505% | 15.505% | 15.505% |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Employees Covered - As of the June 30, 2017 actuarial valuation date, the following employees were covered by the benefit terms for the Plan:

| | <u>Miscellaneous</u> |
|--|----------------------|
| Inactive employees or beneficiaries currently receiving benefits | 127 |
| Inactive employees entitled to but not yet receiving benefits | 164 |
| Active employees | <u>181</u> |
| Total | <u><u>472</u></u> |

As of June 30, 2019, the City had 198 active employees in the Miscellaneous Plan.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability - The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Changes in Net Pension Liability - The changes in the Net Pension Liability for the Miscellaneous Plan follows:

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2017 | \$ 92,305,941 | \$ 67,928,618 | \$ 24,377,323 |
| Changes in the year: | | | |
| Service cost | 2,232,196 | - | 2,232,196 |
| Interest on the total pension liability | 6,453,806 | - | 6,453,806 |
| Differences between actual and expected experience | 1,226,287 | - | 1,226,287 |
| Changes in assumptions | (2,707,757) | - | (2,707,757) |
| Changes in benefit terms | - | - | - |
| Contribution - employer | - | 2,157,639 | (2,157,639) |
| Contribution - employee (paid by employer) | - | - | - |
| Contribution - employee | - | 1,304,579 | (1,304,579) |
| Net investment income | - | 5,770,585 | (5,770,585) |
| Administrative expenses | - | (105,852) | 105,852 |
| Benefit payments, including refunds of employee contributions | (3,355,097) | (3,355,097) | - |
| Other Miscellaneous Income/(Expense) | - | (201,014) | 201,014 |
| Net Plan to Plan Resource Movement | - | (29,876) | 29,876 |
| Net changes | 3,849,435 | 5,540,964 | (1,691,529) |
| Balance at June 30, 2018 | \$ 96,155,376 | \$ 73,469,582 | \$ 22,685,794 |

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | Miscellaneous |
|-----------------------|---------------|
| 1% Decrease | 6.15% |
| Net Pension Liability | \$ 36,836,916 |
| Current Discount Rate | 7.15% |
| Net Pension Liability | \$ 22,685,794 |
| 1% Increase | 8.15% |
| Net Pension Liability | \$ 11,080,228 |

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on investments - 5 year straight-line amortization

All other amounts - Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

For the year ended June 30, 2019, the City recognized pension expense of \$3,178,565. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date | \$ 2,333,907 | \$ - |
| Differences between actual and expected experience | 1,088,015 | (940,594) |
| Changes in assumptions | 2,751,035 | (2,047,328) |
| Net differences between projected and actual earnings on plan investments | 198,520 | - |
| Total | <u>\$ 6,371,477</u> | <u>\$ (2,987,922)</u> |

\$2,333,907 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2020 | \$ 1,605,437 |
| 2021 | 699,024 |
| 2022 | (1,032,451) |
| 2023 | (222,362) |
| Total | <u>\$ 1,049,648</u> |

Actuarial assumptions and information regarding the discount rate are discussed in Note 11D below.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

C. CalPERS Safety Plan

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

| | Safety | | |
|---|---------------------------|------------------------------|--------------------------------|
| | Prior to July 10, 2011 | On or after July 10, 2011 | On or after January 1, 2013 |
| Hire date | | | |
| Benefit formula | 3.0% @ 50 | 3.0% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 | 50 | 50 |
| Monthly benefits, as a % of eligible compensation | 3.000% | 2.400 % to 3.000% | 2.000 % to 2.700% |
| Required employee contribution rates | 9% | 9% | 12% |
| Required employer contribution rates | 22.741% | 17.614% | 12.141% |

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

| | <u>Safety</u> |
|--------------------------|---------------|
| Contributions - employer | \$ 2,771,970 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2019, the City reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

| | |
|------------------------------------|---|
| | Proportionate Share of Net Pension Liability |
| Total Safety Net Pension Liability | <u>\$ 25,389,095</u> |

The City’s net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

| | |
|------------------------------|-----------------|
| | <u>Safety</u> |
| | All Tiers |
| Proportion - June 30, 2018 | 0.48116% |
| Proportion - June 30, 2019 | <u>0.49472%</u> |
| Change - Increase (Decrease) | <u>0.01356%</u> |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2019, the City recognized pension expense of \$3,655,109. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Safety | |
|--|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | \$ 2,771,970 | \$ - |
| Differences between actual and expected experience | 545,526 | (2,069) |
| Changes in assumptions | 2,491,113 | (336,096) |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | 106,198 | (518,592) |
| Change in proportion | 1,617,751 | (400,269) |
| Net differences between projected and actual earnings on plan investments | 171,896 | - |
| Total | \$ 7,704,454 | \$ (1,257,026) |

\$2,771,970 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2020 | \$ 2,539,989 |
| 2021 | 1,843,180 |
| 2022 | (531,854) |
| 2023 | (175,857) |
| Total | \$ 3,675,458 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -
The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Total</u> |
|-----------------------|---------------|
| 1% Decrease | 6.15% |
| Net Pension Liability | \$ 39,928,151 |
| Current Discount Rate | 7.15% |
| Net Pension Liability | \$ 25,389,095 |
| 1% Increase | 8.15% |
| Net Pension Liability | \$ 13,476,943 |

Actuarial assumptions and information regarding the discount rate are discussed in Note 11D below.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions - The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

| | Miscellaneous and Safety (1) |
|---------------------------|---|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Amortization Method | Level Percent of Payroll |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% (Miscellaneous and Safety) |
| Inflation | 2.50% |
| Payroll Growth | 3.0% |
| Projected Salary Increase | 3.2% - 20% (2) |
| Investment Rate of Return | 7.15% (3) |
| Mortality | Derived using CalPERS Membership Data for all Funds (4) |

- (1) Actuarial assumptions are the same for all benefit tiers (Tier I-Classic, Tier II, and Tier III-PEPRA)
- (2) Depending on age, service and type of employment
- (3) Net of pension plan investment expenses, includes inflation
- (4) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the CalPERS December 2017 experience study report available on CalPERS' website.

Change of Assumptions - For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for the Miscellaneous and Safety Plans. The projection of cash flows used to determine the discount rate for each Plan assumed contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

The long-term expected rate of return on pension 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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2017.

| Asset Class (a) | New Strategic Allocation | Real Return Years 1 - 10(b) | Real Return Years 11+(c) |
|------------------|--------------------------------|--------------------------------|-----------------------------|
| Global Equity | 50.0% | 4.80% | 5.98% |
| Fixed Income | 28.0% | 1.00% | 2.62% |
| Inflation Assets | 0.0% | 0.77% | 1.81% |
| Private Equity | 8.0% | 6.30% | 7.23% |
| Real Assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| Total | 100.0% | | |

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

E. Contra Costa County Employees' Retirement Association

Between July 1, 1973 and June 30, 2001, the City provided retirement benefits to its employee groups by contracting with the Contra Costa County Employees' Retirement Association (CCCERA). The City of Pittsburg converted to the CalPERS retirement system effective July 1, 2001 and entered into a Termination Withdrawal Agreement with CCCERA that resulted in the following consequences: CCCERA retained the obligation to provide future benefits to the City's past retirees and vested members that had left the City's employment prior to July 1, 2001.

The City would provide CalPERS retirement benefits for its then current and future employees. The Termination Withdrawal Agreement stated that as of June 30, 2001, the City accrued liability and allocated assets was determined at \$31,483,218. The Termination Withdrawal Agreement also stated that due to market fluctuation and the uncertainty with other actuarial assumptions, the unfunded accrued liability will be recomputed every three years as CCCERA's triennial experience studies are completed. In addition, CCCERA is required to annually submit to the City a cash accounting update of the City of Pittsburg Bookkeeping Asset Account. If the ratio of the balance of the City's Bookkeeping Asset Account to its triennial updated termination unfunded liability is below 95% or exceeds 105%, the resulting obligation (if not paid in full) or surplus, will be amortized as a level amount over 15 years at a 7.75% annual interest rate.

In January 2006, the City received correspondence from CCCERA indicating that the City had an updated unfunded liability of \$11,902,898 that had been re-determined as of December 31, 2003. In June 2006, the City issued Pension Obligation bonds for a total amount of \$39,566,055; upon completion of this transaction the City utilized these bond proceeds to prepay the unfunded liability owed to CCCERA which amounted to \$12,700,000 as of June 30, 2006. The balance of bond funds in the amount of \$25,977,758 was used to prepay the City's unfunded accrued liability for both the miscellaneous and safety plans to the Public Employees Retirement System (PERS).

Almost a year later the City received a letter from CCCERA dated August 23, 2007, providing the December 31, 2006 withdrawal liability update. In summary, the update reported the funding ratio of the present value of benefits (\$47.9 million) to allocated market assets (\$45.4 million) as 94.8%. The August 23, 2007 letter stated that since this ratio is below 95% this triggers a lump sum payment as of December 31, 2006 for \$2,505,433 plus interest at the rate of 7.8% to date of payment or an annual payment of \$289,144 to be amortized over 15 years starting with the first payment due on December 31, 2007.

In December of 2010, CCCERA sent a letter to the City regarding the triennial update of the City of Pittsburg's withdrawal liability as of December 31, 2009. The City of Pittsburg's unfunded termination liability of \$15,877,533 was calculated by The Segal Company, which would result in an annual payment of \$1,826,746 or approximately \$1.5 million more than CCCERA's previous 2006 calculated annual payment of \$289,144. In response to CCCERA's December 2010 calculated triennial update of the City's withdrawal liability, the City worked with CCCERA to amend the City's Termination Agreement to (1) allow the calculation be prepared on an Actuarial rather than Market value of assets basis, and (2) create an 18-month lag between the valuation date and the date the contribution is due which lowered the December 31, 2009 unfunded obligation from \$15.9 million to \$9.9 million.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

In addition, the City borrowed \$3.8 million from the City's Water Fund balance at the LAIF annual interest rate to repay a portion of the City's CCCERA unfunded liability and used \$1,980,096 of various fund balances to help reduce the City's CCCERA unfunded liability. Thus, through FY 2013-14, the City reduced its CCCERA unfunded liability by \$5,780,096 leaving \$4.1 million to be repaid over 15 years at the 7.75% annual interest rate.

In December of 2013, CCCERA sent a triennial update of the City Of Pittsburg's pension liability with CCCERA. The liability increased to \$11,312,353 resulting in 14 annual payments of \$1,306,656 at an interest rate of 7.25% per annum.

In December of 2015, CCCERA sent a triennial update of the City Of Pittsburg's pension liability with CCCERA. The liability decreased to \$6,810,830 resulting in 15 annual payments of \$773,523 at an interest rate of 7% per annum.

During fiscal year 2018-2019, the City made a payment of \$317,538 resulting in a reduced liability of \$6,196,527.

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

Plan Description. The City of Pittsburg Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan administered by the City. The plan provides healthcare benefits to eligible retirees and their dependents. Benefit provisions are established and may be amended through agreements and memorandums of understanding between the City, its management employees, and unions representing City employees.

The City allows eligible retirees to continue in the City medical plans, currently Kaiser and Health Net. The City contributes up to a percentage of the single or dual Kaiser Retiree premium based on years of City service. No dental, vision, or life insurance benefits are provided.

On December 24, 2013, the City established an agreement with the California Public Employees' Retirement System (CalPERS) to set aside funds and deposit into the California Employer's Retiree Benefit Trust (CERBT) fund to accumulate, and distribute assets for the exclusive benefit of retirees and their beneficiaries. Plan assets are irrevocable and may not be used for any purpose other than funding post-retirement health care. The CERBT fund is an agent multiple employer plan and in order to ensure that the CERBT fund remains compliant with all reporting requirements, the CalPERS is responsible for publishing aggregate GASB 43 compliance Financial Statements, Notes, and Required Supplementary Information (RSI). The information may be found on CalPERS website at www.calpers.ca.gov.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funding Policy. There is no statutory requirement for the City to prefund its OPEB obligation. The City has currently chosen to prefund OPEB. There are no employee contributions.

For fiscal year 2018-2019, the City contributed \$2,201,943 in healthcare plan benefits, including \$1,462,943 in premium payments for retirees, \$239,000 for implied subsidies and \$500,000 for contributions to the CERBT fund.

For fiscal year 2018-2019, the City received no reimbursements from the CERBT fund for premium payments for retirees.

The City allows retirees to participate in the same City medical plans (Kaiser and Health Net) as active employees. For the Kaiser medical plan, retiree premium rates are the same as the active employees. Because this premium rate is a “blended” rate, retiree premiums payments are lower than what they would pay if the retirees were in a standalone medical plan, resulting in an implied subsidy for retirees under GASB Statement 75.

Employees Covered by Benefit Terms. Membership in the plan consisted of the following at the measurement date of June 30, 2018:

| | |
|--|-----|
| Active employees | 134 |
| Inactive employees or beneficiaries currently receiving benefit payments | 152 |
| Inactive employees entitled to but not yet receiving benefit payments | 1 |
| Total | 287 |

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are consistent with the long-term perspective of the calculations.

In the June 30, 2017 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.35% investment rate of return (net of administrative expenses), and a 2.75% general inflation assumption. Premiums were assumed to increase with a Non-Medicare medical cost increase rate of 7.5% for 2019 and grading down to 4.0% for 2076 and thereafter. The Medicare premiums were assumed to increase at a rate of 6.5% and grading down to 4.0% for 2076 and thereafter. The initial UAAL was amortized as a level percentage of projected payrolls over a fixed 27-year period from June 30, 2013 and will be amortized as a level dollar amortization over a 23 year period from June 30, 2017.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Net OPEB Liability. The City’s net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the actuarial methods and assumptions shown on the previous page.

The underlying mortality assumptions were based on the CalPERS 1997-2015 Experience Study and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a June 30, 2017 actuarial experience study for the period July 1, 2016 through June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---------------|-------------------|--|
| Global Equity | 57% | 4.82% |
| Fixed Income | 27% | 1.47% |
| TIPS | 5% | 1.29% |
| Commodities | 3% | 0.84% |
| REITs | 8% | 3.76% |
| Total | 100% | |

Discount Rate - The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in Net OPEB Liability. The changes in the net OPEB liability is shown in the following table:

| | Increase (Decrease) | | |
|--|--------------------------------|---------------------------------------|--|
| | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability/(Asset) (a) - (b) |
| Balance at June 30, 2017 | \$ 39,652,000 | \$ 3,359,734 | \$ 36,292,266 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 830,803 | - | 830,803 |
| Interest on the total OPEB liability | 2,680,717 | - | 2,680,717 |
| Changes in benefit terms | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Changes of assumptions | - | - | - |
| Contributions from the employer | - | 2,021,796 | (2,021,796) |
| Net investment income | - | 270,566 | (270,566) |
| Administrative expenses | - | (6,320) | 6,320 |
| Benefit payments | (1,536,951) | (1,536,951) | - |
| Net changes | 1,974,569 | 749,091 | 1,225,478 |
| Balance at June 30, 2018 (Measurement Date) | \$ 41,626,569 | \$ 4,108,825 | \$ 37,517,744 |

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report that may be obtained from CalPERS. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$239,000.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates.

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

| Net OPEB Liability/(Asset) | | |
|-------------------------------|--------------------------|------------------------------|
| Discount Rate -1% (5.75 %) | Discount Rate (6.75%) | Discount Rate +1% (7.75%) |
| \$43,024,976 | \$37,517,744 | \$32,976,847 |

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| Net OPEB Liability/ (Asset) | | |
|--|--|--|
| Healthcare Cost | | |
| 1% Decrease (6.5%/5.5% decreasing to 3%) | Trend Rates (7.5%/6.5% decreasing to 4%) | 1% Increase (8.5%/7.5% decreasing to 5%) |
| \$32,179,855 | \$37,517,744 | \$44,090,095 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB. For the year ended June 30, 2019, the City recognized OPEB expense of \$3,252,570. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Employer contributions made subsequent to the measurement date | \$ 2,201,943 | \$ - |
| Net differences between projected and actual earnings on plan investments | - | (89,296) |
| Total | \$ 2,201,943 | \$ (89,296) |

\$2,201,943 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

| Year Ended June 30 | Annual Amortization |
|-----------------------|------------------------|
| 2020 | \$ (27,574) |
| 2021 | (27,574) |
| 2022 | (27,574) |
| 2023 | (6,574) |
| Total | \$ (89,296) |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 13 - COMMITMENTS AND CONTINGENCIES

A. Grants from Other Governments

The City participates in a number of Federal, State, and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2019, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

B. Litigation

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

C. Construction Commitments

As of June 30, 2019, the City has construction commitments to various capital projects as shown in the table below:

| Project | Amount |
|--|----------------------|
| 2014-15 CCTV/Inspection/Sewer Replacement | \$ 11,157,397 |
| BART Pedestrian & Bicycle Connectivity | 4,571,488 |
| 2010-11 Sewer Replacement Program | 4,406,499 |
| James Donlon Extension Project | 4,236,304 |
| Main W Leland (WTP to SW Hills) | 2,550,000 |
| Regional Freeway Security Project | 1,157,526 |
| Stoneman Avenue Intersection Improvements | 830,028 |
| Marina Dredging | 716,782 |
| Boat Launching Facility Improvements | 560,327 |
| West Leland Street Lighting | 541,587 |
| W. Leland High Friction | 525,905 |
| IE Facility Relocation Project | 350,000 |
| Citywide Storm Drain Improvements (2009-01) | 341,881 |
| W Leland Pavement Marker/Speed Sign | 331,288 |
| 2016-17 Sludge Removal | 250,000 |
| Brownfield EPA Grant Project | 238,111 |
| City Park Soccer Field Turf Replacement | 235,320 |
| W. Leland Delineation/Crosswalk | 224,582 |
| W. Leland Pavement Marker | 196,254 |
| 2018-19 Citywide Pavement Management | 180,865 |
| Capital Reinvestment Projects | 180,342 |
| Dockside Power Expansion Reimbursement | 179,632 |
| Duct Bank and Vault Replacements | 176,545 |
| Sewer Master Plan Update | 175,000 |
| Water Treatment Plant Sludge Handling Facility | 169,824 |
| 2013-14 WTP Capital Repairs & Improvements | 166,200 |
| 2017-18 Cable Replacement | 154,470 |
| California Theatre - Phase I | 137,713 |
| East 14th Street Waterline Relocation | 135,488 |
| Biennial Restroom Replacement/Rehabilitation | 133,623 |
| Highway 4 Trunk Line Relief (2007-09) | 133,113 |
| Range Road Sidewalk Improvements | 120,000 |
| 2017-18 WTP Capital Repairs | 114,669 |
| Montezuma Pump Station Replacement | 113,528 |
| Mare Island Residential Units | 106,582 |
| Mare Island Residential Units - Development Refund | 106,356 |
| Other Construction Commitments | 1,421,523 |
| Total Construction Commitments | <u>\$ 37,326,752</u> |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

D. Sales Tax Participation Agreements

The City negotiates sales tax participation agreements on an individual basis. The City has the following sales tax participation agreements with three entities as of June 30, 2019:

| Entity | Tax Abated | Gross Dollar Amount of Abatement in Fiscal Year 2019 | Commitments made |
|---------------------------------|---|---|--|
| Contra Costa County | i) 50% of Sales Tax Revenue from annexation area; ii) 100% PG&E Franchise Fee to City in the Annexation Area | \$ 46,121 | Upon annexation of the northwest inclusion Mirant Power Plant, the City would receive an increased share of the County's property tax revenue of 50% of all sales and use tax revenues from the Annexation Area. |
| Private Company (Confidential)* | 25% of Sales Tax Revenue of the parcel not to exceed \$1,850,000 over 10 years from 10/15/2012 through 10/14/2022 | 105,602 | Relocation of business |
| Contra Costa County | \$150,000 to County if Sales Tax Revenues that the City receives from the annexation area is greater than \$250,000/year. If Sales Tax Revenue is less than \$250,000, then the amount to be transferred to the County shall be reduced by the amount the sales revenue that fell short of \$250,000. | 150,000 | None |

*Pursuant to the Sales and Use Tax law (chapter 8 - Article 1 - section 7056), in order to protect the confidential information of sales taxes collected and abatements provided to each of the specific agencies, the City has presented the aggregate amount abated during the current fiscal year for this entity.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency. Activities of the Successor Agency are as follows:

A. Notes and Loans Receivable

The various rehabilitation and construction loans including deferred and accrued interest balance is \$8,626,730 as of June 30, 2019. These loans have been made to individual homeowners, businesses and developers within the Redevelopment Project Area. The terms of these loans are specific to the borrower and interest rates, as well as usage and repayment requirements, vary according to the loan type. The following are descriptions of the various loans:

- Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types as of June 30, 2019 was \$314,126.
- In 2005, a long agreement was entered into with the Mt. Diablo Unified School District (District) in the amount of \$6,178,936 for capital improvements. The funding was provided with the 2003A Bond proceeds. The District will repay the loan from school impact fees collected until the Agency is fully reimbursed or 35 years, whichever occurs first. The balance outstanding as of June 30, 2019 was \$3,921,980.
- The remaining loans receivable of \$4,390,624 as of June 30, 2019 represent a number of small business and property owner rehabilitation and construction loans to eliminate blight by assisting improvements and rehabilitation of properties that were vacant or underutilized.

B. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. The Agency's policy has set the capitalization threshold for general capital assets at \$5,000 and infrastructure capital assets at \$25,000 for reporting purposes. The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

Depreciation is provided using the straight line method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Successor Agency has assigned the useful lives and capitalization thresholds listed below to capital assets.

Depreciation is recorded on a straight-line method over the useful lives of the assets as follows:

- Building and Improvements 30 - 45 years
- Machinery and Equipment 5 - 20 years
- Infrastructure 30 - 75 years

Capital Asset Additions, Retirements and Balances

| | Balance at June 30, 2018 | Additions | Deletions | Balance at June 30, 2019 |
|--|-----------------------------|--------------------|---------------------|-----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 6,367,790 | \$ - | \$ (395,034) | \$ 5,972,756 |
| Total capital assets not being depreciated | <u>6,367,790</u> | <u>-</u> | <u>(395,034)</u> | <u>5,972,756</u> |
| Capital assets being depreciated: | | | | |
| Buildings and Improvements | 1,919,494 | - | - | 1,919,494 |
| Total capital assets being depreciated | <u>1,919,494</u> | <u>-</u> | <u>-</u> | <u>1,919,494</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and Improvements | (329,364) | (43,542) | - | (372,906) |
| Net capital assets being depreciated | <u>1,590,130</u> | <u>(43,542)</u> | <u>-</u> | <u>1,546,588</u> |
| Total capital assets, net | <u>\$ 7,957,920</u> | <u>\$ (43,542)</u> | <u>\$ (395,034)</u> | <u>\$ 7,519,344</u> |

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

C. Long-Term Debt

The Successor Agency' long-term debt activities for fiscal year ended June 30, 2019 are as follows:

| Description | Original Issue Amount | Balance June 30, 2018 | Additions | Retirements | Balance June 30, 2019 | Amounts Due Within One Year | Amounts Due in More Than One Year |
|---|-----------------------|-----------------------|---------------------|----------------------|-----------------------|-----------------------------|-----------------------------------|
| Tax Allocation Bonds: | | | | | | | |
| 1999 RDA Bonds | \$ 30,106,157 | \$ 41,226,244 | \$ 3,858,628 | \$ - | \$ 45,084,872 | \$ 1,576,003 | \$ 43,508,869 |
| 2006A RDA Housing Set-Aside Bonds | 11,020,000 | 8,605,000 | - | 265,000 | 8,340,000 | 280,000 | 8,060,000 |
| 2014 RDA Tax Allocation Refunding Bonds | 67,445,000 | 47,695,000 | - | 8,735,000 | 38,960,000 | 5,755,000 | 33,205,000 |
| 2016A RDA Housing Set-Aside Bonds | 13,845,000 | 12,335,000 | - | 860,000 | 11,475,000 | 880,000 | 10,595,000 |
| 2016A RDA Subordinated Refunding Bonds | 120,085,000 | 120,085,000 | - | - | 120,085,000 | - | 120,085,000 |
| 2016B RDA Subordinated Refunding Bonds | 26,690,000 | 4,240,000 | - | 4,240,000 | - | - | - |
| 2016C RDA Subordinated Refunding Bonds | 37,755,000 | 37,755,000 | - | 8,250,000 | 29,505,000 | 11,300,000 | 18,205,000 |
| Sub-total | | 271,941,244 | 3,858,628 | 22,350,000 | 253,449,872 | 19,791,003 | 233,658,869 |
| Unamortized premium on 2016A RDA | | 19,603,926 | - | 2,807,047 | 16,796,879 | 2,807,047 | 13,989,832 |
| Total Successor Agency Debt | | \$ 291,545,170 | \$ 3,858,628 | \$ 25,157,047 | \$ 270,246,751 | \$ 22,598,050 | \$ 247,648,701 |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

1999 Redevelopment Agency Tax Allocation Bonds

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2019 amounted to \$95,795,000. The bonds bear interest at rates between 4.1 % and 6.2% with interest payments made semi-annually on February 1 and August 1. The bonds mature on August 1 of each year. The proceeds of the bonds were used to provide money for certain public capital improvements located within the Agency's Project Area, to fund a reserve account, and to pay cost of issuance incurred in connection with the issuance. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 20% from these revenues. The total principal and interest remaining to be paid on the bonds is \$95,795,000. For FY 2018-19, there were no principal and interest payments. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

In June 2014, the City issued the 2014 Successor Agency to the Redevelopment Agency of the City of Pittsburg Bonds which partially refunded \$6,110,000 of currently outstanding Current Interest Bonds of the 1999 bonds.

The Bonds unaccreted discount and the current year accretion totaled \$50,710,128 and \$3,858,628, respectively, at June 30, 2019. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates between 6.10% and 6.20%. Repayment of the accreted principal will commence August 1, 2019. Final repayment will be August 1, 2030.

The annual debt service requirements to mature the Capital Appreciation Bond portion of the 1999 RDA Bonds outstanding at June 30, 2019, were as follows:

| Year Ending June 30, | Principal (1) | Totals |
|-------------------------|----------------------|----------------------|
| 2020 | \$ 5,150,000 | \$ 5,150,000 |
| 2021 | 5,150,000 | 5,150,000 |
| 2022 | 5,150,000 | 5,150,000 |
| 2023 | 8,755,000 | 8,755,000 |
| 2024 | 8,750,000 | 8,750,000 |
| 2025-2029 | 44,550,000 | 44,550,000 |
| 2030-2031 | 18,290,000 | 18,290,000 |
| Totals | <u>\$ 95,795,000</u> | <u>\$ 95,795,000</u> |

(1) Includes unaccreted discount in the total amount of \$50,710,128.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2006 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds

2006 Series A Housing Set Aside Tax Allocation Bonds (2006A HSA RDA Bonds) outstanding at June 30, 2019 amounted to \$8,340,000. On November 30, 2006, the Agency issued \$11,020,000 of Series 2006A Bonds bearing interest at 5.12-5.31% to fund low and moderate income housing of benefit to the Agency's Los Medanos Redevelopment Project, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006A RDA bonds. The bonds with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2007 through August 1, 2036. Annual principal and interest payments on the bonds are expected to require less than 22% from these revenues. The total principal and interest remaining to be paid on the bonds is \$13,031,985. For FY 2018-19, principal and interest paid were \$714,296. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2019, were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------------|---------------------|----------------------|
| 2020 | \$ 280,000 | \$ 435,085 | \$ 715,085 |
| 2021 | 295,000 | 420,092 | 715,092 |
| 2022 | 310,000 | 404,168 | 714,168 |
| 2023 | 330,000 | 387,173 | 717,173 |
| 2024 | 345,000 | 369,248 | 714,248 |
| 2025-2029 | 2,015,000 | 1,544,838 | 3,559,838 |
| 2030-2034 | 2,615,000 | 932,747 | 3,547,747 |
| 2035-2037 | 2,150,000 | 198,634 | 2,348,634 |
| Total | <u>\$ 8,340,000</u> | <u>\$ 4,691,985</u> | <u>\$ 13,031,985</u> |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2014 Redevelopment Agency Tax Allocation Refunding Bonds

2014 Series Successor Agency to the Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2014 STAB Bonds) outstanding at June 30, 2019 amounted to \$38,960,000. The 2014 STAB Bonds bear interest at rates between 4.00% and 5.00% with interest payments made semi-annually on February 1 and August 1. The 2014 STAB Bonds mature annually from 2016 to 2030 on August 1 in amounts ranging from \$2,645,000 to \$6,335,000. Proceeds from the 2014 STAB Bonds were used to refund \$74,049,000 of the Agency's 2003A RDA Bonds, partially refund the 1999 RDA Bonds, and to pay costs of issuance incurred in connection with the issuance, sales and delivery of 2014 STAB Bonds. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 14% from these revenues. The total principal and interest remaining to be paid on the bonds is \$47,595,500. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bond.

The annual debt service requirements to mature the Series 2014 Bonds outstanding at June 30, 2019 were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------|--------------|---------------|
| 2020 | \$ 5,755,000 | \$ 1,794,125 | \$ 7,549,125 |
| 2021 | 6,040,000 | 1,504,250 | 7,544,250 |
| 2022 | 6,335,000 | 1,199,875 | 7,534,875 |
| 2023 | 3,045,000 | 965,375 | 4,010,375 |
| 2024 | 2,340,000 | 830,750 | 3,170,750 |
| 2025-2029 | 12,745,000 | 2,273,625 | 15,018,625 |
| 2030 | 2,700,000 | 67,500 | 2,767,500 |
| Total | \$ 38,960,000 | \$ 8,635,500 | \$ 47,595,500 |

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2016 Series A Housing Set Aside Successor Agency Tax Allocation Refunding Bonds

In February 2016, the Successor Agency issued 2016 Series A Set Aside Tax Allocation Refunding Bonds (2016A HSA Bonds) in the original principal amount of \$13,845,000 and \$26,690,000, respectively. The proceeds of the bonds were used to refund and defease all of the outstanding 2004 Series A Housing Set-Aside Redevelopment Agency Tax Allocation Bonds. The 2016 Series A Bonds bear interest rates between 1.323% and 3.984% with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2016 through August 1, 2029. The Bonds are secured by an irrevocable pledge of the Pledged Tax Revenues to be derived from Los Medanos II and Los Medanos III subareas and an irrevocable pledge of certain moneys in the Redevelopment Property Tax Trust Fund.

The annual debt service requirements to mature the Series 2016A HSA Bonds outstanding at June 30, 2019, were as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ 880,000 | \$ 427,344 | \$ 1,307,344 |
| 2021 | 905,000 | 402,490 | 1,307,490 |
| 2022 | 930,000 | 375,005 | 1,305,005 |
| 2023 | 955,000 | 344,324 | 1,299,324 |
| 2024 | 990,000 | 310,385 | 1,300,385 |
| 2025-2029 | 5,555,000 | 928,134 | 6,483,134 |
| 2030 | 1,260,000 | 29,509 | 1,289,509 |
| Total | <u>\$ 11,475,000</u> | <u>\$ 2,817,191</u> | <u>\$ 14,292,191</u> |

2016 Series A and B Subordinate Tax Allocation Refunding Bonds

In February 2016, the Successor Agency issued 2016 Series A and B Subordinate Tax Allocation Refunding Bonds in the original principal amount of \$120,085,000 and \$26,690,000, respectively. The Bonds bear an interest rate of 5% with interest payments made semi-annually on March 1 and September 1 each year commencing September 1, 2016 through September 1, 2029.

The 2016 Series A Bond proceeds were used to refund the outstanding balance of the 2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds in the amount of \$101,195,000. The issuance of the Bond terminated the swap agreement in connection with the 2004 Series A Bond. The 2016 Series A Bond proceeds were also used to refund and defease a portion of the outstanding 2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

The annual debt service payments on the 2016 Series A Subordinate Tax Allocation Refunding Bonds outstanding at June 30, 2019, are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|-----------------------|----------------------|-----------------------|
| 2020 | \$ - | \$ 6,004,250 | \$ 6,004,250 |
| 2021 | - | 6,004,250 | 6,004,250 |
| 2022 | 6,175,000 | 5,849,875 | 12,024,875 |
| 2023 | 11,165,000 | 5,416,375 | 16,581,375 |
| 2024 | 12,565,000 | 4,823,125 | 17,388,125 |
| 2024-2029 | 73,205,000 | 13,760,625 | 86,965,625 |
| 2030 | 16,975,000 | 424,375 | 17,399,375 |
| Total | <u>\$ 120,085,000</u> | <u>\$ 42,282,875</u> | <u>\$ 162,367,875</u> |

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The 2016 Series B Bond proceeds were used to refund the outstanding balance of the 2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds in the amount of \$22,470,000 and also used to refund and defease a portion of the outstanding 2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds. The 2016 Series B Subordinate Tax Allocation Refunding Bonds outstanding at June 30, 2019 was \$0.

2016 Series C Successor Agency Subordinate Tax Allocation Refunding Bonds

In June 2016, the Successor Agency issued 2016 Series C Tax Allocation Refunding Bonds in the original principal amount of \$37,755,000. The proceeds of the bonds were used to refund all the outstanding balance of the 2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds. The 2016 Series C Bonds bear an interest rate of 5% with interest payments made semi-annually on March 1 and September 1 each year commencing on September 1, 2016 through September 1, 2021. The Bonds are secured by an irrevocable pledge of the Subordinate Pledged Tax Revenues to be derived from the Project Area and an irrevocable pledge of all the moneys in the Redevelopment Property Tax Trust Fund.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2019

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

The annual debt service requirements on the 2016 Series C Successor Agency Subordinate Tax Allocation Refunding Bonds outstanding as of June 30, 2019 are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|-------------------------|---------------|--------------|---------------|
| 2020 | \$ 11,300,000 | \$ 1,192,750 | \$ 12,492,750 |
| 2021 | 11,880,000 | 613,250 | 12,493,250 |
| 2022 | 6,325,000 | 158,125 | 6,483,125 |
| Total | \$ 29,505,000 | \$ 1,964,125 | \$ 31,469,125 |

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The bond covenants for the Successor Agency Tax Allocation Bonds contain events of default that require the revenue of the Successor Agency to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the Successor Agency to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the Successor Agency; or if any court or competent jurisdiction shall assume custody or control of the Successor Agency. The covenants also contain a subjective acceleration clause that allows the trustees or holders, who hold the majority of the aggregate principal amount of the notes, to accelerate payment of the entire principal amount outstanding and interest accrued to become immediately due if they determine that a material adverse change occurs.

D. Commitments and Contingencies

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amounts, if any, of transfers or expenditures may be disallowed. The State Controller’s Office conducted a review of propriety of asset transfers between the former Redevelopment Agency or the Successor agency and any public agency that occurred on or after January 1, 2011.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

City of Pittsburg
Required Supplementary Information
For the Year Ended June 30, 2019

1. BUDGETS AND BUDGETARY ACCOUNTING

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Public hearings are conducted at the City to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds are adopted on a basis consistent with GAAP.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2019, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
5. Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year. Beginning with the FY 2014-2015 budget, capital project appropriations continue appropriations until the project is completed.

City of Pittsburgh
Required Supplementary Information
For the Year Ended June 30, 2019

1. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Under encumbrance accounting, purchase orders, contracts, and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of formal budgetary accounting. Since encumbrances do not yet constitute expenditures or liabilities, encumbrances outstanding at year-end are reported as reservations of fund balances.

The following funds had expenditures in excess of appropriation:

| | | | |
|---|----|---------|-----|
| Housing Authority (Section 8) Special Revenue Fund | \$ | 364,290 | (a) |
| Assets Seizure Special Revenue Fund | | 40,382 | (b) |
| Park Maintenance CFD 2007-1 Special Revenue Fund | | 1,449 | (c) |
| Railroad Avenue Specific Area Plan Special Revenue Fund | | 81,319 | (d) |
| Project Amenities Management Special Revenue Fund | | 8,822 | (e) |

- (a) The excess was due to unexpected tenant repairs, maintenance and additional staff time to cover community events.
- (b) Asset seizure expenses were not budgeted due to the uncertainty of available funds released by the Department of Justice.
- (c) The excess was due to higher expenditures in full time employees, stipend payout and overtime.
- (d) The excess was due to the interest accrual on the interfund loan from the Regional Transportation Mitigation Fund to fund the Bart Pittsburgh Center Station construction. One-time special tax revenues from CFD 2014-1 over several years will pay back the interfund loan.
- (e) The excess was due to unexpected fees for the City's CFD's future annex areas, i.e. public safety and parks.

City of Pittsburg

General Fund

Schedule of Revenues and Expenditures and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|-----------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Property tax | \$ 3,992,731 | \$ 4,073,829 | \$ 4,039,499 | \$ (34,330) |
| Sales tax | 13,579,560 | 14,525,001 | 14,446,467 | (78,534) |
| Franchise tax | 4,145,234 | 4,749,234 | 4,964,564 | 215,330 |
| Other taxes | 7,165,000 | 1,847,300 | 1,838,743 | (8,557) |
| Intergovernmental revenues | 2,646,275 | 7,291,830 | 8,658,056 | 1,366,226 |
| Permits, licenses, and fees | 2,038,849 | 997,400 | 776,162 | (221,238) |
| Fines and forfeitures | 726,850 | 491,020 | 413,647 | (77,373) |
| Service fees | 2,400,343 | 4,170,409 | 4,500,742 | 330,333 |
| Use of money and property | 531,146 | 152,202 | 802,564 | 650,362 |
| Other revenues | 1,935,437 | 2,498,967 | 3,094,769 | 595,802 |
| Total revenues | 39,161,425 | 40,797,192 | 43,535,213 | 2,738,021 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 2,585,142 | 3,414,446 | 2,992,071 | 422,375 |
| City Council | 79,285 | 98,994 | 107,074 | (8,080) |
| City Manager and City Clerk | 630,137 | 736,104 | 639,267 | 96,837 |
| City Attorney | 541,745 | 484,914 | 414,666 | 70,248 |
| Human resources | 1,171,835 | 1,179,354 | 1,144,145 | 35,209 |
| Finance and services | 1,590,022 | 1,586,766 | 1,535,614 | 51,152 |
| Community development and services | 4,599,538 | 6,651,794 | 6,262,117 | 389,677 |
| Public safety | 27,944,932 | 28,849,801 | 28,347,665 | 502,136 |
| Public works - administration | 97,114 | 96,421 | 90,322 | 6,099 |
| Public works - streets | 2,578,131 | 2,579,867 | 2,366,111 | 213,756 |
| Public works - parks | 1,484,583 | 153,842 | 160,508 | (6,666) |
| Total expenditures | 43,302,464 | 45,832,303 | 44,059,560 | 1,772,743 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from sale of capital assets | - | 10,000 | 53,670 | (43,670) |
| Transfers in | 4,794,237 | 5,620,545 | 5,271,157 | 349,388 |
| Transfers (out) | (1,345,370) | (1,862,422) | (1,569,076) | (293,346) |
| Total other financing sources (uses) | 3,448,867 | 3,768,123 | 3,755,751 | 12,372 |
| NET CHANGE IN FUND BALANCE | \$ (692,172) | \$ (1,266,988) | 3,231,404 | \$ 4,498,392 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 21,255,062 | |
| End of year | | | \$ 24,486,466 | |

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Housing Authority (Section 8) - Special Revenue Fund

For the Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|---------------------|--------------------|-------------------|---|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 16,098,076 | \$ 16,200,000 | \$ 16,937,113 | \$ 737,113 |
| Service fee | 1,094,783 | 1,094,783 | 1,134,054 | 39,271 |
| Use of money and property | 2,000 | 3,875 | 13,707 | 9,832 |
| Other revenues | 98,000 | 107,212 | 90,279 | (16,933) |
| Total revenues | 17,292,859 | 17,405,870 | 18,175,153 | 769,283 |
| EXPENDITURES: | | | | |
| Community development and services | 17,399,175 | 17,433,789 | 17,798,079 | (364,290) |
| Total expenditures | 17,399,175 | 17,433,789 | 17,798,079 | (364,290) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers (out) | (18,586) | (18,586) | (18,586) | - |
| Total other financing sources (uses) | (18,586) | (18,586) | (18,586) | - |
| NET CHANGE IN FUND BALANCE | \$ (124,902) | \$ (46,505) | 358,488 | \$ 404,993 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 151,740 | |
| End of year | | | \$ 510,228 | |

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Successor Agency Housing Special Revenue Fund

For the Year Ended June 30, 2019

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|--------------------|---------------------|-------------------|-------------------------------|
| | Original | Final | | Positive (Negative) |
| REVENUES: | | | | |
| Service fees | \$ 7,500 | \$ 7,500 | \$ 7,845 | \$ 345 |
| Use of money and property | 6,500 | 6,500 | 221,011 | 214,511 |
| Other revenues | 252,868 | 252,868 | 1,773,352 | 1,520,484 |
| Total revenues | 266,868 | 266,868 | 2,002,208 | 1,735,340 |
| EXPENDITURES: | | | | |
| Community development and services | 389,128 | 389,754 | 273,105 | 116,649 |
| Total expenditures | 389,128 | 389,754 | 273,105 | 116,649 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 101,541 | - | - | - |
| Transfers (out) | (559) | (559) | (559) | - |
| Total other financing sources (uses) | 100,982 | (559) | (559) | - |
| NET CHANGE IN FUND BALANCE | \$ (21,278) | \$ (123,445) | 1,728,544 | \$ 1,851,989 |
| FUND BALANCE: | | | | |
| Beginning of year | | | 1,545,872 | |
| End of year | | | \$ 3,274,416 | |

CITY OF PITTSBURG, AGENT MULTIPLE EMPLOYER PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
As of fiscal year ending June 30, 2019
 Last 10 Years*

| Measurement Date | Miscellaneous Plan | | | | |
|--|--------------------|---------------|---------------|---------------|---------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 |
| Total Pension Liability | | | | | |
| Service Cost | \$ 1,857,954 | \$ 1,843,426 | \$ 1,885,618 | \$ 2,185,281 | \$ 2,232,196 |
| Interest on total pension liability | 5,258,464 | 5,559,084 | 5,954,324 | 6,187,235 | 6,453,806 |
| Differences between expected and actual experience | - | (227,056) | 696,901 | (1,930,694) | 1,226,287 |
| Changes in assumptions | - | (1,494,012) | - | 5,646,863 | (2,707,757) |
| Changes in benefits | - | - | - | - | - |
| Benefit payments, including refunds of employee contributions | (2,752,016) | (2,914,360) | (2,993,564) | (3,017,394) | (3,355,097) |
| Net change in total pension liability | 4,364,402 | 2,767,082 | 5,543,279 | 9,071,291 | 3,849,435 |
| Total pension liability - beginning | 70,559,887 | 74,924,289 | 77,691,371 | 83,234,650 | 92,305,941 |
| Total pension liability - ending (a) | \$ 74,924,289 | \$ 77,691,371 | \$ 83,234,650 | \$ 92,305,941 | \$ 96,155,376 |
| Plan fiduciary net position | | | | | |
| Contributions - employer | \$ 1,519,402 | \$ 1,631,437 | \$ 1,875,971 | \$ 2,156,429 | \$ 2,157,639 |
| Contributions - employee | 873,360 | 1,036,916 | 902,130 | 931,204 | 1,304,579 |
| Net investment income | 8,949,231 | 1,323,594 | 284,705 | 6,786,287 | 5,770,585 |
| Administrative expense | - | (68,782) | (37,256) | (90,302) | (105,852) |
| Benefit payments, including refunds of employee contributions | (2,752,016) | (2,914,360) | (2,993,564) | (3,017,394) | (3,355,097) |
| Net Plan to Plan Resource Movement | | | | | (29,876) |
| Other Miscellaneous Income/(Expense) | - | - | - | - | (201,014) |
| Net change in plan fiduciary net position | 8,589,977 | 1,008,805 | 31,986 | 6,766,224 | 5,540,964 |
| Plan fiduciary net position - beginning | 51,531,626 | 60,121,603 | 61,130,408 | 61,162,394 | 67,928,618 |
| Plan fiduciary net position - ending (b) | \$ 60,121,603 | \$ 61,130,408 | \$ 61,162,394 | \$ 67,928,618 | \$ 73,469,582 |
| Net pension liability - ending (a)-(b) | \$ 14,802,686 | \$ 16,560,963 | \$ 22,072,256 | \$ 24,377,323 | \$ 22,685,794 |
| Plan fiduciary net position as a percentage of the total pension liability | 80.24% | 78.68% | 73.48% | 73.59% | 76.41% |
| Covered payroll | \$ 11,526,481 | \$ 11,958,650 | \$ 12,684,949 | \$ 13,415,686 | \$ 14,252,307 |
| Net pension liability as percentage of covered-employee payroll | 128.42% | 138.49% | 174.00% | 181.71% | 159.17% |

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (aka. Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.5% (net of administrative expense) to 7.15%.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF PITTSBURG, AGENT MULTIPLE EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
As of fiscal year ending June 30, 2019
 Last 10 Years*

| Fiscal Year | Miscellaneous Plan | | | | |
|---|--------------------|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Actuarially determined contribution | \$ 2,464,100 | \$ 2,745,066 | \$ 3,094,191 | \$ 2,253,288 | \$ 2,333,907 |
| Contributions in relation to the actuarially determined contributions | (2,464,100) | (2,745,066) | (3,094,191) | (2,253,288) | (2,333,907) |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 11,958,650 | \$ 12,684,949 | \$ 13,415,686 | \$ 14,252,307 | \$ 16,955,330 |
| Contributions as a percentage of covered-employee payroll | 20.61% | 21.64% | 23.06% | 15.81% | 13.77% |

Notes to Schedule

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

| | |
|---------------------------|--|
| Actuarial cost method | Entry-Age Normal Cost Method |
| Amortization method | Level Percent of Payroll |
| Asset valuation method | Actuarial Value of Assets |
| Inflation | 2.50% |
| Salary increases | Varies by Entry Age and Service |
| Payroll Growth | 3.00% |
| Investment rate of return | 7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation. |
| Retirement age | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. |
| Mortality | The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries. |

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF PITTSBURG, A COST-SHARING MULTIPLE EMPLOYER DEFINED PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Years*

As of fiscal year ending June 30, 2019

| Measurement Date | Safety Plan | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 |
| Plan's Proportion of the Net Pension Liability/Asset | 0.37777% | 0.39815% | 0.46609% | 0.48116% | 0.49472% |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) | \$ 14,169,983 | \$ 16,405,587 | \$ 21,519,369 | \$ 25,094,362 | \$ 25,389,095 |
| Plan's Covered Payroll | \$ 12,627,215 | \$ 13,134,628 | \$ 14,209,375 | \$ 10,647,118 | \$ 10,804,084 |
| Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered-Employee Payroll | 112.22% | 124.90% | 151.44% | 235.69% | 235.00% |
| Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 81.42% | 79.38% | 74.91% | 74.42% | 75.93% |
| Plan's Proportionate Share of Aggregate Employer Contributions | \$ 1,757,817 | \$ 2,148,293 | \$ 2,219,565 | \$ 2,518,889 | \$ 2,954,663 |

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF PITTSBURG, A COST-SHARING DEFINED PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
As of fiscal year ending June 30, 2019
Last 10 Years*

| Fiscal Year Ended June 30 | Safety Plan | | | | |
|---|---|---------------|---------------|---------------|---------------|
| | 2015 | 2016 | 2017 | 2018 | 2019 |
| Actuarially determined contribution | \$ 2,924,602 | \$ 2,449,689 | \$ 2,573,034 | \$ 2,674,332 | \$ 2,771,970 |
| Contributions in relation to the actuarially determined contributions | (2,924,602) | (2,449,689) | (2,573,034) | (2,674,332) | (2,771,970) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 13,134,628 | \$ 14,209,375 | \$ 10,647,118 | \$ 10,804,084 | \$ 12,017,570 |
| Contributions as a percentage of covered payroll | 22.27% | 17.24% | 24.17% | 24.75% | 23.07% |
| Notes to Schedule | | | | | |
| Valuation date: | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 | June 30, 2017 |
| Methods and assumptions used to determine contribution rates: | | | | | |
| Actuarial cost method | Entry age | | | | |
| Amortization method | Level percentage of payroll, closed | | | | |
| Remaining amortization period | 30 years | | | | |
| Asset valuation method | 5-year smoothed market | | | | |
| Inflation | 2.50% | | | | |
| Salary increases | Varies by Entry Age and Service | | | | |
| Investment rate of return | 7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation. | | | | |
| Retirement age | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. | | | | |
| Mortality | The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB. | | | | |

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

CITY OF PITTSBURG, AGENT MULTIPLE EMPLOYER OPEB PLAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
As of fiscal year ending June 30, 2019
Last 10 Years*

| Measurement Date | 2017 | 2018 |
|---|--------------------------|--------------------------|
| Total OPEB Liability | | |
| Service Cost | \$ 807,000 | \$ 830,803 |
| Interest | 2,558,000 | 2,680,717 |
| Changes in benefit terms | - | - |
| Differences between expected and actual experience | - | - |
| Changes of assumptions | - | - |
| Benefit payments | (1,625,000) | (1,536,951) |
| Net change in total OPEB liability | 1,740,000 | 1,974,569 |
| Total OPEB liability - beginning | 37,912,000 | 39,652,000 |
| Total OPEB liability - ending (a) | \$ 39,652,000 | \$ 41,626,569 |
| Plan fiduciary net position | | |
| Contributions - employer | \$ 2,106,000 | \$ 2,021,796 |
| Contributions - employee | - | - |
| Net investment income | 295,000 | 270,566 |
| Administrative expense | (1,000) | (6,320) |
| Benefit payments | (1,625,000) | (1,536,951) |
| Net change in plan fiduciary net position | 775,000 | 749,091 |
| Plan fiduciary net position - beginning | 2,585,000 | 3,359,734 |
| Plan fiduciary net position - ending (b) | \$ 3,360,000 | \$ 4,108,825 |
| Net OPEB liability - ending (a)-(b) | \$ 36,292,000 | \$ 37,517,744 |
| Plan fiduciary net position as a percentage of the total OPEB liability | 8.47% | 9.87% |
| Covered payroll | \$ 15,921,000 | \$ 16,568,668 |
| Net OPEB liability as a percentage of covered payroll | 227.95% | 226.44% |

* Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

CITY OF PITTSBURG, AGENT MULTIPLE EMPLOYER OPEB PLAN
SCHEDULE OF CONTRIBUTIONS
As of fiscal year ending June 30, 2019*

| Fiscal Year Ended June 30, | <u>2018</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Actuarially determined contribution | \$ 3,938,000 | \$ 4,096,000 |
| Contributions in relation to the actuarially determined contribution | <u>(2,021,796)</u> | <u>(2,201,943)</u> |
| Contribution deficiency (excess) | <u>\$ 1,916,204</u> | <u>\$ 1,894,057</u> |
| Covered-employee payroll | <u>\$ 16,568,668</u> | <u>\$ 14,845,791</u> |
| Contributions as a percentage of covered-employee payroll | 23.77% | 27.59% |

Notes to Schedule

Valuation date: June 30, 2017 June 30, 2017

Methods and assumptions used to determine contribution rates:

| | |
|------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percent of payroll 23 years remaining as of June 30, 2017 |
| Asset valuation method | Investment gains and losses spread over 5-year rolling period |
| Inflation | 3.00% |
| Salary increases | Varies by Entry Age and Service |
| Payroll Growth | 3.00% |
| Discount rate | 6.75% |
| Retirement age | The probabilities of Retirement are based on CalPERS Experience Study for the period from 1997 to 2015. |
| Mortality | Projected fully generational with Society of Actuaries mortality improvement Scale MP-17. |

* Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

SUPPLEMENTARY

INFORMATION



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Small Cities Grants Fund - This fund was established to account for direct grants received for housing and rental rehabilitation programs, which are program income and used to supplement housing rehabilitation costs.

Gas Tax Fund - This fund represents the Highway Users Tax apportionments from the State of California for street and road purposes under the provisions of Streets and Highways Code Maintenance.

Measure J Tax Fund - This fund receives 18% of the collected half-cent sales tax, which is based on the population and road mileage, to fund regional transportation and transit related projects.

Lighting & Landscape Fund - Receipts of the assessments from residential and commercial properties are used by this fund to provide maintenance of street lighting, street trees, landscape, curbs, gutters and sidewalks within the City.

Lighting & Landscape Oak Hills Fund - Receipts of the special assessments from residential and commercial properties, in the Oak Hill area, are used by this fund to provide maintenance of street lighting, street trees, landscape, curbs, gutters and sidewalks.

Miscellaneous Grants Fund - This fund receives various small grants to administer the police, recreation, and public services.

Assets Seizure Fund - This fund was established to administer the seized assets from criminal activities.

Marina Vista Field Replacement Fund - This fund accounts for the collection of rents (maximum of \$60,000 annually) from the Athletic Fields rentals of the Marina Vista School fields as set forth in the Construction and Use Agreement for the contingent turf replacement of the fields.

Local Law Enforcement Block Grant Fund - This fund accounts for the funds provided by Department of Justice to supplement local crime prevention and public safety efforts.

Southwest Pittsburg GHAD II Fund - Southwest Pittsburg Geological Hazard Abatement fund was created to account for the maintenance district of which responsibilities are restricted to mitigation/abatement of geologic landslide and erosion hazards. The fund receives revenues from assessments levied on the properties located on the hillside areas for its operation costs.

Southwest Pittsburg GHAD II Administrative Fund - This fund was created to facilitate the administration (salaries and fringe benefits) for the Southwest Pittsburg GHAD II Fund.

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, Continued:

Storm Water Utility (NPDES) Fund - This fund accounts for property assessments collected by the County of Contra Costa on behalf of the City to provide funding for National Pollutant Discharge Elimination System (NPDES) and general drainage maintenance activities within the Pittsburg Storm Water Utility Area to reduce pollutants.

HUD Community Development Block Grant Fund - Receives annual entitlement from Department of HUD to finance public services, housing activities, economic development projects, public facility projects, program planning and administration.

NSP Neighborhood Stabilization Program Fund - This fund accounts for the funding by the California Department of Housing and Community Development for purchases and redevelopment of foreclosed homes, the purchase and rehabilitation of abandoned or foreclosed homes, the demolition of blighted structures, and the redevelopment of demolished or vacant property within the City.

CalHome Program Fund - This fund was established to account for the funding from the California Department of Housing and Community Development for mortgage assistance and owner-occupied housing rehabilitation loans.

California Energy Conservation Program - This fund is funded by the Energy Efficiency and Conservation Block Grant to enable the City to pursue the City's LED streetlight retrofit, to develop and implement projects to improve energy efficiency and reduce energy use and fossil fuel emissions within the City.

San Marco CFD 2004-01 Fund - The receipts of this fund provide funding for the increased demand of police services in the San Marco subdivision of the Community Facilities District.

Solid Waste Fund - This fund has been established to finance City activities associated with AB 939 compliance such as the annual reporting of recycling programs, hazardous waste collection and the coordination of public education programs. In addition this fund finances the City's solid waste facility Local Enforcement Program (LEA) for permitting, inspection and enforcement of State regulations governing operational, closed and illegal landfills and refuse processing facilities. These revenues will also provide for litter abatement and other similar services to mitigate the impact on the City of Pittsburg associated with hosting the Material Recovery and Transfer Station (MRTS) which services the entire region. The Solid Waste Fund revenues are generated by a \$1.50 surcharge on each ton of solid waste received at the Material Recovery and Transfer Station.

Vista Del Mar CFD 2005-2 Fund - The receipts of the fund provided funding for financing increasing demands for police services in and for the Vista Del Mar CFD 2005-2.

Public Safety Services CFD 2005-1 Fund - The receipts of this fund provide funding for financing increasing demands for public safety services within this Community Facilities District.

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, Continued:

Park Maintenance CFD 2007-1 Fund - The receipts of this fund provide funding for financing increasing demands for park maintenance services within this Community Facilities District.

Cops Hiring Recovery Fund - This fund was established to account for Grants received from law enforcement agencies to create and preserve jobs and to increase their community policing capacity and crime-prevention efforts.

Pittsburg Arts & Community Foundation - This fund was created for an independent non-profit corporation set up to increase, support and encourage art, literacy, education, economic development, affordable housing, and other community resources and programs to benefit the City of Pittsburg and its residents.

Hillview Jr. High Athletic Field - This fund was established to account for Grants received from Measure WW for financing, construction and joint use of an athletic field at Hillview Junior High School with Pittsburg Unified School District.

Public, Education and Government Fees (PEG) - The City is given authority from California Public Utilities Code to levy State Franchise Holder. The revenue of this fund supports Public Education and Government (PEG) channel facilities.

Railroad Avenue Specific Area Plan - This fund was created to account for the funding and financing of facilities according to the Railroad Avenue Specific Plan.

Project Amenities Management Fund - This fund was created to account for continuous maintenance and management of various project amenities for Greystone Place such as stormwater treatment facilities, sanitary sewer lift stations, emergency vehicle access and gates.

Fire District CFD 2017-01 Fund - The funds will be used solely for supplemental services and facilities of the Fire District that benefited City of Pittsburg.

Golf Course Fund - This fund was established to account for revenues and expenditures associated with providing golfing facilities and services to our community.

DEBT SERVICE FUND:

Pension Obligations Fund accounts for the accumulation of resources for payment of principal, interest and related costs of the Pension Obligation Bonds long-term debt and for payments to the Contra Costa County Employees' Retirement Association for unfunded accrued pension obligations.

NON-MAJOR GOVERNMENTAL FUNDS, Continued

CAPITAL PROJECTS FUNDS:

Inclusionary Housing Fund - This fund was established to account for fees paid by developers in the form of "in-lieu" fees that would be used for the construction of affordable housing.

Traffic Impact Fair Share Fund - This fund was established to account for developer fees as a condition of development to mitigate future traffic impacts.

Kirker Creek Drainage Fees Fund - This fund was established to account for the drainage fees collected from developers to finance drainage improvement projects.

Traffic Mitigation Fund - Fees collected from developers are used by this fund to finance the capital improvement projects that mitigate the traffic impact.

Capital Improvement Fund - This fund accounts for most capital improvement projects in the City that have various funding sources. Revenues received from various sources are used for related project costs.

Park Dedication Fund - This fund was established to account for the fees collected from developers and used for design, development, construction of new park projects and the rehabilitation of existing parks.

Regional Traffic Mitigation Fund - This fund was established to account for the fees collected from new development in the City to support the regional transportation improvement projects through the Pittsburg Regional Transportation Development Impact Mitigation Fee ("PRTDIM") program.

Infrastructure Repair & Replacement - This fund was established to fund repair and capital improvement projects related to the City's infrastructure including streets, roads, parking lots and storm drains.

Community Capital Improvement - This fund was established to administer the Cooperative and Repayment Agreement between the Redevelopment Agency of the City of Pittsburg and the City of Pittsburg. The goal of this agreement is to utilize the City personnel and facilities more effectively to control the Agency's planning and administrative costs for redevelopment activities in the established redevelopment project areas.

Bailey Road Maintenance - This fund was created to account for surcharges collected from Keller Canyon Landfill Company to fund repair and maintenance of Bailey Road from Highway 4 to the Landfill entrance.

Gas Tax - Road Maintenance and Rehabilitation - This fund was created to account for SB1 Transportation funding.

Regional Freeway Security Fee - This fund was created for the new Freeway Security Network and provide staff support (City Engineering, Public Works, and the Police Department) to implement the process.



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

City of Pittsburgh
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

| | Special Revenue | | | |
|---|------------------------|---------------------|-----------------------|-------------------------|
| | Small Cities Grants | Gas Tax | Measure J Tax Fund | Lighting & Landscape |
| ASSETS | | | | |
| Cash and investments | \$ 8,523 | \$ 1,035,056 | \$ 613,234 | \$ 317,359 |
| Restricted cash and investments | - | - | - | - |
| Receivables: | | | | |
| Accounts | - | 156,905 | 63,231 | - |
| Loans/notes | 1,389,643 | - | - | - |
| Inventory | - | - | - | 37,158 |
| Prepaid items | - | - | - | 1,878 |
| Advance to other funds | - | - | - | - |
| Total Assets | <u>\$ 1,398,166</u> | <u>\$ 1,191,961</u> | <u>\$ 676,465</u> | <u>\$ 356,395</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 6,000 | \$ 290,565 | \$ 294,961 | \$ 50,438 |
| Refundable deposits | - | - | - | - |
| Loans payable - current | 15,000 | - | - | - |
| Unearned revenue | - | - | - | - |
| Due to other agencies | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advance from other funds | - | - | - | - |
| Total Liabilities | <u>21,000</u> | <u>290,565</u> | <u>294,961</u> | <u>50,438</u> |
| Deferred inflows of resources: | | | | |
| Unearned revenue | 1,374,643 | - | - | - |
| Total Deferred Inflows of Resources | <u>1,374,643</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances: | | | | |
| Nonspendable | - | - | - | 39,036 |
| Restricted | 2,523 | 901,396 | 381,504 | 266,921 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances (deficit) | <u>2,523</u> | <u>901,396</u> | <u>381,504</u> | <u>305,957</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 1,398,166</u> | <u>\$ 1,191,961</u> | <u>\$ 676,465</u> | <u>\$ 356,395</u> |

| Special Revenue | | | | | | | Southwest |
|--------------------------------------|-------------------------|-------------------|--------------------------------------|---|-----------------------------------|--|-----------|
| Lighting & Landscape Oak Hills | Miscellaneous Grants | Assets Seizure | Marina Vista Field Replacement | Local Law Enforcement Block Grant | Southwest Pittsburg GHAD II | Southwest Pittsburg GHAD II Admin | |
| \$ 35,967 | \$ 256,337 | \$ 16,074 | \$ 302,354 | \$ 69,828 | \$ 3,920,434 | \$ - | |
| - | - | - | - | - | - | - | |
| - | 159,605 | - | - | 32,853 | 105,382 | - | |
| - | - | - | - | - | - | - | |
| - | 57,167 | 14,574 | - | 26,453 | - | - | |
| - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | |
| <u>\$ 35,967</u> | <u>\$ 473,109</u> | <u>\$ 30,648</u> | <u>\$ 302,354</u> | <u>\$ 129,134</u> | <u>\$ 4,025,816</u> | <u>\$ -</u> | |
| \$ 260 | \$ 24,852 | \$ - | \$ - | \$ 52,228 | \$ 6,269 | \$ - | |
| - | - | 12,488 | - | - | 1,220 | - | |
| - | - | - | - | - | - | - | |
| - | 272,085 | - | - | 33,954 | - | - | |
| - | 12,281 | - | - | - | - | - | |
| - | 106,724 | - | - | 16,500 | - | - | |
| - | - | - | - | - | - | - | |
| <u>260</u> | <u>415,942</u> | <u>12,488</u> | <u>-</u> | <u>102,682</u> | <u>7,489</u> | <u>-</u> | |
| - | - | - | - | - | - | - | |
| - | - | - | - | - | - | - | |
| - | 57,167 | 14,574 | - | 26,453 | - | - | |
| 35,707 | - | - | - | - | 4,018,327 | - | |
| - | - | - | 302,354 | - | - | - | |
| - | - | 3,586 | - | - | - | - | |
| - | - | - | - | (1) | - | - | |
| <u>35,707</u> | <u>57,167</u> | <u>18,160</u> | <u>302,354</u> | <u>26,452</u> | <u>4,018,327</u> | <u>-</u> | |
| <u>\$ 35,967</u> | <u>\$ 473,109</u> | <u>\$ 30,648</u> | <u>\$ 302,354</u> | <u>\$ 129,134</u> | <u>\$ 4,025,816</u> | <u>\$ -</u> | |

(Continued)

City of Pittsburgh
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

| | Special Revenue | | | |
|---|-----------------------------------|--|---|--------------------|
| | Storm Water Utility (NPDES) | HUD Community Development Block Grant | NSP Neighborhood Stabilization Program | CalHome Program |
| ASSETS | | | | |
| Cash and investments | \$ 159,783 | \$ - | \$ 45,864 | \$ 149,297 |
| Restricted cash and investments | - | - | - | - |
| Receivables: | | | | |
| Accounts | 453,354 | 449,387 | - | - |
| Loans/notes | - | 263,844 | 1,897,133 | 466,066 |
| Inventory | 1,829 | - | - | - |
| Prepaid items | - | - | - | - |
| Advance to other funds | - | - | - | - |
| Total Assets | \$ 614,966 | \$ 713,231 | \$ 1,942,997 | \$ 615,363 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 10,986 | \$ 56,646 | \$ - | \$ - |
| Refundable deposits | - | - | - | - |
| Loans payable - current | - | 116,813 | - | - |
| Unearned revenue | - | - | - | - |
| Due to other agencies | - | - | - | - |
| Due to other funds | - | 271,957 | - | - |
| Advance from other funds | - | - | - | - |
| Total liabilities | 10,986 | 445,416 | - | - |
| Deferred inflows of resources: | | | | |
| Unearned revenue | - | 147,031 | 1,897,133 | 466,066 |
| Total Deferred Inflows of Resources | - | 147,031 | 1,897,133 | 466,066 |
| Fund Balances: | | | | |
| Nonspendable | 1,829 | - | - | - |
| Restricted | 602,151 | 120,784 | 45,864 | 149,297 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances (deficit) | 603,980 | 120,784 | 45,864 | 149,297 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 614,966 | \$ 713,231 | \$ 1,942,997 | \$ 615,363 |

Special Revenue

| California Energy Conservation Program | San Marco CFD 2004-01 | Solid Waste | Vista Del Mar CFD 2005-2 | Public Safety Services CFD 2005-1 | Park Maintenance CFD 2007-1 | Cops Hiring Recovery |
|---|--------------------------|-------------------|-----------------------------|---|-----------------------------------|----------------------------|
| \$ 4 | \$ 156,691 | \$ 270,231 | \$ 40,286 | \$ 80,837 | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | 169,962 | - | - | 38,233 | - |
| - | - | - | - | - | - | - |
| - | - | 534 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 4</u> | <u>\$ 156,691</u> | <u>\$ 440,727</u> | <u>\$ 40,286</u> | <u>\$ 80,837</u> | <u>\$ 38,233</u> | <u>\$ -</u> |
| \$ - | \$ 660 | \$ 74,175 | \$ - | \$ 768 | \$ 825 | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 9,512 | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>660</u> | <u>74,175</u> | <u>-</u> | <u>768</u> | <u>10,337</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 534 | - | - | - | - |
| 4 | 156,031 | 366,018 | 40,286 | 80,069 | 27,896 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>4</u> | <u>156,031</u> | <u>366,552</u> | <u>40,286</u> | <u>80,069</u> | <u>27,896</u> | <u>-</u> |
| <u>\$ 4</u> | <u>\$ 156,691</u> | <u>\$ 440,727</u> | <u>\$ 40,286</u> | <u>\$ 80,837</u> | <u>\$ 38,233</u> | <u>\$ -</u> |

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

| | Special Revenue | | | |
|---|--|--|---|--|
| | Pittsburg Arts & Community Foundation | Hillview Jr. High Athletic Field | Public, Education, and Government Fees (PEG) | Railroad Avenue Specific Area Plan |
| ASSETS | | | | |
| Cash and investments | \$ 171,347 | \$ 360,606 | \$ 708,995 | \$ - |
| Restricted cash and investments | - | - | - | - |
| Receivables: | | | | |
| Accounts | 23 | 816 | 4,582 | - |
| Loans/notes | 573,671 | - | - | - |
| Inventory | 169,682 | - | - | - |
| Prepaid items | 15,746 | - | - | - |
| Advance to other funds | - | - | - | - |
| Total Assets | \$ 930,469 | \$ 361,422 | \$ 713,577 | \$ - |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 26,368 | \$ - | \$ - | \$ - |
| Refundable deposits | 24,700 | - | - | - |
| Loans payable - current | - | - | - | - |
| Unearned revenue | 6,715 | - | - | - |
| Due to other agencies | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advance from other funds | - | - | - | 3,381,708 |
| Total Liabilities | 57,783 | - | - | 3,381,708 |
| Deferred inflows of resources: | | | | |
| Unearned revenue | 573,671 | - | - | - |
| Total Deferred Inflows of Resources | 573,671 | - | - | - |
| Fund Balances: | | | | |
| Nonspendable | 185,428 | - | - | - |
| Restricted | 113,587 | - | - | - |
| Committed | - | 361,422 | 713,577 | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | (3,381,708) |
| Total Fund Balances (deficit) | 299,015 | 361,422 | 713,577 | (3,381,708) |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 930,469 | \$ 361,422 | \$ 713,577 | \$ - |

| Special Revenue | | | Debt Service | Capital Projects | | |
|------------------------------|---------------------------|------------------|---------------------|----------------------|---------------------------|----------------------------|
| Project Amenities Management | Fire District CFD 2017-01 | Golf Course | Pension Obligations | Inclusionary Housing | Traffic Impact Fair Share | Kirker Creek Drainage Fees |
| \$ 49,218 | \$ 4,124 | \$ 968 | \$ 19,957 | \$ 404,014 | \$ 505,804 | \$ 383,360 |
| - | - | - | 3,016,603 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 49,218</u> | <u>\$ 4,124</u> | <u>\$ 968</u> | <u>\$ 3,036,560</u> | <u>\$ 404,014</u> | <u>\$ 505,804</u> | <u>\$ 383,360</u> |
| \$ 360 | \$ 480 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 11,015 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 375,000 | - | - | - | - |
| <u>11,375</u> | <u>480</u> | <u>375,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 37,843 | 3,644 | - | 3,036,560 | 404,014 | 505,804 | 383,360 |
| - | - | - | - | - | - | - |
| - | - | (374,032) | - | - | - | - |
| <u>37,843</u> | <u>3,644</u> | <u>(374,032)</u> | <u>3,036,560</u> | <u>404,014</u> | <u>505,804</u> | <u>383,360</u> |
| <u>\$ 49,218</u> | <u>\$ 4,124</u> | <u>\$ 968</u> | <u>\$ 3,036,560</u> | <u>\$ 404,014</u> | <u>\$ 505,804</u> | <u>\$ 383,360</u> |

(Continued)

City of Pittsburgh
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

| | Capital Projects | | | |
|---|---------------------|---------------------|-------------------|-----------------------------|
| | Traffic Mitigation | Capital Improvement | Park Dedication | Regional Traffic Mitigation |
| ASSETS | | | | |
| Cash and investments | \$ 1,881,684 | \$ 59,183 | \$ 770,365 | \$ 303,725 |
| Restricted cash and investments | - | - | - | - |
| Receivables: | | | | |
| Accounts | 9,816 | 96,477 | - | - |
| Loans/notes | - | - | - | - |
| Inventory | - | - | 886 | - |
| Prepaid items | 5,000 | - | - | - |
| Advance to other funds | - | - | - | 3,381,708 |
| Total assets | \$ 1,896,500 | \$ 155,660 | \$ 771,251 | \$ 3,685,433 |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 55,834 | \$ 2,873 | \$ 14,658 | \$ - |
| Refundable deposits | 5,000 | - | - | - |
| Loans payable - current | - | - | - | - |
| Unearned revenue | - | - | - | - |
| Due to other agencies | - | - | - | - |
| Due to other funds | - | - | - | - |
| Advance from other funds | - | - | - | - |
| Total Liabilities | 60,834 | 2,873 | 14,658 | - |
| Deferred inflows of resources: | | | | |
| Unearned revenue | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| Fund Balances: | | | | |
| Nonspendable | 5,000 | - | 886 | - |
| Restricted | 1,830,666 | - | 755,707 | 3,685,433 |
| Committed | - | 152,787 | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances (deficit) | 1,835,666 | 152,787 | 756,593 | 3,685,433 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,896,500 | \$ 155,660 | \$ 771,251 | \$ 3,685,433 |

| Capital Projects | | | | | |
|---|-------------------------------------|-------------------------------|---|-------------------------------------|------------------------------------|
| Infrastructure Repair & Replacement | Community Capital Improvement | Bailey Road Maintenance | Gas Tax Road Maintenance & Rehabilitation | Regional Freeway Security Fee | Non-Major Governmental Funds |
| \$ 365,480 | \$ - | \$ 1,286,913 | \$ 297,161 | \$ - | \$ 15,051,063 |
| - | - | - | - | - | 3,016,603 |
| - | 453,185 | - | 124,895 | 877,908 | 3,196,614 |
| - | - | - | - | - | 4,590,357 |
| - | - | - | - | - | 308,283 |
| - | - | - | - | - | 22,624 |
| - | - | - | - | - | 3,381,708 |
| <u>\$ 365,480</u> | <u>\$ 453,185</u> | <u>\$ 1,286,913</u> | <u>\$ 422,056</u> | <u>\$ 877,908</u> | <u>\$ 29,567,252</u> |
| \$ - | \$ 8,852 | \$ - | \$ 45,733 | \$ 835 | \$ 1,025,626 |
| - | - | - | - | - | 54,423 |
| - | - | - | - | - | 131,813 |
| - | 30,000 | - | - | - | 342,754 |
| - | - | - | - | - | 12,281 |
| - | 147,980 | - | - | 598,009 | 1,150,682 |
| - | - | - | - | - | 3,756,708 |
| - | 186,832 | - | 45,733 | 598,844 | 6,474,287 |
| - | - | - | - | - | 4,458,544 |
| - | - | - | - | - | 4,458,544 |
| - | - | - | - | - | 330,907 |
| - | - | 1,286,913 | 376,323 | 279,064 | 19,893,696 |
| 365,480 | 266,353 | - | - | - | 2,161,973 |
| - | - | - | - | - | 3,586 |
| - | - | - | - | - | (3,755,741) |
| <u>365,480</u> | <u>266,353</u> | <u>1,286,913</u> | <u>376,323</u> | <u>279,064</u> | <u>18,634,421</u> |
| <u>\$ 365,480</u> | <u>\$ 453,185</u> | <u>\$ 1,286,913</u> | <u>\$ 422,056</u> | <u>\$ 877,908</u> | <u>\$ 29,567,252</u> |

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2019

| | Special Revenue | | | |
|---|------------------------|------------------|-----------------------|-------------------------|
| | Small Cities Grants | Gas Tax | Measure J Tax Fund | Lighting & Landscape |
| REVENUES: | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | 1,494,095 | 868,452 | - |
| Intergovernmental revenues | - | 67,681 | 426,882 | - |
| Licenses, permits, and fees | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Special assessments | - | - | - | 2,896,398 |
| Service fees | - | - | 115 | - |
| Use of money and property | 39 | 23,781 | - | 5,376 |
| Other revenues | 35,154 | - | 237,097 | 7,935 |
| Total Revenues | 35,193 | 1,585,557 | 1,532,546 | 2,909,709 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | 24,880 |
| City Manager and City Clerk | - | - | - | - |
| Human resources | - | - | - | - |
| Finance and services | - | - | - | - |
| Community services | 119,246 | - | 205,093 | - |
| Public safety | - | - | - | - |
| Public works - administration | - | - | - | - |
| Public works - streets | - | 491,417 | - | 3,788,461 |
| Capital outlay and improvements | - | - | 870,471 | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 119,246 | 491,417 | 1,075,564 | 3,813,341 |
| REVENUES OVER (UNDER) EXPENDITURES | (84,053) | 1,094,140 | 456,982 | (903,632) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Loss on sale of inventory | - | - | - | - |
| Transfers in | 119,228 | 173,622 | 331,689 | 1,104,069 |
| Transfers out | (28,475) | (1,159,490) | (749,645) | (113,318) |
| Total other financing sources (uses) | 90,753 | (985,868) | (417,956) | 990,751 |
| Net change in fund balances | 6,700 | 108,272 | 39,026 | 87,119 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of Year | (4,177) | 793,124 | 342,478 | 218,838 |
| End of Year | \$ 2,523 | \$ 901,396 | \$ 381,504 | \$ 305,957 |

| Special Revenue | | | | | | |
|--------------------------------|----------------------|------------------|--------------------------------|-----------------------------------|-----------------------------|-----------------------------------|
| Lighting & Landscape Oak Hills | Miscellaneous Grants | Assets Seizure | Marina Vista Field Replacement | Local Law Enforcement Block Grant | Southwest Pittsburg GHAD II | Southwest Pittsburg GHAD II Admin |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 931,837 | - |
| - | 521,290 | - | - | 93,211 | - | - |
| - | - | - | - | - | - | - |
| - | - | 852 | - | - | - | - |
| 33,959 | - | - | - | - | - | - |
| - | - | - | 13,339 | - | - | - |
| 1,319 | 6,726 | 989 | 9,441 | - | 121,681 | 923 |
| - | - | - | - | - | - | - |
| <u>35,278</u> | <u>528,016</u> | <u>1,841</u> | <u>22,780</u> | <u>93,211</u> | <u>1,053,518</u> | <u>923</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 207,199 | - | - | 45,953 | 132,958 | 429,474 |
| - | 125,264 | 40,382 | - | 47,258 | - | - |
| - | - | - | - | - | - | - |
| 35,175 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>35,175</u> | <u>332,463</u> | <u>40,382</u> | <u>-</u> | <u>93,211</u> | <u>132,958</u> | <u>429,474</u> |
| 103 | 195,553 | (38,541) | 22,780 | - | 920,560 | (428,551) |
| - | (4,641) | (1,300) | - | - | - | - |
| 663 | - | - | - | - | - | 433,023 |
| - | (195,552) | - | - | - | (656,023) | (4,472) |
| <u>663</u> | <u>(200,193)</u> | <u>(1,300)</u> | <u>-</u> | <u>-</u> | <u>(656,023)</u> | <u>428,551</u> |
| 766 | (4,640) | (39,841) | 22,780 | - | 264,537 | - |
| 34,941 | 61,807 | 58,001 | 279,574 | 26,452 | 3,753,790 | - |
| <u>\$ 35,707</u> | <u>\$ 57,167</u> | <u>\$ 18,160</u> | <u>\$ 302,354</u> | <u>\$ 26,452</u> | <u>\$ 4,018,327</u> | <u>\$ -</u> |

(Continued)

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2019

| | Special Revenue | | | |
|---|-----------------------------------|---|--|--------------------|
| | Storm Water Utility (NPDES) | HUD | NSP | CalHome Program |
| | | Community Development Block Grant | Neighborhood Stabilization Program | |
| REVENUES: | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - |
| Other taxes | 832,731 | - | - | - |
| Intergovernmental revenues | - | 892,204 | - | - |
| Licenses, permits, and fees | - | - | - | - |
| Fines and forfeitures | - | - | - | - |
| Special assessments | - | - | - | - |
| Service fees | - | - | - | - |
| Use of money and property | 4,365 | 810 | 1,449 | 4,125 |
| Other revenues | 255 | 682 | - | 47,368 |
| Total Revenues | 837,351 | 893,696 | 1,449 | 51,493 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| City Manager and City Clerk | - | - | - | - |
| Human resources | - | - | - | - |
| Finance and services | - | - | - | - |
| Community services | - | 624,499 | - | 21,399 |
| Public safety | - | - | - | - |
| Public works - administration | 394,978 | - | - | - |
| Public works - streets | 457,047 | - | - | - |
| Capital outlay and improvements | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 852,025 | 624,499 | - | 21,399 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (14,674) | 269,197 | 1,449 | 30,094 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Loss on sale of inventory | - | - | - | - |
| Transfers in | 100,000 | 28,475 | - | - |
| Transfers out | (62,965) | (297,133) | - | - |
| Total other financing sources (uses) | 37,035 | (268,658) | - | - |
| Net change in fund balances | 22,361 | 539 | 1,449 | 30,094 |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of Year | 581,619 | 120,245 | 44,415 | 119,203 |
| End of Year | \$ 603,980 | \$ 120,784 | \$ 45,864 | \$ 149,297 |

| Special Revenue | | | | | | |
|---|--------------------------|----------------|-----------------------------|---|-----------------------------------|----------------------------|
| California Energy Conservation Program | San Marco CFD 2004-01 | Solid Waste | Vista Del Mar CFD 2005-2 | Public Safety Services CFD 2005-1 | Park Maintenance CFD 2007-1 | Cops Hiring Recovery |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 333,323 | 482,436 | - | - |
| - | - | - | - | - | 38,233 | - |
| - | - | 626,794 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 974,229 | - | - | - | 87,329 | - |
| - | - | 3,101 | - | - | - | - |
| - | 3,292 | 6,986 | 1,309 | 2,537 | 916 | - |
| - | - | 27 | - | - | - | - |
| - | 977,521 | 636,908 | 334,632 | 484,973 | 126,478 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 262,271 | - | - | - | - |
| - | 4,433 | 192,730 | 690 | 5,159 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 71,040 | - |
| - | - | - | - | - | - | - |
| 66,627 | - | - | - | - | - | - |
| 7,870 | 4,391 | - | - | 2,519 | 5,426 | - |
| 74,497 | 8,824 | 455,001 | 690 | 7,678 | 76,466 | - |
| (74,497) | 968,697 | 181,907 | 333,942 | 477,295 | 50,012 | - |
| - | - | - | - | - | - | - |
| 74,497 | - | - | - | - | - | - |
| - | (1,020,000) | (104,192) | (425,000) | (610,000) | - | - |
| 74,497 | (1,020,000) | (104,192) | (425,000) | (610,000) | - | - |
| - | (51,303) | 77,715 | (91,058) | (132,705) | 50,012 | - |
| 4 | 207,334 | 288,837 | 131,344 | 212,774 | (22,116) | - |
| \$ 4 | \$ 156,031 | \$ 366,552 | \$ 40,286 | \$ 80,069 | \$ 27,896 | \$ - |

(Continued)

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2019

| | Special Revenue | | | |
|---|--|--|--|--|
| | Pittsburg Arts & Community Foundation | Hillview Jr. High Athletic Field | Public, Education and Government Fees (PEG) | Railroad Avenue Specific Area Plan |
| REVENUES: | | | | |
| Franchise tax | \$ - | \$ - | \$ 153,610 | \$ - |
| Other taxes | - | - | - | - |
| Intergovernmental revenues | 821 | - | - | - |
| Licenses, permits, and fees | - | - | - | - |
| Fines and forfeitures | 369 | - | - | - |
| Special assessments | - | - | - | 29,446 |
| Service fees | 160,209 | 53,754 | - | - |
| Use of money and property | 19,745 | 10,862 | 20,047 | 173 |
| Other revenues | 900,599 | - | - | - |
| Total Revenues | 1,081,743 | 64,616 | 173,657 | 29,619 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| City Manager and City Clerk | - | - | - | - |
| Human resources | - | - | - | - |
| Finance and services | - | - | - | - |
| Community services | 1,007,709 | - | 24,578 | - |
| Public safety | - | - | - | - |
| Public works - administration | - | - | - | - |
| Public works - streets | - | - | - | - |
| Capital outlay and improvements | - | - | - | - |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | 81,319 |
| Total Expenditures | 1,007,709 | - | 24,578 | 81,319 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | 74,034 | 64,616 | 149,079 | (51,700) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Loss on sale of inventory | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | 74,034 | 64,616 | 149,079 | (51,700) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of Year | 224,981 | 296,806 | 564,498 | (3,330,008) |
| End of Year | \$ 299,015 | \$ 361,422 | \$ 713,577 | \$ (3,381,708) |

| Special Revenue | | | Debt Service | Capital Projects | | |
|------------------------------|---------------------------|---------------------|---------------------|----------------------|---------------------------|----------------------------|
| Project Amenities Management | Fire District CFD 2017-01 | Golf Course | Pension Obligations | Inclusionary Housing | Traffic Impact Fair Share | Kirker Creek Drainage Fees |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 335 |
| - | - | - | - | - | - | - |
| 25,219 | 5,229 | - | - | - | - | - |
| - | - | - | 4,425,976 | - | - | - |
| 1,315 | 56 | 8 | 70,715 | 12,759 | 15,974 | 12,293 |
| - | 8,196 | 915 | - | - | - | - |
| <u>26,534</u> | <u>13,481</u> | <u>923</u> | <u>4,496,691</u> | <u>12,759</u> | <u>15,974</u> | <u>12,628</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 317,538 | - | - | - |
| 15,322 | 1,835 | 7,699 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 2,906 |
| - | - | - | 2,160,000 | - | - | - |
| - | - | - | 1,880,687 | - | - | - |
| <u>15,322</u> | <u>1,835</u> | <u>7,699</u> | <u>4,358,225</u> | <u>-</u> | <u>-</u> | <u>2,906</u> |
| <u>11,212</u> | <u>11,646</u> | <u>(6,776)</u> | <u>138,466</u> | <u>12,759</u> | <u>15,974</u> | <u>9,722</u> |
| - | - | - | - | - | - | - |
| - | - | 7,701 | - | - | - | - |
| - | - | - | - | - | - | (18,000) |
| <u>-</u> | <u>-</u> | <u>7,701</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(18,000)</u> |
| 11,212 | 11,646 | 925 | 138,466 | 12,759 | 15,974 | (8,278) |
| 26,631 | (8,002) | (374,957) | 2,898,094 | 391,255 | 489,830 | 391,638 |
| <u>\$ 37,843</u> | <u>\$ 3,644</u> | <u>\$ (374,032)</u> | <u>\$ 3,036,560</u> | <u>\$ 404,014</u> | <u>\$ 505,804</u> | <u>\$ 383,360</u> |

(Continued)

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2019

| | Capital Projects | | | |
|---|-----------------------|------------------------|--------------------|-----------------------------------|
| | Traffic Mitigation | Capital Improvement | Park Dedication | Regional Traffic Mitigation |
| REVENUES: | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - |
| Intergovernmental revenues | - | 115,242 | - | - |
| Licenses, permits, and fees | 1,443,301 | - | 58,160 | - |
| Fines and forfeitures | - | - | - | - |
| Special assessments | - | - | - | - |
| Service fees | - | - | - | - |
| Use of money and property | 58,669 | 1,046 | 32,803 | 100,092 |
| Other revenues | 9,816 | 36,680 | - | - |
| Total Revenues | 1,511,786 | 152,968 | 90,963 | 100,092 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| City Manager and City Clerk | - | - | - | - |
| Human resources | - | - | - | - |
| Finance and services | - | - | - | - |
| Community services | - | - | - | - |
| Public safety | - | - | - | - |
| Public works - administration | - | - | - | - |
| Public works - streets | - | - | - | - |
| Capital outlay and improvements | 2,270,891 | 308,325 | 488,758 | 17,176 |
| Debt service: | | | | |
| Principal retirement | - | - | - | - |
| Interest and fiscal charges | - | - | - | - |
| Total Expenditures | 2,270,891 | 308,325 | 488,758 | 17,176 |
| REVENUES OVER (UNDER) | | | | |
| EXPENDITURES | (759,105) | (155,357) | (397,795) | 82,916 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Loss on sale of inventory | - | - | - | - |
| Transfers in | 420,069 | 131,075 | - | - |
| Transfers out | - | - | (131,354) | (420,069) |
| Total other financing sources (uses) | 420,069 | 131,075 | (131,354) | (420,069) |
| Net change in fund balances | (339,036) | (24,282) | (529,149) | (337,153) |
| FUND BALANCES (DEFICITS): | | | | |
| Beginning of Year | 2,174,702 | 177,069 | 1,285,742 | 4,022,586 |
| End of Year | \$ 1,835,666 | \$ 152,787 | \$ 756,593 | \$ 3,685,433 |

| Capital Projects | | | | | Total |
|---|-------------------------------------|-------------------------------|---|-------------------------------------|------------------------------------|
| Infrastructure Repair & Replacement | Community Capital Improvement | Bailey Road Maintenance | Gas Tax Road Maintenance & Rehabilitation | Regional Freeway Security Fee | Non-Major Governmental Funds |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 153,610 |
| - | - | - | - | - | 4,942,874 |
| - | 402,645 | - | 1,306,615 | - | 3,864,824 |
| - | - | 99,975 | - | - | 2,228,565 |
| - | - | - | - | - | 1,221 |
| - | - | - | - | - | 4,051,809 |
| - | 60,706 | - | - | - | 4,717,200 |
| 14,783 | 6,887 | 38,965 | 19,094 | - | 632,350 |
| - | - | - | - | 1,326,908 | 2,611,632 |
| 14,783 | 470,238 | 138,940 | 1,325,709 | 1,326,908 | 23,204,085 |
| - | - | - | - | - | 24,880 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | 317,538 |
| 16,691 | 600,121 | - | - | - | 3,722,047 |
| - | - | - | - | 1,343,272 | 1,759,188 |
| - | - | - | - | - | 394,978 |
| - | - | - | 1,401,145 | - | 6,244,285 |
| - | - | - | - | - | 3,958,527 |
| - | - | - | - | - | 2,226,627 |
| - | - | - | - | - | 1,982,212 |
| 16,691 | 600,121 | - | 1,401,145 | 1,343,272 | 20,630,282 |
| (1,908) | (129,883) | 138,940 | (75,436) | (16,364) | 2,573,803 |
| - | - | - | - | - | (5,941) |
| - | 69,706 | - | 212,140 | - | 3,205,957 |
| (131,075) | (98,000) | - | - | - | (6,224,763) |
| (131,075) | (28,294) | - | 212,140 | - | (3,024,747) |
| (132,983) | (158,177) | 138,940 | 136,704 | (16,364) | (450,944) |
| 498,463 | 424,530 | 1,147,973 | \$239,619 | \$295,428 | 19,085,365 |
| \$ 365,480 | \$ 266,353 | \$ 1,286,913 | \$ 376,323 | \$ 279,064 | \$ 18,634,421 |

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | SPECIAL REVENUE | | | | | |
|---|---------------------|-----------------|------------------------------------|-----------------------|-------------------|------------------------------------|
| | SMALL CITIES GRANTS | | | GAS TAX | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | 1,510,163 | 1,494,095 | (16,068) |
| Intergovernmental revenues | - | - | - | - | 67,681 | 67,681 |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | - | 39 | 39 | 8,707 | 23,781 | 15,074 |
| Other revenues | - | 35,154 | 35,154 | - | - | - |
| Total revenues | - | 35,193 | 35,193 | 1,518,870 | 1,585,557 | 66,687 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | 180,399 | 119,246 | 61,153 | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | - | - | - | 1,935,466 | 491,417 | 1,444,049 |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | 180,399 | 119,246 | 61,153 | 1,935,466 | 491,417 | 1,444,049 |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | (180,399) | (84,053) | 96,346 | (416,596) | 1,094,140 | 1,510,736 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | 180,399 | 119,228 | (61,171) | 173,816 | 173,622 | (194) |
| Transfers out | - | (28,475) | (28,475) | (1,369,576) | (1,159,490) | 210,086 |
| Total other financing sources (uses) | 180,399 | 90,753 | (89,646) | (1,195,760) | (985,868) | 209,892 |
| Net change in fund balances | \$ - | 6,700 | \$ 6,700 | \$ (1,612,356) | 108,272 | \$ 1,720,628 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | (4,177) | | | 793,124 | |
| End of year | | <u>\$ 2,523</u> | | | <u>\$ 901,396</u> | |

SPECIAL REVENUE

| MEASURE J TAX | | | LIGHTING AND LANDSCAPE | | | LIGHTING AND LANDSCAPING OAK HILL | | |
|-----------------|------------|------------------------------------|------------------------|------------|------------------------------------|--------------------------------------|-----------|------------------------------------|
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 868,198 | 868,452 | 254 | - | - | - | - | - | - |
| 4,935,662 | 426,882 | (4,508,780) | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 2,896,398 | 2,896,398 | - | 33,959 | 33,959 | - |
| - | 115 | 115 | - | - | - | - | - | - |
| - | - | - | 1,400 | 5,376 | 3,976 | - | 1,319 | 1,319 |
| 295,097 | 237,097 | (58,000) | 5,981 | 7,935 | 1,954 | - | - | - |
| 6,098,957 | 1,532,546 | (4,566,411) | 2,903,779 | 2,909,709 | 5,930 | 33,959 | 35,278 | 1,319 |
| - | - | - | 38,212 | 24,880 | 13,332 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,265,530 | 205,093 | 1,060,437 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 3,996,373 | 3,788,461 | 207,912 | 35,175 | 35,175 | - |
| 4,695,144 | 870,471 | 3,824,673 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 5,960,674 | 1,075,564 | 4,885,110 | 4,034,585 | 3,813,341 | 221,244 | 35,175 | 35,175 | - |
| 138,283 | 456,982 | 318,699 | (1,130,806) | (903,632) | 227,174 | (1,216) | 103 | 1,319 |
| - | - | - | - | - | - | - | - | - |
| 396,053 | 331,689 | (64,364) | 1,104,070 | 1,104,069 | (1) | 663 | 663 | - |
| (749,645) | (749,645) | - | (113,321) | (113,318) | 3 | - | - | - |
| (353,592) | (417,956) | (64,364) | 990,749 | 990,751 | 2 | 663 | 663 | - |
| \$ (215,309) | 39,026 | \$ 254,335 | \$ (140,057) | 87,119 | \$ 227,176 | \$ (553) | 766 | \$ 1,319 |
| | 342,478 | | | 218,838 | | | 34,941 | |
| | \$ 381,504 | | | \$ 305,957 | | | \$ 35,707 | |

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | SPECIAL REVENUE | | | | | |
|---|----------------------|------------------|------------------------------------|-----------------|------------------|------------------------------------|
| | MISCELLANEOUS GRANTS | | | ASSETS SEIZURE | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | 805,832 | 521,290 | (284,542) | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | 852 | 852 |
| Special assessments | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | 4,762 | 6,726 | 1,964 | - | 989 | 989 |
| Other revenues | 5,000 | - | (5,000) | - | - | - |
| Total revenues | 815,594 | 528,016 | (287,578) | - | 1,841 | 1,841 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | 10,000 | - | 10,000 | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | 283,311 | 207,199 | 76,112 | - | - | - |
| Public safety | 380,634 | 125,264 | 255,370 | - | 40,382 | (40,382) |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | - | - | - | - | - | - |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | 673,945 | 332,463 | 341,482 | - | 40,382 | (40,382) |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | 141,649 | 195,553 | 53,904 | - | (38,541) | (38,541) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | (4,641) | - | - | (1,300) | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (283,207) | (195,552) | 87,655 | - | - | - |
| Total other financing sources (uses) | (283,207) | (200,193) | 87,655 | - | (1,300) | - |
| Net change in fund balances | \$ (141,558) | (4,640) | \$ 141,559 | \$ - | (39,841) | \$ (38,541) |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | 61,807 | | | 58,001 | |
| End of year | | <u>\$ 57,167</u> | | | <u>\$ 18,160</u> | |

| SPECIAL REVENUE | | | | | | | | |
|--------------------------------|------------|------------------------------|-----------------------------------|-----------|------------------------------|-----------------------------|--------------|------------------------------|
| MARINA VISTA FIELD REPLACEMENT | | | LOCAL LAW ENFORCEMENT BLOCK GRANT | | | SOUTHWEST PITTSBURG GHAD II | | |
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | 901,700 | 931,837 | 30,137 |
| - | - | - | 103,005 | 93,211 | (9,794) | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 29,400 | 13,339 | (16,061) | - | - | - | - | - | - |
| - | 9,441 | 9,441 | - | - | - | 46,000 | 121,681 | 75,681 |
| - | - | - | - | - | - | - | - | - |
| 29,400 | 22,780 | (6,620) | 103,005 | 93,211 | (9,794) | 947,700 | 1,053,518 | 105,818 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 82,006 | 45,953 | 36,053 | 175,057 | 132,958 | 42,099 |
| - | - | - | 47,854 | 47,258 | 596 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 129,860 | 93,211 | 36,649 | 175,057 | 132,958 | 42,099 |
| 29,400 | 22,780 | (6,620) | (26,855) | - | 26,855 | 772,643 | 920,560 | 147,917 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | (676,469) | (656,023) | 20,446 |
| - | - | - | - | - | - | (676,469) | (656,023) | 20,446 |
| \$ 29,400 | 22,780 | \$ (6,620) | \$ (26,855) | - | \$ 26,855 | \$ 96,174 | 264,537 | \$ 168,363 |
| | 279,574 | | | 26,452 | | | 3,753,790 | |
| | \$ 302,354 | | | \$ 26,452 | | | \$ 4,018,327 | |

(Continued)

City of Pittsburgh
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | SPECIAL REVENUE | | | | | |
|---|--------------------------------------|------------------|------------------------------------|------------------------------|-----------------|------------------------------------|
| | SOUTHWEST PITTSBURG GHAD II ADMIN | | | STORM WATER UTILITY NPDES | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | 1,117,359 | 832,731 | (284,628) |
| Intergovernmental revenues | - | - | - | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | - | 923 | 923 | 3,065 | 4,365 | 1,300 |
| Other revenues | - | - | - | 14,400 | 255 | (14,145) |
| Total revenues | - | 923 | 923 | 1,134,824 | 837,351 | (297,473) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | | - | - | 65,379 | 11,246 | 54,133 |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | 448,997 | 429,474 | 19,523 | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works - administration | - | - | - | 576,541 | 383,732 | 192,809 |
| Public works - streets | - | - | - | 568,298 | 457,047 | 111,251 |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | 448,997 | 429,474 | 19,523 | 1,210,218 | 852,025 | 358,193 |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | (448,997) | (428,551) | 20,446 | (75,394) | (14,674) | 60,720 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | 453,469 | 433,023 | (20,446) | 100,000 | 100,000 | - |
| Transfers out | (4,472) | (4,472) | - | (62,965) | (62,965) | - |
| Total other financing sources (uses) | 448,997 | 428,551 | (20,446) | 37,035 | 37,035 | - |
| Net change in fund balances | \$ - | - | \$ - | \$ (38,359) | 22,361 | \$ 60,720 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | - | | | 581,619 | |
| End of year | | \$ - | | | \$ 603,980 | |

| SPECIAL REVENUE | | | | | | | | |
|--|------------|------------------------------------|---|-----------|------------------------------------|-----------------|------------|------------------------------------|
| HUD COMMUNITY DEVELOPMENT BLOCK GRANT | | | NSP NEIGHBORHOOD STABILIZATION PROGRAM | | | CALHOME PROGRAM | | |
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - |
| 999,474 | 892,204 | (107,270) | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 810 | 810 | - | 1,449 | 1,449 | 900 | 4,125 | 3,225 |
| - | 682 | 682 | - | - | - | - | 47,368 | 47,368 |
| 999,474 | 893,696 | (105,778) | - | 1,449 | 1,449 | 900 | 51,493 | 50,593 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 544,028 | 624,499 | (80,471) | - | - | - | 45,000 | 21,399 | 23,601 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 101,541 | - | 101,541 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 645,569 | 624,499 | 21,070 | - | - | - | 45,000 | 21,399 | 23,601 |
| 353,905 | 269,197 | (84,708) | - | 1,449 | 1,449 | (44,100) | 30,094 | 74,194 |
| - | - | - | - | - | - | - | - | - |
| - | 28,475 | 28,475 | - | - | - | - | - | - |
| (358,304) | (297,133) | 61,171 | - | - | - | - | - | - |
| (358,304) | (268,658) | 89,646 | - | - | - | - | - | - |
| \$ (4,399) | 539 | \$ 4,938 | \$ - | 1,449 | \$ 1,449 | \$ (44,100) | 30,094 | \$ 74,194 |
| | 120,245 | | | 44,415 | | | 119,203 | |
| | \$ 120,784 | | | \$ 45,864 | | | \$ 149,297 | |

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | SPECIAL REVENUE | | | | | |
|---|---|-----------------|------------------------------------|----------------------|--------------------|------------------------------------|
| | CALIFORNIA ENERGY CONSERVATION PROGRAM | | | SAN MARCO CFD 2004-1 | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | - | - | - | 974,281 | 974,229 | (52) |
| Service fees | - | - | - | - | - | - |
| Use of money and property | - | - | - | 1,260 | 3,292 | 2,032 |
| Other revenues | - | - | - | - | - | - |
| Total revenues | - | - | - | 975,541 | 977,521 | 1,980 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Public safety | - | - | - | 5,200 | 4,433 | 767 |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | - | - | - | - | - | - |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | 66,627 | 66,627 | - | - | - | - |
| Interest and fiscal charges | 7,871 | 7,870 | 1 | 9,200 | 4,391 | 4,809 |
| Total expenditures | 74,498 | 74,497 | 1 | 14,400 | 8,824 | 5,576 |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | (74,498) | (74,497) | 1 | 961,141 | 968,697 | 7,556 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | 74,500 | 74,497 | (3) | - | - | - |
| Transfers out | - | - | - | (1,020,000) | (1,020,000) | - |
| Total other financing sources (uses) | 74,500 | 74,497 | (3) | (1,020,000) | (1,020,000) | - |
| Net change in fund balances | \$ 2 | - | \$ (2) | \$ (58,859) | (51,303) | \$ 7,556 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | 4 | | | 207,334 | |
| End of year | | <u>\$ 4</u> | | | <u>\$ 156,031</u> | |

SPECIAL REVENUE

| SOLID WASTE | | | VISTA DEL MAR CFD 2005-2 | | | PUBLIC SAFETY CFD 2005-1 | | |
|--------------------|-------------------|------------------------------|--------------------------|------------------|------------------------------|--------------------------|------------------|------------------------------|
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 333,323 | 333,323 | - | 482,436 | 482,436 | - |
| - | - | - | - | - | - | - | - | - |
| 600,077 | 626,794 | 26,717 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,666 | 3,101 | 1,435 | - | - | - | - | - | - |
| 2,000 | 6,986 | 4,986 | 70 | 1,309 | 1,239 | 1,540 | 2,537 | 997 |
| - | 27 | 27 | - | - | - | - | - | - |
| <u>603,743</u> | <u>636,908</u> | <u>33,165</u> | <u>333,393</u> | <u>334,632</u> | <u>1,239</u> | <u>483,976</u> | <u>484,973</u> | <u>997</u> |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 301,791 | 262,271 | 39,520 | - | - | - | - | - | - |
| 217,657 | 192,730 | 24,927 | 1,050 | 690 | 360 | 5,175 | 5,159 | 16 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 9,200 | 2,519 | 6,681 |
| <u>519,448</u> | <u>455,001</u> | <u>64,447</u> | <u>1,050</u> | <u>690</u> | <u>360</u> | <u>14,375</u> | <u>7,678</u> | <u>6,697</u> |
| 84,295 | 181,907 | 97,612 | 332,343 | 333,942 | 1,599 | 469,601 | 477,295 | 7,694 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| (104,192) | (104,192) | - | (425,000) | (425,000) | - | (610,000) | (610,000) | - |
| (104,192) | (104,192) | - | (425,000) | (425,000) | - | (610,000) | (610,000) | - |
| <u>\$ (19,897)</u> | <u>77,715</u> | <u>\$ 97,612</u> | <u>\$ (92,657)</u> | <u>(91,058)</u> | <u>\$ 1,599</u> | <u>\$ (140,399)</u> | <u>(132,705)</u> | <u>\$ 7,694</u> |
| | 288,837 | | | 131,344 | | | 212,774 | |
| | <u>\$ 366,552</u> | | | <u>\$ 40,286</u> | | | <u>\$ 80,069</u> | |

(Continued)

City of Pittsburgh
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | SPECIAL REVENUE | | | | | |
|---|-----------------------------|------------------|------------------------------------|----------------------|-------------|------------------------------------|
| | PARK MAINTENANCE CFD 2007-1 | | | COPS HIRING RECOVERY | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | 30,000 | 38,233 | 8,233 | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | 80,355 | 87,329 | 6,974 | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | 150 | 916 | 766 | - | - | - |
| Other revenues | - | - | - | - | - | - |
| Total revenues | 110,505 | 126,478 | 15,973 | - | - | - |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | 68,817 | 71,040 | (2,223) | - | - | - |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | 6,200 | 5,426 | 774 | - | - | - |
| Total expenditures | 75,017 | 76,466 | (1,449) | - | - | - |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | 35,488 | 50,012 | 14,524 | - | - | - |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | \$ 35,488 | 50,012 | \$ 14,524 | \$ - | - | \$ - |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | (22,116) | | | - | |
| End of year | | <u>\$ 27,896</u> | | | <u>\$ -</u> | |

| SPECIAL REVENUE | | | | | | | | |
|---------------------------------------|------------|------------------------------|----------------------------------|------------|------------------------------|--|------------|------------------------------|
| PITTSBURG ARTS & COMMUNITY FOUNDATION | | | HILLVIEW JR. HIGH ATHLETIC FIELD | | | PUBLIC, EDUCATION, AND GOVERNMENT FEES (PEG) | | |
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 163,000 | \$ 153,610 | \$ (9,390) |
| - | - | - | - | - | - | - | - | - |
| - | 821 | 821 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 369 | 369 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 192,400 | 160,209 | (32,191) | 52,500 | 53,754 | 1,254 | - | - | - |
| 22,000 | 19,745 | (2,255) | - | 10,862 | 10,862 | 2,600 | 20,047 | 17,447 |
| 534,689 | 900,599 | 365,910 | - | - | - | - | - | - |
| 749,089 | 1,081,743 | 332,654 | 52,500 | 64,616 | 12,116 | 165,600 | 173,657 | 8,057 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,011,274 | 1,007,709 | 3,565 | - | - | - | 126,000 | 24,578 | 101,422 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 1,011,274 | 1,007,709 | 3,565 | - | - | - | 126,000 | 24,578 | 101,422 |
| (262,185) | 74,034 | 336,219 | 52,500 | 64,616 | 12,116 | 39,600 | 149,079 | 109,479 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| \$ (262,185) | 74,034 | \$ 336,219 | \$ 52,500 | 64,616 | \$ 12,116 | \$ 39,600 | 149,079 | \$ 109,479 |
| | 224,981 | | | 296,806 | | | 564,498 | |
| | \$ 299,015 | | | \$ 361,422 | | | \$ 713,577 | |

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | SPECIAL REVENUE | | | | | |
|---|---------------------------------------|-----------------------|------------------------------------|------------------------------|------------------|------------------------------------|
| | RAILROAD AVENUE SPECIFIC AREA PLAN | | | PROJECT AMENITIES MANAGEMENT | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | 15,000 | 29,446 | 14,446 | 25,219 | 25,219 | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | - | 173 | 173 | 70 | 1,315 | 1,245 |
| Other revenues | - | - | - | - | - | - |
| Total revenues | 15,000 | 29,619 | 14,619 | 25,289 | 26,534 | 1,245 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | - | - | - | 6,500 | 15,322 | (8,822) |
| Public safety | - | - | - | - | - | - |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | - | - | - | - | - | - |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | 81,319 | (81,319) | - | - | - |
| Total expenditures | - | 81,319 | (81,319) | 6,500 | 15,322 | (8,822) |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | 15,000 | (51,700) | (66,700) | 18,789 | 11,212 | (7,577) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | \$ 15,000 | (51,700) | \$ (66,700) | \$ 18,789 | 11,212 | \$ (7,577) |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | (3,330,008) | | | 26,631 | |
| End of year | | <u>\$ (3,381,708)</u> | | | <u>\$ 37,843</u> | |

| SPECIAL REVENUE | | | | | | DEBT SERVICE FUND | | |
|---------------------------|----------|------------------------------|--------------|--------------|------------------------------|--------------------|--------------|------------------------------|
| FIRE DISTRICT CFD 2017-01 | | | GOLF COURSE | | | PENSION OBLIGATION | | |
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 5,229 | 5,229 | - | - | - | - | - | - |
| - | - | - | - | - | - | 4,425,976 | 4,425,976 | - |
| - | 56 | 56 | - | 8 | 8 | 1,300 | 70,715 | 69,415 |
| - | 8,196 | 8,196 | - | 915 | 915 | - | - | - |
| - | 13,481 | 13,481 | - | 923 | 923 | 4,427,276 | 4,496,691 | 69,415 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 317,538 | 317,538 | - |
| - | - | - | 12,700 | 7,699 | 5,001 | - | - | - |
| 4,515 | 1,835 | 2,680 | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 2,227,980 | 2,160,000 | 67,980 |
| - | - | - | - | - | - | 1,880,458 | 1,880,687 | (229) |
| 4,515 | 1,835 | 2,680 | 12,700 | 7,699 | 5,001 | 4,425,976 | 4,358,225 | 67,751 |
| (4,515) | 11,646 | 16,161 | (12,700) | (6,776) | 5,924 | 1,300 | 138,466 | 137,166 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 7,701 | 7,701 | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 7,701 | 7,701 | - | - | - | - |
| \$ (4,515) | 11,646 | \$ 16,161 | \$ (4,999) | 925 | \$ 5,924 | \$ 1,300 | 138,466 | \$ 137,166 |
| | (8,002) | | | (374,957) | | | 2,898,094 | |
| | \$ 3,644 | | | \$ (374,032) | | | \$ 3,036,560 | |

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | CAPITAL PROJECTS | | | | | |
|---|----------------------|-------------------|------------------------------------|---------------------------|-------------------|------------------------------------|
| | INCLUSIONARY HOUSING | | | TRAFFIC IMPACT FAIR SHARE | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | - | 12,759 | 12,759 | - | 15,974 | 15,974 |
| Other revenues | - | - | - | - | - | - |
| Total revenues | - | 12,759 | 12,759 | - | 15,974 | 15,974 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | - | - | - | - | - | - |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | - | - | - | - | - | - |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | - | 12,759 | 12,759 | - | 15,974 | 15,974 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - |
| Net change in fund balances | \$ - | 12,759 | \$ 12,759 | \$ - | 15,974 | \$ 15,974 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | 391,255 | | | 489,830 | |
| End of year | | <u>\$ 404,014</u> | | | <u>\$ 505,804</u> | |

CAPITAL PROJECTS

| KIRKER CREEK DRAINAGE FEES | | | TRAFFIC MITIGATION | | | CAPITAL IMPROVEMENT | | |
|----------------------------|------------|------------------------------|--------------------|--------------|------------------------------|---------------------|------------|------------------------------|
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 1,479,310 | 115,242 | (1,364,068) |
| - | 335 | 335 | 125,000 | 1,443,301 | 1,318,301 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 12,293 | 12,293 | - | 58,669 | 58,669 | - | 1,046 | 1,046 |
| - | - | - | 4,099,015 | 9,816 | (4,089,199) | - | 36,680 | 36,680 |
| - | 12,628 | 12,628 | 4,224,015 | 1,511,786 | (2,712,229) | 1,479,310 | 152,968 | (1,326,342) |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 13,356 | 2,906 | 10,450 | 6,728,713 | 2,270,891 | 4,457,822 | 1,776,191 | 308,325 | 1,467,866 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 13,356 | 2,906 | 10,450 | 6,728,713 | 2,270,891 | 4,457,822 | 1,776,191 | 308,325 | 1,467,866 |
| (13,356) | 9,722 | 23,078 | (2,504,698) | (759,105) | 1,745,593 | (296,881) | (155,357) | 141,524 |
| - | - | - | - | - | - | - | - | - |
| 5,009 | - | (5,009) | 656,373 | 420,069 | (236,304) | 142,075 | 131,075 | (11,000) |
| (18,000) | (18,000) | - | - | - | - | - | - | - |
| (12,991) | (18,000) | (5,009) | 656,373 | 420,069 | (236,304) | 142,075 | 131,075 | (11,000) |
| \$ (26,347) | (8,278) | \$ 18,069 | \$ (1,848,325) | (339,036) | \$ 1,509,289 | \$ (154,806) | (24,282) | \$ 130,524 |
| | 391,638 | | | 2,174,702 | | | 177,069 | |
| | \$ 383,360 | | | \$ 1,835,666 | | | \$ 152,787 | |

(Continued)

City of Pittsburgh
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | CAPITAL PROJECTS | | | | | |
|---|-----------------------|-------------------|------------------------------------|-----------------------------|---------------------|------------------------------------|
| | PARK DEDICATION | | | REGIONAL TRAFFIC MITIGATION | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | - | - | - | - | - | - |
| Licenses, permits, and fees | 11,600 | 58,160 | 46,560 | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | 18,000 | 32,803 | 14,803 | - | 100,092 | 100,092 |
| Other revenues | - | - | - | - | - | - |
| Total revenues | 29,600 | 90,963 | 61,363 | - | 100,092 | 100,092 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | - | - | - | - | - | - |
| Capital outlay and improvements | 1,013,530 | 488,758 | 524,772 | 19,032 | 17,176 | 1,856 |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | 1,013,530 | 488,758 | 524,772 | 19,032 | 17,176 | 1,856 |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | (983,930) | (397,795) | 586,135 | (19,032) | 82,916 | 101,948 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | (195,717) | (131,354) | 64,363 | (656,323) | (420,069) | 236,254 |
| Total other financing sources (uses) | (195,717) | (131,354) | 64,363 | (656,323) | (420,069) | 236,254 |
| Net change in fund balances | \$ (1,179,647) | (529,149) | \$ 650,498 | \$ (675,355) | (337,153) | \$ 338,202 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | 1,285,742 | | | 4,022,586 | |
| End of year | | <u>\$ 756,593</u> | | | <u>\$ 3,685,433</u> | |

| CAPITAL PROJECTS | | | | | | | | |
|--|------------|------------------------------------|----------------------------------|------------|------------------------------------|-------------------------|--------------|------------------------------------|
| INFRASTRUCTURE REPAIR & REPLACEMENT | | | COMMUNITY CAPITAL IMPROVEMENT | | | BAILEY ROAD MAINTENANCE | | |
| Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 438,798 | 402,645 | (36,153) | - | - | - |
| - | - | - | - | - | - | 140,000 | 99,975 | (40,025) |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | 14,783 | 14,783 | - | 6,887 | 6,887 | - | 38,965 | 38,965 |
| - | - | - | - | 60,706 | 60,706 | - | - | - |
| - | 14,783 | 14,783 | 438,798 | 470,238 | 31,440 | 140,000 | 138,940 | (1,060) |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 16,691 | 16,691 | - | 880,038 | 600,121 | 279,917 | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - |
| 16,691 | 16,691 | - | 880,038 | 600,121 | 279,917 | - | - | - |
| (16,691) | (1,908) | 14,783 | (441,240) | (129,883) | 311,357 | 140,000 | 138,940 | (1,060) |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 207,177 | 69,706 | (137,471) | - | - | - |
| - | (131,075) | (131,075) | (98,000) | (98,000) | - | - | - | - |
| - | (131,075) | (131,075) | 109,177 | (28,294) | (137,471) | - | - | - |
| \$ (16,691) | (132,983) | \$ (116,292) | \$ (332,063) | (158,177) | \$ 173,886 | \$ 140,000 | 138,940 | \$ (1,060) |
| | 498,463 | | | 424,530 | | | 1,147,973 | |
| | \$ 365,480 | | | \$ 266,353 | | | \$ 1,286,913 | |

(Continued)

City of Pittsburgh
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2019

| | CAPITAL PROJECTS | | | | | |
|---|---------------------|------------------|------------------------------------|-------------------------------|------------------|------------------------------------|
| | GAS TAX ROAD | | | REGIONAL FREEWAY SECURITY FEE | | |
| | Final Budget | Actual | Variance Positive (Negative) | Final Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | | | | |
| Franchise tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | - | - | - | - | - | - |
| Intergovernmental revenues | 1,159,401 | 1,306,615 | 147,214 | - | - | - |
| Licenses, permits, and fees | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - |
| Special assessments | - | - | - | - | - | - |
| Service fees | - | - | - | - | - | - |
| Use of money and property | - | 19,094 | 19,094 | - | - | - |
| Other revenues | - | - | - | 2,206,286 | 1,326,908 | (879,378) |
| Total revenues | 1,159,401 | 1,325,709 | 166,308 | 2,206,286 | 1,326,908 | (879,378) |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| City Manager and City Clerk | - | - | - | - | - | - |
| Human resources | - | - | - | - | - | - |
| Finance | - | - | - | - | - | - |
| Community services | - | - | - | - | - | - |
| Public safety | - | - | - | 2,500,798 | 1,343,272 | 1,157,526 |
| Public works - administration | - | - | - | - | - | - |
| Public works - streets | 1,716,954 | 1,401,145 | 315,809 | - | - | - |
| Capital outlay and improvements | - | - | - | - | - | - |
| Debt service: | | | | | | |
| Principal retirement | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - |
| Total expenditures | 1,716,954 | 1,401,145 | 315,809 | 2,500,798 | 1,343,272 | 1,157,526 |
| REVENUES OVER (UNDER) | | | | | | |
| EXPENDITURES | (557,553) | (75,436) | 482,117 | (294,512) | (16,364) | 278,148 |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers in | 345,371 | 212,140 | (133,231) | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources (uses) | 345,371 | 212,140 | (133,231) | - | - | - |
| Net change in fund balances | \$ (212,182) | 136,704 | \$ 348,886 | \$ (294,512) | (16,364) | \$ 278,148 |
| FUND BALANCES (DEFICITS): | | | | | | |
| Beginning of year | | \$239,619 | | | \$295,428 | |
| End of year | | \$ 376,323 | | | \$ 279,064 | |

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a reimbursement basis. There are five funds as follows:

Fleet Maintenance Fund - Used to account for the costs of operating, maintaining, and replacing automotive equipment used by other departments. Rental rates charged to the using departments include operating costs and equipment depreciation.

Building Maintenance Fund - Used to account for the cost of maintaining all City governmental buildings.

Insurance Fund - Used to account for revenues from charges to operating departments sufficient to provide adequate reserve for future claims.

Information/Communication Services Fund - Used to account for the cost of operating, maintaining and replacing a data processing system. Rental rates charged to the using departments include operating cost and equipment depreciation.

Fringe Benefits Fund - Used to allocate fringe costs to various departments.

Other Post-Employment Benefits (OPEB) Fund - Used to reduce unfunded OPEB liabilities and to pay the City's portion of current year retiree medical expenses.

115 Pension Trust Reserve Fund - Used to accumulate funds to pay down CalPERS Unfunded Accrued Liability.

City of Pittsburg
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

| | Fleet Maintenance | Building Maintenance | Insurance |
|--|----------------------------|----------------------------|--------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 982,011 | \$ 1,551,402 | \$ 655,990 |
| Receivables: | | | |
| Accounts | 5,850 | 2,796 | - |
| Inventory | 27,656 | 15,725 | - |
| Prepaid items | 3,137 | 523 | - |
| Total current assets | <u>1,018,654</u> | <u>1,570,446</u> | <u>655,990</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land and nondepreciable assets | 261,368 | - | - |
| Depreciable assets, net | 2,330,084 | 564,987 | - |
| Total noncurrent assets | <u>2,591,452</u> | <u>564,987</u> | <u>-</u> |
| Total Assets | <u><u>3,610,106</u></u> | <u><u>2,135,433</u></u> | <u><u>655,990</u></u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 119,593 | 103,257 | 108,768 |
| Salaries payable | - | - | - |
| Claims and judgments payable - due within one year | - | - | 74,522 |
| Compensated absences - due within one year | 27,294 | 37,901 | - |
| Long-term-debt - due within one year | 198,890 | 21,329 | - |
| Advance from other funds | - | 181,012 | - |
| Total current liabilities | <u>345,777</u> | <u>343,499</u> | <u>183,290</u> |
| Noncurrent liabilities: | | | |
| Compensated absences - due in more than one year | 9,097 | 12,633 | - |
| Long-term debt - due in more than one year | 631,879 | 167,082 | - |
| Total noncurrent liabilities | <u>640,976</u> | <u>179,715</u> | <u>-</u> |
| Total Liabilities | <u><u>986,753</u></u> | <u><u>523,214</u></u> | <u><u>183,290</u></u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,760,683 | 564,987 | - |
| Unrestricted | 862,670 | 1,047,232 | 472,700 |
| Total Net Position | <u><u>\$ 2,623,353</u></u> | <u><u>\$ 1,612,219</u></u> | <u><u>\$ 472,700</u></u> |

| Information / Communication Services | Fringe Benefits | Other Post Employment Benefits | 115 Pension Trust Reserve | Total |
|--|---------------------|---|------------------------------|---------------------|
| \$ 1,420,739 | \$ 1,082,600 | \$ 299,942 | \$ 638,434 | \$ 6,631,118 |
| - | 170 | 370 | - | 9,186 |
| 405,962 | - | - | - | 449,343 |
| 62,984 | 547 | 25,212 | - | 92,403 |
| <u>1,889,685</u> | <u>1,083,317</u> | <u>325,524</u> | <u>638,434</u> | <u>7,182,050</u> |
| - | - | - | - | 261,368 |
| 500,754 | - | - | - | 3,395,825 |
| <u>500,754</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,657,193</u> |
| <u>2,390,439</u> | <u>1,083,317</u> | <u>325,524</u> | <u>638,434</u> | <u>10,839,243</u> |
| 1,012 | 40,474 | 2,378 | - | 375,482 |
| - | 15 | 6,203 | 638,434 | 644,652 |
| - | - | - | - | 74,522 |
| 1,648 | - | - | - | 66,843 |
| 121,209 | - | - | - | 341,428 |
| - | - | - | - | 181,012 |
| <u>123,869</u> | <u>40,489</u> | <u>8,581</u> | <u>638,434</u> | <u>1,683,939</u> |
| 549 | - | - | - | 22,279 |
| 242,417 | - | - | - | 1,041,378 |
| <u>242,966</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,063,657</u> |
| <u>366,835</u> | <u>40,489</u> | <u>8,581</u> | <u>638,434</u> | <u>2,747,596</u> |
| 137,128 | - | - | - | 2,462,798 |
| 1,886,476 | 1,042,828 | 316,943 | - | 5,628,849 |
| <u>\$ 2,023,604</u> | <u>\$ 1,042,828</u> | <u>\$ 316,943</u> | <u>\$ -</u> | <u>\$ 8,091,647</u> |

City of Pittsburgh
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2019

| | Fleet Maintenance | Building Maintenance | Insurance |
|--|----------------------|-------------------------|-------------------|
| OPERATING REVENUES: | | | |
| Charges for services | \$ 1,977,484 | \$ 1,811,351 | \$ 1,697,730 |
| Other operating revenues | 43,319 | 8,745 | 772 |
| Total operating revenues | 2,020,803 | 1,820,096 | 1,698,502 |
| OPERATING EXPENSES: | | | |
| Salaries and wages | 311,136 | 342,174 | - |
| Department supplies | 723,519 | 129,657 | - |
| Rentals | 36,318 | 3,112 | - |
| Utilities | 10,188 | 332,318 | - |
| Maintenance and operations | 138,041 | 390,143 | - |
| Depreciation and amortization | 584,746 | 51,075 | - |
| Insurance premiums | 24,866 | 175,973 | 1,422,472 |
| Insurance deductible | 15,948 | 17,080 | 168,608 |
| Fringe benefits | 240,572 | 263,642 | - |
| Other operating expenses | 11,241 | 14,848 | 13,041 |
| Total operating expenses | 2,096,575 | 1,720,022 | 1,604,121 |
| OPERATING INCOME (LOSS) | (75,772) | 100,074 | 94,381 |
| NONOPERATING REVENUES (EXPENSES): | | | |
| Gain (loss) on sale of assets | 85,784 | - | - |
| Investment income | (13,318) | (937) | - |
| Total nonoperating revenues | 72,466 | (937) | - |
| INCOME (LOSS) BEFORE TRANSFERS | (3,306) | 99,137 | 94,381 |
| TRANSFERS: | | | |
| Transfers in | 1,254 | 60,371 | - |
| Transfers out | (9,642) | (11,597) | - |
| Transfers in (out) | (8,388) | 48,774 | - |
| Change in net position | (11,694) | 147,911 | 94,381 |
| NET POSITION: | | | |
| Beginning of year | 2,635,047 | 1,464,308 | 378,319 |
| End of year | \$ 2,623,353 | \$ 1,612,219 | \$ 472,700 |

| Information / Communication Services | Fringe Benefits | Other Post Employment Benefits | 115 Pension Trust Reserve | Total |
|--|--------------------|---|------------------------------|---------------|
| \$ 1,081,576 | \$ 2,675,671 | \$ 1,679,599 | \$ 391,765 | \$ 11,315,176 |
| 13,828 | 886 | 50 | - | 67,600 |
| 1,095,404 | 2,676,557 | 1,679,649 | 391,765 | 11,382,776 |
| 34,364 | - | - | - | 687,674 |
| 65,124 | - | - | - | 918,300 |
| - | - | - | - | 39,430 |
| - | - | - | - | 342,506 |
| 871,089 | 14,902 | 9,932 | - | 1,424,107 |
| 79,430 | - | - | - | 715,251 |
| - | - | - | - | 1,623,311 |
| - | - | - | - | 201,636 |
| 18,844 | 2,375,364 | 2,075,256 | 391,765 | 5,365,443 |
| 24,944 | - | - | - | 64,074 |
| 1,093,795 | 2,390,266 | 2,085,188 | 391,765 | 11,381,732 |
| 1,609 | 286,291 | (405,539) | - | 1,044 |
| - | - | - | - | 85,784 |
| - | - | - | - | (14,255) |
| - | - | - | - | 71,529 |
| 1,609 | 286,291 | (405,539) | - | 72,573 |
| - | - | 500,000 | - | 561,625 |
| - | - | - | - | (21,239) |
| - | - | 500,000 | - | 540,386 |
| 1,609 | 286,291 | 94,461 | - | 612,959 |
| 2,021,995 | 756,537 | 222,482 | - | 7,478,688 |
| \$ 2,023,604 | \$ 1,042,828 | \$ 316,943 | \$ - | \$ 8,091,647 |

City of Pittsburg
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

| | Fleet Maintenance | Building Maintenance | Insurance |
|---|----------------------|-------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Cash received from customers/other funds | \$ 1,972,507 | \$ 1,812,188 | \$ 1,697,730 |
| Cash payments to suppliers for goods and services | (900,391) | (1,070,406) | (1,538,861) |
| Cash payments to employees for services | (549,070) | (598,833) | - |
| Other operating revenues (expenses) | 43,319 | 8,745 | (12,269) |
| Net cash provided (used) by operating activities | 566,365 | 151,694 | 146,600 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | |
| Interfund payments | - | (24,343) | - |
| Transfers in | 1,254 | 60,371 | - |
| Transfers (out) | (9,642) | (11,597) | - |
| Net cash provided (used) by noncapital financing activities | (8,388) | 24,431 | - |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES: | | | |
| Payments made on capital lease | (95,955) | (21,329) | - |
| Proceeds from capital lease | 810,385 | - | - |
| Proceeds from sale of capital assets | 85,784 | - | - |
| Net changes in capital assets | (1,816,983) | (8,643) | - |
| Net cash provided (used) by capital financing activities | (1,016,769) | (29,972) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Interest revenue | (13,318) | (937) | - |
| Net cash provided (used) by investing activities | (13,318) | (937) | - |
| Net increase (decrease) in cash and cash equivalents | (472,110) | 145,216 | 146,600 |
| CASH AND CASH EQUIVALENTS: | | | |
| Beginning of year | 1,454,121 | 1,406,186 | 509,390 |
| End of year | <u>\$ 982,011</u> | <u>\$ 1,551,402</u> | <u>\$ 655,990</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | |
| Operating income (loss) | \$ (75,772) | \$ 100,074 | \$ 94,381 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 584,746 | 51,075 | - |
| Changes in operating assets and liabilities: | | | |
| Accounts receivable | (4,977) | 837 | - |
| Inventory | 10,902 | - | - |
| Prepays | (3,137) | (523) | - |
| Accounts payable | 51,965 | (6,752) | 105,215 |
| Salaries and wages payable | (2,670) | (2,820) | - |
| Compensated absences | 5,308 | 9,803 | - |
| Insurance claims payable | - | - | (52,996) |
| Net cash provided (used) by operating activities | \$ 566,365 | \$ 151,694 | \$ 146,600 |

| Information / Communication Services | Fringe Benefits | Other Post Employment Benefits | 115 Pension Trust Reserve | Total |
|--|--------------------|---|------------------------------|---------------|
| \$ 1,081,576 | \$ 2,675,628 | \$ 1,679,956 | \$ 638,434 | \$ 11,558,019 |
| (940,787) | (16,665) | (14,597) | - | (4,481,707) |
| (51,011) | (2,375,231) | (2,073,437) | - | (5,647,582) |
| 13,828 | 886 | 50 | - | 54,559 |
| 103,606 | 284,618 | (408,028) | 638,434 | 1,483,289 |
| - | - | - | - | (24,343) |
| - | - | 500,000 | - | 561,625 |
| - | - | - | - | (21,239) |
| - | - | 500,000 | - | 516,043 |
| (121,209) | - | - | - | (238,493) |
| - | - | - | - | 810,385 |
| - | - | - | - | 85,784 |
| (7,995) | - | - | - | (1,833,621) |
| (129,204) | - | - | - | (1,175,945) |
| - | - | - | - | (14,255) |
| - | - | - | - | (14,255) |
| (25,598) | 284,618 | 91,972 | 638,434 | 809,132 |
| 1,446,337 | 797,982 | 207,970 | - | 5,821,986 |
| \$ 1,420,739 | \$ 1,082,600 | \$ 299,942 | \$ 638,434 | \$ 6,631,118 |
| \$ 1,609 | \$ 286,291 | \$ (405,539) | \$ - | \$ 1,044 |
| 79,430 | - | - | - | 715,251 |
| - | (43) | 357 | - | (3,826) |
| - | - | - | - | 10,902 |
| 51,620 | 3,030 | (518) | - | 50,472 |
| (31,250) | (4,793) | (4,147) | - | 110,238 |
| - | 133 | 1,819 | 638,434 | 634,896 |
| 2,197 | - | - | - | 17,308 |
| - | - | - | - | (52,996) |
| \$ 103,606 | \$ 284,618 | \$ (408,028) | \$ 638,434 | \$ 1,483,289 |



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

FIDUCIARY FUND FINANCIAL STATEMENTS

Agency Funds:

Assessment Districts Agency Fund accounts for the collection of property taxes and the payments to bondholders.

Other Impact Fees Agency Fund accounts for the collection of developer fees on behalf of the Contra Costa Fire Protection District (CCFPD), Contra Costa Water District (CCWD) and the East Contra Costa Regional Fee and Finance Authority (ECCRFF).

Vista Del Mar & San Marco CFD's accounts for funds used to construct and acquire certain public improvements, consisting of roadway, water and other infrastructure improvements necessary for the development of property within the district, as well as park improvements.

City of Pittsburg
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

| | Beginning Balance July 1, 2018 | Additions | Deletions | Ending Balance June 30, 2019 |
|---|--------------------------------------|---------------------|---------------------|------------------------------------|
| <u>Assessment Districts Fund</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 3,171,924 | \$ 2,082,668 | \$ 2,050,089 | \$ 3,204,503 |
| Cash and investments held by fiscal agent | 2,051,266 | 2,049,387 | 2,025,292 | 2,075,361 |
| Assessment receivable | 2,012,666 | 178 | 113,323 | 1,899,521 |
| Total assets | \$ 7,235,856 | \$ 4,132,233 | \$ 4,188,704 | \$ 7,179,385 |
| Liabilities: | | | | |
| Accounts payable | \$ 23,989 | \$ 46,499 | \$ 46,353 | \$ 24,135 |
| Deferred assessment | 1,959,136 | 178 | 113,323 | 1,845,991 |
| Due to bondholders | 5,252,731 | 3,849,045 | 3,792,517 | 5,309,259 |
| Total liabilities | \$ 7,235,856 | \$ 3,895,722 | \$ 3,952,193 | \$ 7,179,385 |
| <u>Other Impact Fees Fund</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 191,114 | \$ 4,518,048 | \$ 4,314,921 | \$ 394,241 |
| Total assets | \$ 191,114 | \$ 4,518,048 | \$ 4,314,921 | \$ 394,241 |
| Liabilities: | | | | |
| Accounts payable | \$ 140,169 | \$ 4,502,431 | \$ 4,314,901 | \$ 327,699 |
| Due to other parties | 43,336 | 4,500,138 | 4,502,451 | 41,023 |
| Due to bondholders | 7,609 | 17,910 | - | 25,519 |
| Total liabilities | \$ 191,114 | \$ 9,020,479 | \$ 8,817,352 | \$ 394,241 |
| <u>Vista Del Mar & San Marco CFD's</u> | | | | |
| Assets: | | | | |
| Cash and investments | \$ 1,087,791 | \$ 1,907,233 | \$ 2,248,053 | \$ 746,971 |
| Cash and investments held by fiscal agent | 728,673 | 740,353 | 726,775 | 742,251 |
| Total assets | \$ 1,816,464 | \$ 2,647,586 | \$ 2,974,828 | \$ 1,489,222 |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 1,537,531 | \$ 1,534,851 | \$ 2,680 |
| Due to bondholders | 1,816,464 | 6,943,344 | 7,273,266 | 1,486,542 |
| Total liabilities | \$ 1,816,464 | \$ 8,480,875 | \$ 8,808,117 | \$ 1,489,222 |

City of Pittsburg
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

| <u>Total Agency Funds</u> | Beginning Balance July 1, 2018 | Additions | Deletions | Ending Balance June 30, 2019 |
|---|--------------------------------------|----------------------|----------------------|------------------------------------|
| Assets: | | | | |
| Cash and investments | \$ 4,450,829 | \$ 8,507,949 | \$ 8,613,063 | \$ 4,345,715 |
| Cash and investments held by fiscal agent | 2,779,939 | 2,789,740 | 2,752,067 | 2,817,612 |
| Assessment receivable | 2,012,666 | 178 | 113,323 | 1,899,521 |
| Total assets | \$ 9,243,434 | \$ 11,297,867 | \$ 11,478,453 | \$ 9,062,848 |
| Liabilities: | | | | |
| Accounts payable | \$ 164,158 | \$ 6,086,461 | \$ 5,896,105 | \$ 354,514 |
| Deferred assessment | 1,959,136 | 178 | 113,323 | 1,845,991 |
| Due to other parties | 43,336 | 4,500,138 | 4,502,451 | 41,023 |
| Due to bondholders | 7,076,804 | 10,810,299 | 11,065,783 | 6,821,320 |
| Total liabilities | \$ 9,243,434 | \$ 21,397,076 | \$ 21,577,662 | \$ 9,062,848 |



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

STATISTICAL SECTION

This part of the City of Pittsburg's comprehensive annual financial report presents detailed information in a statistical format as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information is conveying about the City of Pittsburg's overall financial status.

The major points of emphasis are:

Financial Trends

These schedules contain trend information to help the CAFR reader understand how the City of Pittsburg's financial performance and economic status have changed over time.

Revenue Capacity

These schedules contain information to help the CAFR reader evaluate factors affecting the City of Pittsburg's ability to generate its property and sales taxes and other major revenues.

Debt Capacity

These schedules present information to help the CAFR reader assess the affordability of the City of Pittsburg's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indications to help the CAFR reader understand the environment within which the City of Pittsburg's financial activities occur.

Operating Information

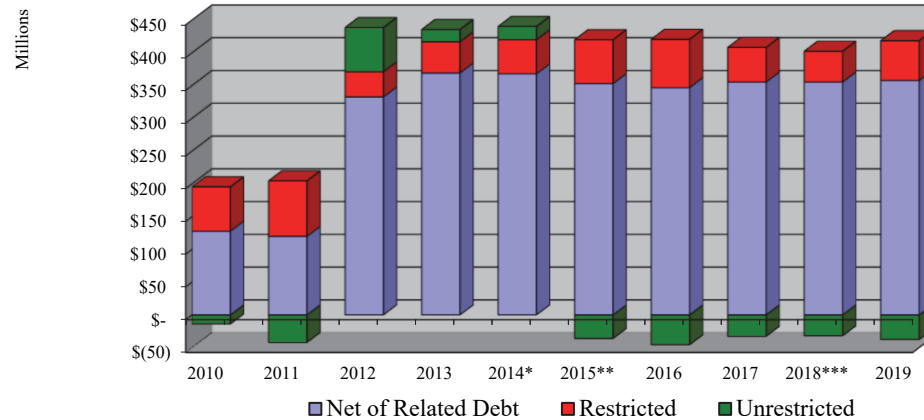
These schedules contain information about the City of Pittsburg's operations and resources to help the CAFR reader understand how the City's financial information relates to the services the City provides and the activities it performs.

*Due to the State of California's adoption of ABx1 26 on June 28, 2011, and amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies as of January 31, 2012, there will be large variances between the fiscal years 2010-2011 and fiscal year 2011-2012 for some of the statistical references. The City of Pittsburg has assumed the responsibilities as the Successor Agency to administer all post actives for the former Pittsburg Redevelopment Agency.



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019

CITY OF PITTSBURG
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



| | Fiscal Year Ended June 30, | | | | | | | | | |
|--|-----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014* | 2015** | 2016 | 2017 | 2018*** | 2019 |
| Governmental activities | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 59,908,182 | \$ 46,442,103 | \$ 252,487,708 | \$ 281,680,787 | \$ 275,604,919 | \$ 268,580,073 | \$ 255,982,568 | \$ 253,993,565 | \$ 249,540,604 | \$ 248,811,743 |
| Restricted | 51,627,971 | 63,967,311 | 14,746,589 | 25,904,321 | 31,094,899 | 27,662,593 | 27,990,550 | 24,280,860 | 21,203,698 | 27,518,072 |
| Unrestricted | (38,861,513) | (62,825,341) | 58,656,185 | 6,994,639 | 8,632,467 | (37,752,882) | (39,107,180) | (33,347,842) | (34,066,754) | (38,084,770) |
| Total governmental activities net position | \$ 72,674,640 | \$ 47,584,073 | \$ 325,890,482 | \$ 314,579,747 | \$ 315,332,285 | \$ 258,489,784 | \$ 244,865,938 | \$ 244,926,583 | \$ 236,677,548 | \$ 238,245,045 |
| Business-type activities | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 67,603,197 | \$ 73,188,754 | \$ 79,796,698 | \$ 87,252,264 | \$ 92,058,482 | \$ 84,084,664 | \$ 90,569,824 | \$ 101,088,405 | \$ 105,621,313 | \$ 108,577,637 |
| Restricted | 16,057,202 | 20,709,344 | 23,822,298 | 21,659,904 | 21,038,895 | 39,342,518 | 45,659,407 | 28,553,531 | 25,743,990 | 33,305,962 |
| Unrestricted | 25,075,506 | 20,765,153 | 8,802,052 | 11,726,531 | 11,513,401 | 1,768,289 | (6,475,018) | 659,892 | 2,189,756 | 535,206 |
| Total business-type activities net position | \$ 108,735,905 | \$ 114,663,251 | \$ 112,421,048 | \$ 120,638,699 | \$ 124,610,778 | \$ 125,195,471 | \$ 129,754,213 | \$ 130,301,828 | \$ 133,555,059 | \$ 142,418,805 |
| Primary government | | | | | | | | | | |
| Net Investment in | | | | | | | | | | |
| Capital Assets | \$ 127,511,379 | \$ 119,630,857 | \$ 332,284,406 | \$ 368,933,051 | \$ 367,663,401 | \$ 352,664,737 | \$ 346,552,392 | \$ 355,081,970 | \$ 355,161,917 | \$ 357,389,380 |
| Restricted | 67,685,173 | 84,676,655 | 38,568,887 | 47,564,225 | 52,133,794 | 67,005,111 | 73,649,957 | 52,834,391 | 46,947,688 | 60,824,034 |
| Unrestricted | (13,786,007) | (42,060,188) | 67,458,237 | 18,721,170 | 20,145,868 | (35,984,593) | (45,582,198) | (32,687,950) | (31,876,998) | (37,549,564) |
| Total primary government net position | \$ 181,410,545 | \$ 162,247,324 | \$ 438,311,530 | \$ 435,218,446 | \$ 439,943,063 | \$ 383,685,255 | \$ 374,620,151 | \$ 375,228,411 | \$ 370,232,607 | \$ 380,663,850 |

* FY 2013-2014 Fund balances had been restated as a result of reclass of Golf Course Fund from Enterprise Fund to Special Revenue Fund. See FY 2014-15 Note 9E for details

** FY 2014-15, The City adopted GASB 68 and 71. See FY 2014-15 Note 11 for details.

*** FY 2017-18, The City adopted GASB 75. See FY 2017-18 Note 12 for details.

CITY OF PITTSBURG
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|----------------|----------------|----------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 18,568,935 | \$ 14,788,317 | \$ 7,933,936 | \$ 6,684,607 | \$ 7,027,878 | \$ 10,232,271 | \$ 8,089,040 | \$ 6,933,634 | \$ 7,743,300 | \$ 7,382,598 |
| Public Safety | 20,844,081 | 20,111,317 | 22,929,002 | 20,955,624 | 22,683,125 | 24,833,843 | 26,746,601 | 25,990,472 | 28,241,337 | 30,371,957 |
| Public Works | 13,685,011 | 19,975,441 | 16,741,235 | 19,679,890 | 16,305,801 | 18,213,277 | 19,237,901 | 15,776,982 | 14,832,846 | 14,998,964 |
| Community Development | 22,565,100 | 25,958,714 | 26,418,644 | 23,214,430 | 18,705,444 | 21,998,387 | 23,752,847 | 23,263,875 | 25,907,831 | 26,927,327 |
| Culture and Recreation | 733,417 | 476,739 | 595,285 | 699,730 | 806,965 | 862,068 | 1,012,670 | 1,019,460 | 1,238,030 | 1,206,786 |
| Interest on Long Term Debt | 19,671,322 | 23,519,241 | 13,717,168 | 1,026,639 | 1,574,056 | 4,074,415 | 4,476,644 | 4,378,265 | 4,031,806 | 3,374,537 |
| Total Governmental Activities Expenses | 96,067,866 | 104,829,769 | 88,335,270 | 72,260,920 | 67,103,269 | 80,214,261 | 83,315,703 | 77,362,688 | 81,995,150 | 84,262,169 |
| Business-Type Activities: | | | | | | | | | | |
| Water | 13,614,034 | 14,449,902 | 14,884,762 | 15,518,027 | 16,513,159 | 17,477,524 | 18,552,726 | 25,929,659 | 18,728,126 | 18,893,219 |
| Wastewater | 2,407,534 | 2,317,726 | 2,442,521 | 2,212,309 | 2,490,191 | 2,264,022 | 2,583,101 | 3,176,015 | 3,027,448 | 3,175,703 |
| Marina | 2,139,241 | 2,168,789 | 2,405,288 | 2,448,483 | 2,230,133 | 2,352,274 | 2,424,083 | 2,471,440 | 2,369,801 | 2,484,823 |
| Pittsburg Power* | - | - | - | - | 5,659,707 | 6,670,282 | 6,597,065 | 6,569,528 | 6,947,359 | 7,502,071 |
| Other-Non-Major Enterprise Funds | 7,563,600 | 5,552,384 | 5,147,173 | 4,984,797 | 821,344 | 750,765 | 972,469 | 1,512,250 | 1,405,996 | 1,216,482 |
| Total Business-Type Activities Expenses | 25,724,409 | 24,488,801 | 24,879,744 | 25,163,616 | 27,714,534 | 29,514,867 | 31,129,444 | 39,658,892 | 32,478,730 | 33,272,298 |
| Total Primary Government Expenses | \$ 121,792,275 | \$ 129,318,570 | \$ 113,215,014 | \$ 97,424,536 | \$ 94,817,803 | \$ 109,729,128 | \$ 114,445,147 | \$ 117,021,580 | \$ 114,473,880 | \$ 117,534,467 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$ 6,451,351 | \$ 5,614,500 | \$ 6,852,057 | \$ 5,190,861 | \$ 4,736,292 | \$ 7,595,331 | \$ 7,331,129 | \$ 7,079,265 | \$ 6,944,075 | \$ 8,334,058 |
| Public Safety | 1,287,433 | 987,348 | 1,044,743 | 842,598 | 1,072,098 | 1,206,225 | 1,472,062 | 1,793,282 | 3,333,157 | 3,926,464 |
| Public Works | 5,733,983 | 2,755,943 | 3,596,128 | 4,356,858 | 905,135 | 524,555 | 772,724 | 668,273 | 768,170 | 2,114,166 |
| Community Development | 5,914,983 | 6,498,599 | 19,229,249 | 8,189,144 | 7,054,779 | 4,685,299 | 7,203,571 | 5,989,087 | 5,599,140 | 6,691,251 |
| Culture and Recreation | 212,184 | 257,627 | 420,047 | 685,418 | 762,357 | 733,235 | 834,970 | 911,855 | 990,982 | 972,829 |
| Operating Grants and Contributions | 14,022,072 | 16,926,790 | 12,661,954 | 12,104,023 | 13,133,883 | 12,699,542 | 13,641,846 | 18,154,961 | 17,924,456 | 19,071,198 |
| Capital Grants and Contributions | 1,119,989 | 929,465 | 3,997,403 | 314,203 | 979,706 | 48,709 | 545,127 | 3,705,925 | 1,132,855 | 897,177 |
| Total Government Activities Program Revenues | 34,741,995 | 33,970,272 | 47,801,581 | 31,683,105 | 28,644,250 | 27,492,896 | 31,801,429 | 38,302,648 | 36,692,835 | 42,007,143 |

CITY OF PITTSBURG
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Water | 16,695,089 | 16,880,039 | 17,276,044 | 19,605,199 | 19,640,140 | 18,979,002 | 19,559,288 | 20,352,786 | 21,468,810 | 23,240,951 |
| Wastewater | 4,471,813 | 4,373,309 | 4,566,645 | 5,049,987 | 4,918,873 | 5,123,475 | 5,264,897 | 5,241,131 | 5,280,083 | 5,510,632 |
| Marina | 1,681,500 | 1,850,375 | 1,942,681 | 1,914,502 | 2,020,396 | 2,071,214 | 1,931,707 | 2,011,270 | 2,046,221 | 2,156,979 |
| Pittsburg Power Co.* | - | - | - | - | 5,913,071 | 6,919,807 | 7,162,170 | 7,269,448 | 8,005,118 | 8,938,923 |
| WaterFront Operations** | - | - | - | - | - | 863,297 | 1,408,172 | 1,458,623 | 1,490,811 | 1,541,154 |
| Other-Non-Major Enterprise Funds*** | 6,915,483 | 10,513,007 | 5,966,340 | 6,204,779 | 519,498 | - | - | - | - | - |
| Operating Grants and Contributions | - | - | - | - | 40,000 | - | 270,931 | 200,127 | 139,465 | 179,686 |
| Capital Grants and Contributions | 591,456 | 309,021 | 205,675 | 2,019,849 | 748,904 | 2,145,271 | 1,780,581 | 6,026,102 | - | 53,000 |
| Total Business-Type Activities Program Revenue | 30,355,341 | 33,925,751 | 29,957,385 | 34,794,316 | 33,800,882 | 36,102,066 | 37,377,746 | 42,559,487 | 38,430,508 | 41,621,325 |
| Total Primary Government Program Revenues | \$ 65,097,336 | \$ 67,896,023 | \$ 77,758,966 | \$ 66,477,421 | \$ 62,445,132 | \$ 63,594,962 | \$ 69,179,175 | \$ 80,862,135 | \$ 75,123,343 | \$ 83,628,468 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (61,325,871) | \$ (70,859,497) | \$ (40,533,689) | \$ (40,577,815) | \$ (38,459,019) | \$ (52,721,365) | \$ (51,514,274) | \$ (39,060,040) | \$ (45,302,315) | \$ (42,255,026) |
| Business-Type Activities | 4,630,932 | 9,436,950 | 5,077,641 | 9,630,700 | 6,086,348 | 6,587,199 | 6,248,302 | 2,900,595 | 5,951,778 | 8,349,027 |
| Total Primary Government Net Expense | \$ (56,694,939) | \$ (61,422,547) | \$ (35,456,048) | \$ (30,947,115) | \$ (32,372,671) | \$ (46,134,166) | \$ (45,265,972) | \$ (36,159,445) | \$ (39,350,537) | \$ (33,905,999) |

*Pittsburg Power Co. was reported as Non-Major Enterprise Funds prior to FY 2014.

**Waterfront Operation was reported as Non-Major Enterprise Funds prior to FY 2015.

***Golf Course was reported as Non-Major Enterprise Funds prior to FY 2014 and had been reclassified to Special Revenue Fund in FY 2015.

CITY OF PITTSBURG
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

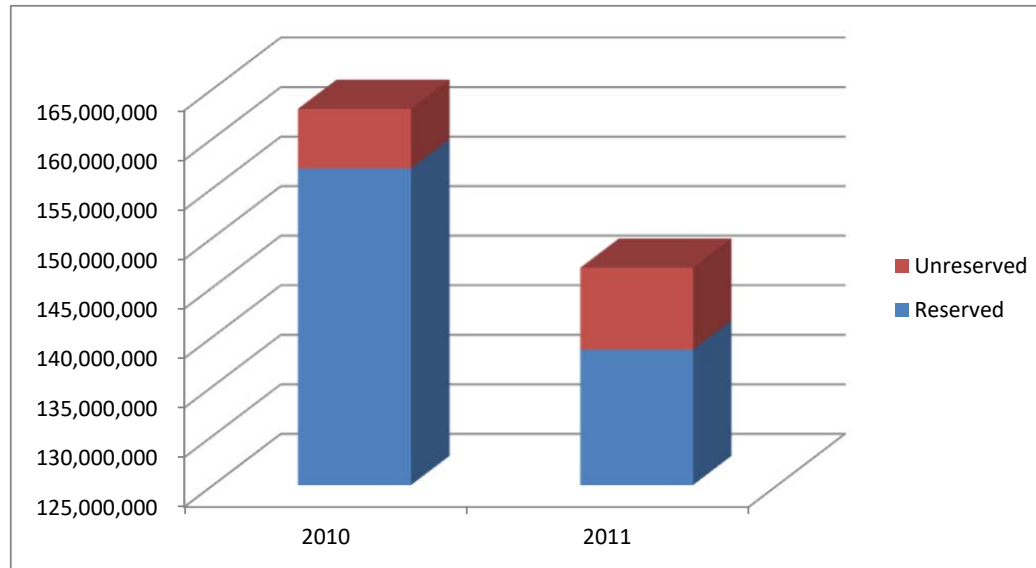
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|------------------------|-----------------------|----------------------|----------------------|------------------------|-----------------------|----------------------|-----------------------|----------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | \$ 39,995,052 | \$ 40,456,473 | \$ 23,507,704 | \$ 2,176,998 | \$ 2,613,321 | \$ 3,204,965 | \$ 3,300,776 | \$ 3,573,822 | \$ 3,972,711 | \$ 4,039,499 |
| Sales Taxes | 5,998,652 | 5,438,354 | 6,168,690 | 11,232,622 | 12,563,378 | 11,745,524 | 13,112,880 | 13,372,246 | 13,616,195 | 14,446,467 |
| Motor Vehicle In-Lieu | 4,019,459 | 3,936,649 | 4,470,104 | 3,727,494 | 3,795,560 | 4,169,031 | 4,422,099 | 4,544,316 | 4,825,687 | 5,152,948 |
| Transient Occupancy Tax | 256,226 | 279,852 | 361,238 | 447,537 | 503,265 | 645,115 | 710,501 | 758,814 | 831,743 | 842,605 |
| Nonregulatory Franchise and Business | 2,378,602 | 2,660,883 | 3,103,823 | 3,890,567 | 4,063,561 | 4,327,160 | 4,638,074 | 4,706,887 | 4,928,647 | 5,118,174 |
| Interest Earnings | 2,414,528 | 2,314,878 | 1,583,156 | 74,095 | 600,555 | 539,473 | 743,082 | 329,042 | 590,186 | 1,802,802 |
| Other | 3,309,593 | 7,375,344 | 6,822,671 | 8,252,592 | 13,172,704 | 8,556,333 | 8,608,044 | 9,095,222 | 11,137,388 | 11,215,512 |
| Transfers | 1,454,110 | 3,957,110 | 273,042,911 | 1,681,364 | 2,342,747 | 2,677,386 | 2,354,972 | 2,774,890 | 1,544,688 | 1,204,516 |
| Gain (loss) on sale of assets | - | (18,539,878) | - | - | - | - | - | (34,554) | 15,950 | - |
| Total Government Activities | 59,826,222 | 47,879,665 | 319,060,297 | 31,483,269 | 39,655,091 | 35,864,987 | 37,890,428 | 39,120,685 | 41,463,195 | 43,822,523 |
| Business-Type Activities: | | | | | | | | | | |
| Interest Earnings | 321,967 | 447,506 | 400,199 | 268,315 | 129,786 | 440,462 | 665,412 | 325,437 | 373,857 | 1,719,235 |
| Transfers | (1,454,110) | (3,957,110) | (7,720,043) | (1,681,364) | (2,342,747) | (2,677,386) | (2,354,972) | (2,774,890) | (1,544,688) | (1,204,516) |
| Gain (loss) on sale of assets | - | - | - | - | 98,692 | 63,754 | - | 96,473 | 56,375 | - |
| Total Business-Type Activities | (1,132,143) | (3,509,604) | (7,319,844) | (1,413,049) | (2,114,269) | (2,173,170) | (1,689,560) | (2,352,980) | (1,114,456) | 514,719 |
| Total Primary Government | \$ 58,694,079 | \$ 44,370,061 | \$ 311,740,453 | \$ 30,070,220 | \$ 37,540,822 | \$ 33,691,817 | \$ 36,200,868 | \$ 36,767,705 | \$ 40,348,739 | \$ 44,337,242 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ (1,499,649.00) | \$ (22,979,831.61) | \$ 278,126,409.00 | \$ (9,094,546.00) | \$ 1,196,072.00 | \$ (16,856,378.00) | \$ (13,623,846.00) | \$ 60,645.00 | \$ (3,839,120.00) | \$ 1,567,497 |
| Business-Type Activities | 3,498,789 | 5,927,346 | (2,242,203) | 8,217,651 | 3,972,079 | 4,414,029 | 4,558,742 | 547,615 | 4,837,322 | 8,863,746 |
| Total Primary Government | 1,999,140 | (17,052,486) | 275,884,206 | (876,895) | 5,168,151 | (12,442,349) | (9,065,104) | 608,260 | 998,202 | 10,431,243 |
| Prior Period Adjustment (See Note 9F) | - | - | - | - | - | (44,258,992) | - | - | (5,994,006) | - |
| Total Primary Government after adjustment | \$ 1,999,140 | \$ (17,052,486) | \$ 275,884,206 | \$ (876,895) | \$ 5,168,151 | \$ (56,701,341) | \$ (9,065,104) | \$ 608,260 | \$ (4,995,804) | \$ 10,431,243 |

Due to the dissolution of Redevelopment Agency in Jan. 2012, trend information might be shrewd due to this one time event.

In FY 2014-15, implementation of GASB 68 & 71 resulted in prior period adjustments.

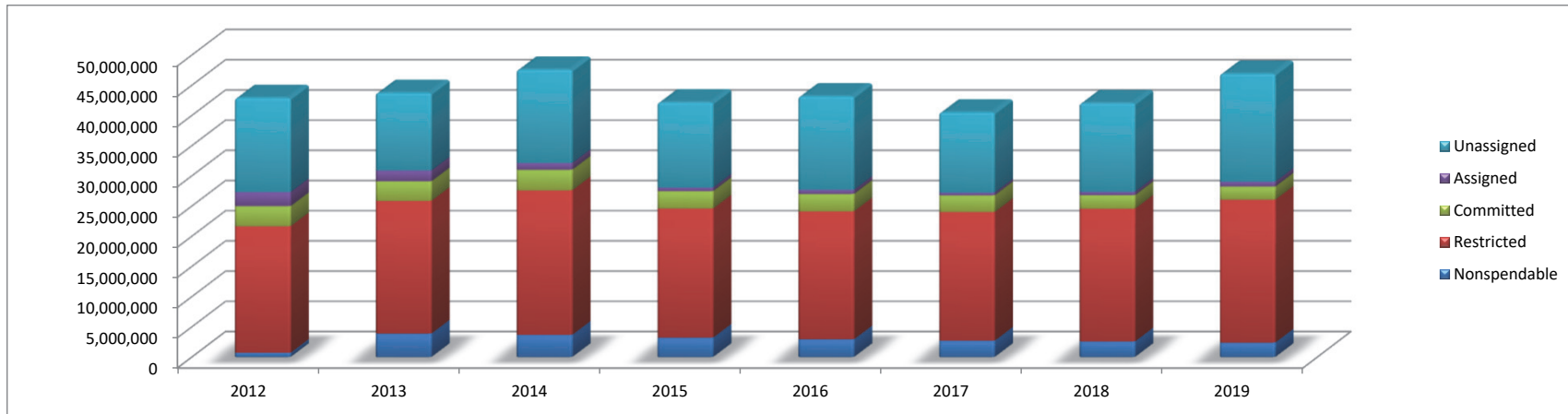
In FY 2017-18, implementation of GASB 75 resulted in prior period adjustments.

CITY OF PITTSBURG
Fund Balances of Governmental Funds
First Two Fiscal Years
(Modified Accrual Basis of Accounting)
(Pre GASB 54 Implementation)



| | Fiscal Year Ended June 30, | |
|-------------------------------------|-----------------------------------|-----------------------|
| | 2010 | 2011 |
| General Fund | | |
| Reserved | \$ 215,249 | \$ 2,339,015 |
| Unreserved | 6,798,062 | 16,456,660 |
| Total General Fund | <u>7,013,311</u> | <u>18,795,675</u> |
| All Other Governmental Funds | | |
| Reserved | 156,737,984 | 136,320,414 |
| Unreserved, designated | (777,130) | (8,180,337) |
| Total all other governmental funds | <u>155,960,854</u> | <u>128,140,077</u> |
| Total Government Funds | | |
| Reserved | 156,953,233 | 138,659,429 |
| Unreserved | 6,020,932 | 8,276,323 |
| Total Government Funds | <u>\$ 162,974,165</u> | <u>\$ 146,935,752</u> |

CITY OF PITTSBURG
Fund Balances of Governmental Funds
Last Eight Fiscal Years
(Post GASB 54 FY2011 Implementation)



Fiscal Year Ended June 30,

| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | |
| Nonspendable | \$ 305,497 | \$ 3,054,208 | \$ 3,370,929 | \$ 2,904,078 | \$ 2,642,564 | \$ 2,410,696 | \$ 2,300,328 | \$ 2,031,396 |
| Assigned | 2,254,797 | 1,574,732 | 1,057,673 | 538,194 | 666,486 | 434,778 | 528,077 | 802,151 |
| Unassigned | 16,513,475 | 13,544,751 | 16,185,068 | 14,613,983 | 15,957,212 | 17,037,283 | 18,426,657 | 21,652,919 |
| Total General Fund | 19,073,769 | 18,173,691 | 20,613,670 | 18,056,255 | 19,266,262 | 19,882,757 | 21,255,062 | 24,486,466 |
| All Other Governmental Funds | | | | | | | | |
| Nonspendable | 379,850 | 823,003 | 294,491 | 291,360 | 272,138 | 272,243 | 263,123 | 346,542 |
| Restricted | 20,958,302 | 21,970,943 | 23,930,077 | 21,381,490 | 21,194,534 | 21,316,430 | 21,977,238 | 23,662,705 |
| Committed | 3,317,275 | 3,228,348 | 3,399,608 | 2,875,776 | 2,877,225 | 2,756,478 | 2,240,940 | 2,161,973 |
| Assigned | 84,505 | 220,995 | 56,642 | 47,972 | 14,354 | 29,349 | 42,127 | 3,586 |
| Unassigned | (904,204) | (677,255) | (706,698) | (486,548) | (455,164) | (3,745,132) | (3,740,451) | (3,755,741) |
| Total all other governmental funds | 23,835,728 | 25,566,034 | 26,974,120 | 24,110,050 | 23,903,087 | 20,629,368 | 20,782,977 | 22,419,065 |
| Total Government Funds | | | | | | | | |
| Nonspendable | 685,347 | 3,877,211 | 3,665,420 | 3,195,438 | 2,914,702 | 2,682,939 | 2,563,451 | 2,377,938 |
| Restricted | 20,958,302 | 21,970,943 | 23,930,077 | 21,381,490 | 21,194,534 | 21,316,430 | 21,977,238 | 23,662,705 |
| Committed | 3,317,275 | 3,228,348 | 3,399,608 | 2,875,776 | 2,877,225 | 2,756,478 | 2,240,940 | 2,161,973 |
| Assigned | 2,339,302 | 1,795,727 | 1,114,315 | 586,166 | 680,840 | 464,127 | 570,204 | 805,737 |
| Unassigned | 15,609,271 | 12,867,496 | 15,478,370 | 14,127,435 | 15,502,048 | 13,292,151 | 14,686,206 | 17,897,178 |
| Total Fund Balances | \$ 42,909,497 | \$ 43,739,725 | \$ 47,587,790 | \$ 42,166,305 | \$ 43,169,349 | \$ 40,512,125 | \$ 42,038,039 | \$ 46,905,531 |

* Intergovernmental Revenues Re-classified to Program Income & Other Taxes
 RDA no longer classified as Government fund due to dissolution in FY 2011-2012.

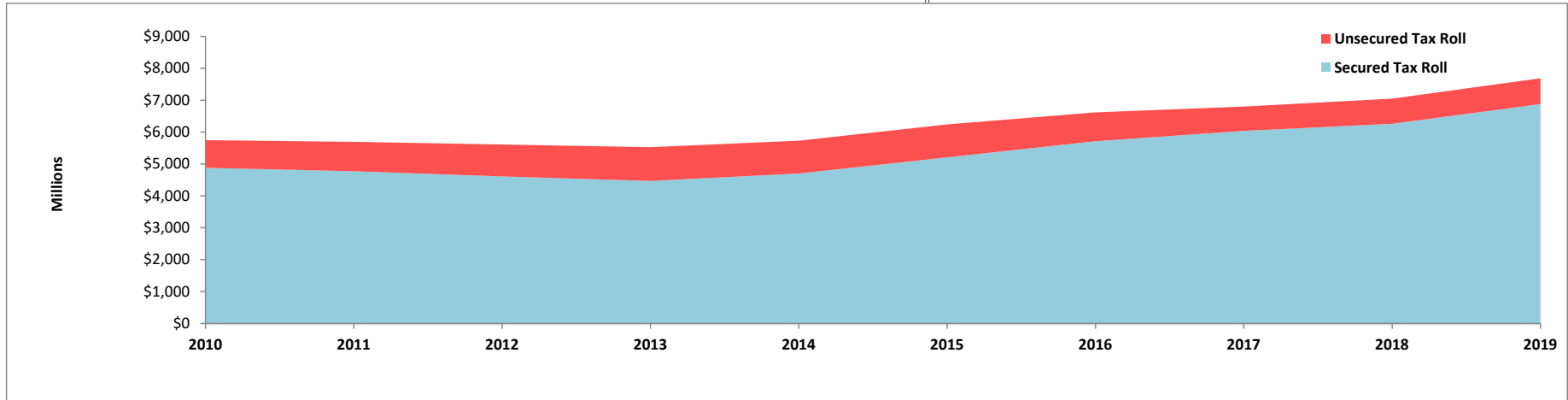
See Note on Statistics Introduction Tab which explains the Jan 2012 RDA Dissolution by State of California
 For additional detail on Fund Classifications, see Note 9 of Notes to Basic Financial Statements

CITY OF PITTSBURG
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
{in thousands}

| | 2010 | 2011 | 2012 * | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|--------------------|--------------------|---------------------|---------------|-----------------|-------------------|-----------------|-------------------|-----------------|-----------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 54,174 | \$ 56,023 | \$ 40,582 | \$ 29,727 | \$ 31,968 | \$ 32,648 | \$ 34,792 | \$ 31,624 | \$ 33,503 | \$ 34,437 |
| Licenses, permits and fees | 1,145 | 2,120 | 2,794 | 3,633 | 1,888 | 1,635 | 2,566 | 3,532 | 1,812 | 3,005 |
| Fines and forfeitures | 185 | 175 | 187 | 168 | 187 | 172 | 325 | 308 | 433 | 415 |
| Use of money and property | 2,780 | 2,764 | 1,689 | 61 | 615 | 542 | 743 | 329 | 590 | 1,670 |
| Intergovernmental revenues | 21,089 | 23,118 | 27,584 | 17,627 | 16,060 | 14,135 | 15,455 | 24,098 | 25,854 | 29,460 |
| Charges for services | 4,879 | 6,205 | 4,071 | 7,333 | 7,400 | 9,984 | 10,126 | 9,894 | 9,621 | 10,360 |
| Other | 7,470 | 3,738 | 7,557 | 3,484 | 3,432 | 3,027 | 4,019 | 3,957 | 4,907 | 7,570 |
| Total Revenues | 91,722 | 94,143 | 84,464 | 62,033 | 61,550 | 62,143 | 68,026 | 73,742 | 76,720 | 86,917 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 16,766 | 13,528 | 12,496 | 3,869 | 5,454 | 8,217 | 6,740 | 7,321 | 6,141 | 5,969 |
| Public safety | 19,334 | 19,253 | 19,536 | 19,580 | 20,842 | 23,149 | 24,797 | 25,895 | 27,721 | 30,107 |
| Public works | 8,394 | 11,947 | 6,609 | 5,849 | 7,371 | 8,469 | 7,107 | 7,859 | 8,102 | 9,256 |
| Community development | 23,809 | 38,541 | 29,535 | 27,909 | 22,388 | 22,286 | 22,393 | 25,440 | 25,667 | 28,055 |
| Culture and recreation | 733 | 476 | 595 | 1,855 | 733 | 700 | 862 | 1,019 | 1,019 | 1,207 |
| Capital outlay | 24,467 | 10,262 | 4,901 | 1,446 | 813 | 3,474 | 2,738 | 6,600 | 3,429 | 3,959 |
| Debt service: | | | | | | | | | | |
| Principal repayment | 8,269 | 9,667 | 11,485 | 375 | 450 | 589 | 2,016 | 2,083 | 2,155 | 2,227 |
| Interest and fiscal charges | 23,205 | 23,121 | 13,598 | 1,609 | 1,588 | 2,890 | 2,315 | 2,264 | 1,999 | 1,982 |
| Total Expenditures | 124,977 | 126,795 | 98,755 | 62,492 | 59,639 | 69,774 | 68,968 | 78,481 | 76,233 | 82,762 |
| Excess (deficiency) of revenues over (under) expenditures | (33,255) | (32,652) | (14,291) | (459) | 1,911 | (7,631) | (942) | (4,739) | 487 | 4,155 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Transfers in | 111,605 | 68,170 | 45,327 | 7,235 | 5,084 | 6,547 | 6,814 | 6,875 | 6,830 | 8,477 |
| Transfers (out) | (110,316) | (63,633) | (37,343) | (5,950) | (3,169) | (4,499) | (4,869) | (4,793) | (5,808) | (7,813) |
| Refunding tax allocation bonds | - | - | - | - | - | - | - | - | - | - |
| Tax allocation bonds issued | - | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 1,127 | (18,553) | 2,211 | 4 | 22 | 4 | - | - | 17 | 48 |
| Total other financing sources (uses) | 2,416 | (14,016) | 10,195 | 1,289 | 1,937 | 2,052 | 1,945 | 2,082 | 1,039 | 712 |
| Net Change in fund balances before | \$ (30,839) | \$ (46,668) | \$ (4,096) | \$ 830 | \$ 3,848 | \$ (5,579) | \$ 1,003 | \$ (2,657) | \$ 1,526 | \$ 4,867 |
| <i>Extraordinary Items (Note 4)</i> | | | | | | | | | | |
| Assets Transferred to Housing Successor | | | \$ (2,002) | | | | | | | |
| Liabilities Assumed by Successor Agency | | | (97,928) | | | | | | | |
| Net Change in Fund Balances | | | \$ (104,026) | | | | | | | |
| Debt service as a percentage of noncapital expenditures | 32.7% | 31.9% | 25.9% | 3.3% | 3.5% | 5.2% | 6.5% | 6.0% | 5.7% | 5.3% |

* Intergovernmental Revenues Re-classified to Program Income & Other Taxes
RDA no longer classified as Government fund due to dissolution in FY 2011-2012.

CITY OF PITTSBURG
Assessed and Estimated Actual
Value of Taxable Property
Last Ten Fiscal Years



| Fiscal Year | Secured Tax Roll | | | Unsecured Tax Roll | GROSS Tax Roll | LESS: Exemptions | | NET Assessed Valuation *** | Total Direct Tax Rate *** |
|-------------|------------------|------------------|-------------------|--------------------|------------------|------------------|----------------|----------------------------|---------------------------|
| | Land | Improvements | Personal Property | | | HOPTR * | Others | | |
| 2010 | \$ 1,355,858,246 | \$ 3,488,509,274 | \$ 35,030,993 | \$ 868,770,588 | \$ 5,748,169,101 | \$ 65,495,515 | \$ 148,448,271 | \$ 5,534,225,315 | 0.73534 |
| 2011 | 1,271,652,002 | 3,468,075,002 | 32,556,725 | 921,168,099 | 5,693,451,828 | 64,704,851 | 174,568,314 | 5,454,178,663 | 0.73265 |
| 2012 | 1,199,342,285 | 3,380,327,868 | 29,398,082 | 1,000,793,072 | 5,609,861,307 | 62,930,462 | 163,259,839 | 5,383,671,006 | 0.73307 |
| 2013 | 1,154,280,061 | 3,284,318,842 | 29,454,784 | 1,058,290,739 | 5,526,344,426 | 61,050,228 | 167,858,949 | 5,297,435,249 | 0.72809 |
| 2014 | 1,244,373,590 | 3,426,800,074 | 29,431,527 | 1,030,705,786 | 5,731,310,977 | 58,985,158 | 184,163,403 | 5,488,162,416 | 0.17411 |
| 2015 | 1,431,988,767 | 3,744,776,351 | 29,751,906 | 1,033,971,545 | 6,240,488,569 | 57,725,918 | 187,268,875 | 5,995,493,776 | 0.14854 ** |
| 2016 | 1,596,856,457 | 4,088,152,986 | 28,100,163 | 905,755,131 | 6,618,864,737 | 57,212,685 | 195,920,004 | 6,365,732,048 | 0.15020 |
| 2017 | 1,734,578,352 | 4,271,018,852 | 31,382,377 | 763,128,074 | 6,800,107,655 | 56,350,900 | 203,066,563 | 6,540,690,192 | 0.15142 |
| 2018 | 1,912,263,271 | 4,316,648,943 | 30,152,799 | 789,812,811 | 7,048,877,824 | 55,968,158 | 206,618,682 | 6,786,290,984 | 0.15305 |
| 2019 | 2,097,264,749 | 4,752,331,104 | 29,396,436 | 808,915,163 | 7,687,907,452 | 55,103,121 | 206,894,237 | 7,425,910,094 | 0.15419 |

* Homeowners' Property Tax Relief

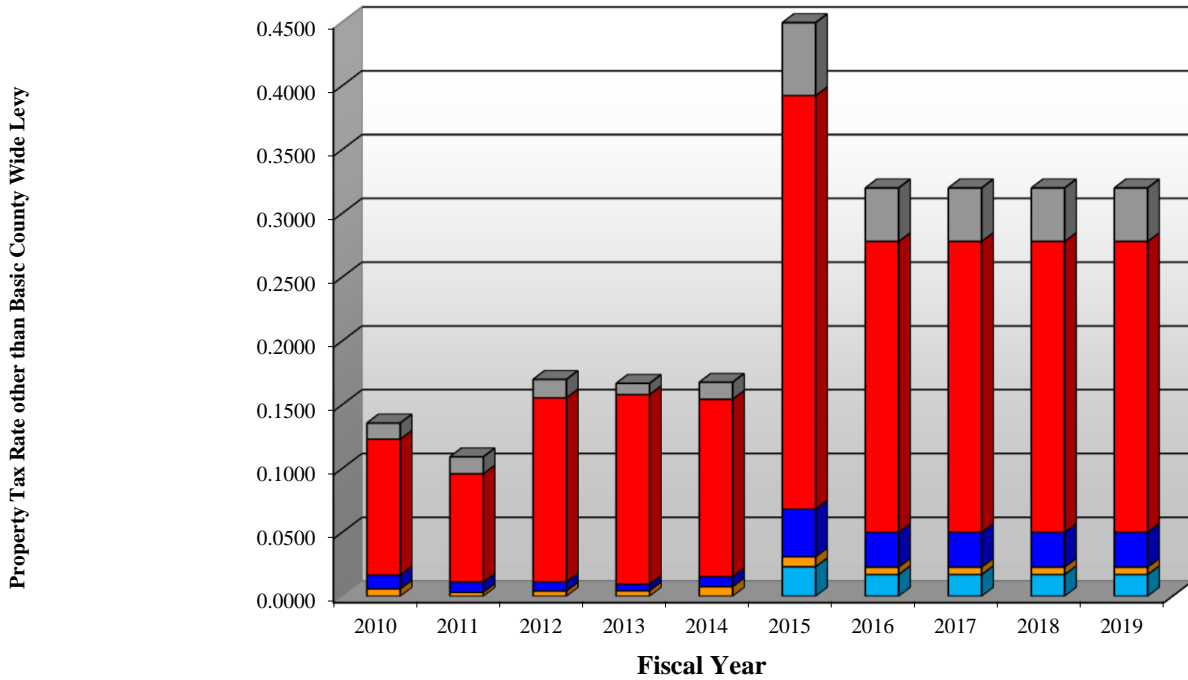
* Direct Tax Rate for FY 14-15 has been updated to reflect the AB8 adjustment for the first time on 2014-15 tax roll after CAFR was issued.

** The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

*** California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. Beginning in 2013/14 the total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

CITY OF PITTSBURG
Property Tax Rates
All Overlapping Governments
Last Ten Fiscal Years



■ Los Medanos Hospital ■ BART
■ East Bay Regional Park District ■ Pittsburg Unified School District
■ Community College

| Fiscal Year | Basic County Wide Levy | Pittsburg Direct Rate* | Los Medanos Hospital | Bay Area Rapid Transit | East Bay Regional Park District | Pittsburg Unified School District | Community College | Total |
|-------------|------------------------|------------------------|----------------------|------------------------|---------------------------------|-----------------------------------|-------------------|--------|
| 2010 | 1.0000 | 0.73534 | 0.0000 | 0.0057 | 0.0108 | 0.1066 | 0.0126 | 1.8653 |
| 2011 | 1.0000 | 0.73265 | 0.0000 | 0.0031 | 0.0080 | 0.0848 | 0.0133 | 1.8388 |
| 2012 | 1.0000 | 0.73307 | 0.0000 | 0.0041 | 0.0071 | 0.1443 | 0.0144 | 1.8989 |
| 2013 | 1.0000 | 0.72809 | 0.0000 | 0.0043 | 0.0051 | 0.1487 | 0.0087 | 1.8906 |
| 2014 | 1.0000 | 0.17411 | 0.0000 | 0.0075 | 0.0078 | 0.1391 | 0.0133 | 1.3343 |
| 2015 | 1.0000 | 0.14854 | 0.0231 | 0.0079 | 0.0373 | 0.3241 | 0.0572 | 1.5902 |
| 2016 | 1.0000 | 0.15020 | 0.0170 | 0.0058 | 0.0273 | 0.2280 | 0.0419 | 1.4644 |
| 2017 | 1.0000 | 0.15142 | 0.0170 | 0.0058 | 0.0273 | 0.2280 | 0.0419 | 1.4656 |
| 2018 | 1.0000 | 0.15142 | 0.0170 | 0.0058 | 0.0273 | 0.2280 | 0.0419 | 1.4656 |
| 2019 | 1.0000 | 0.15142 | 0.0170 | 0.0058 | 0.0273 | 0.2280 | 0.0419 | 1.4656 |

* Pittsburg Direct Rate = the weighted average of City's Share of 1% levy & Redevelopment Rate
 Source: Contra Costa County Assessors Office & HdL Coren & Cone

CITY OF PITTSBURG
Principal Property Tax Payers
Current Year and Nine Years Ago

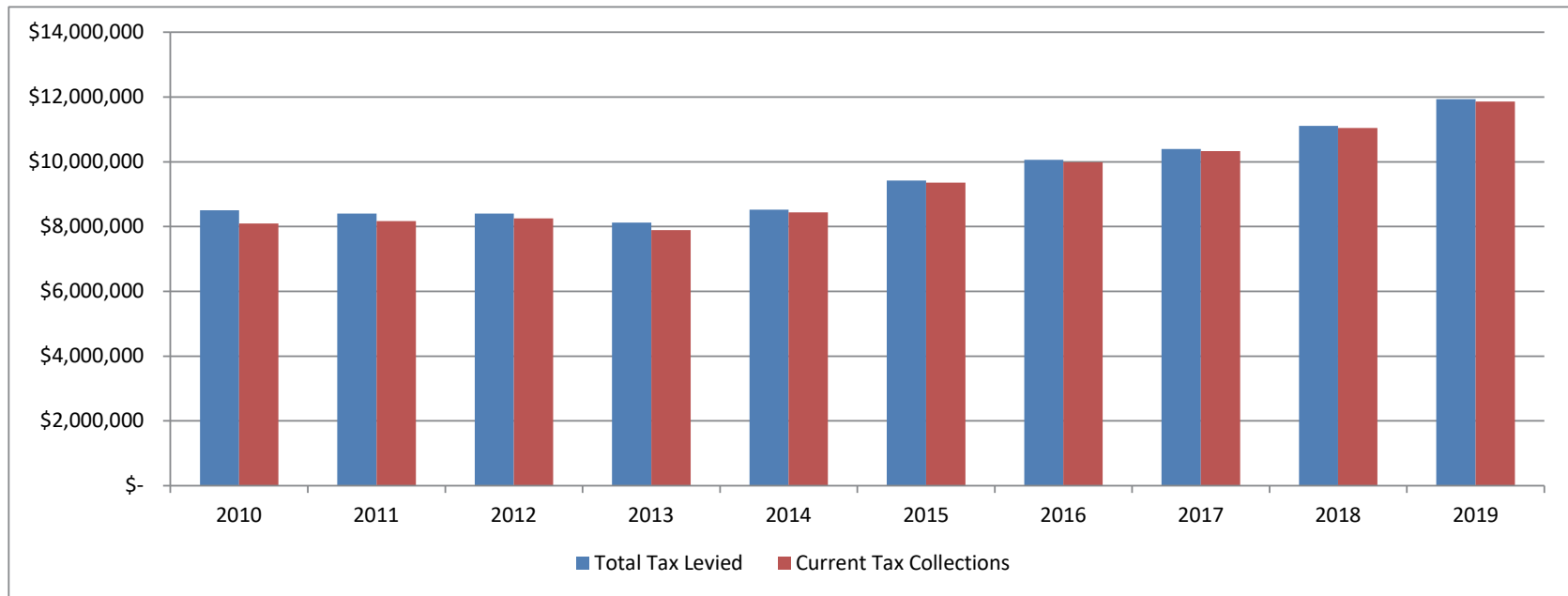
| Taxpayer | 2018-19 | | | 2009-10 | | |
|----------------------------------|-------------------------------|-------------|--|-------------------------------|-------------|--|
| | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total City Taxable Assessed Value |
| Dow Agrosociences LLC | \$ 327,380,479 | 1 | 4.38% | \$ - | - | 0.00% |
| USS - Posco Industries | 243,137,080 | 2 | 3.25% | 303,868,260 | 2 | 6.41% |
| Calpine Corporation | 185,000,000 | 3 | 2.47% | - | - | 0.00% |
| K2 Pure Solution | 161,926,065 | 4 | 2.16% | - | - | - |
| Delta Energy Center | 159,000,000 | 5 | 2.13% | 439,900,000 | 1 | 9.29% |
| Sierra Pacific Properties | 118,605,816 | 6 | 1.59% | 60,914,758 | 4 | 1.29% |
| KW Kirker Creek LLC | 104,207,413 | 7 | 1.39% | 30,000,000 | 7 | 0.63% |
| San Marco Properties LLC | 83,180,720 | 8 | 1.11% | - | - | 0.00% |
| Century Plaza Corporation | 75,608,381 | 9 | 1.01% | 40,278,162 | 6 | 0.85% |
| Douglas Products | 58,803,065 | 10 | 0.79% | - | - | - |
| Dow Chemical Company | - | - | - | 108,844,034 | 3 | 2.30% |
| Albert D Seeno Construction Co. | - | - | - | 19,965,950 | 10 | 0.42% |
| Fund VIII PR Pittsburg, LLC | - | - | - | 23,029,619 | 8 | 0.49% |
| FRG Presidents Park III LLC | - | - | - | 21,129,810 | 9 | 0.45% |
| GWF Power System Limited Partner | - | - | - | 48,683,172 | 5 | 1.03% |
| Subtotal | <u>\$ 1,516,849,019</u> | | <u>20.28%</u> | <u>\$ 1,096,613,765</u> | | <u>21.67%</u> |

Total Net Assessed Valuation:

| | |
|---------------------|-----------------|
| Fiscal Year 2018-19 | \$7,481,013,215 |
| Fiscal Year 2009-10 | \$4,737,707,841 |

Source: HdL Coren & Cone

CITY OF PITTSBURG
Property Tax Levies and Collections June 30
Last Ten Fiscal Years



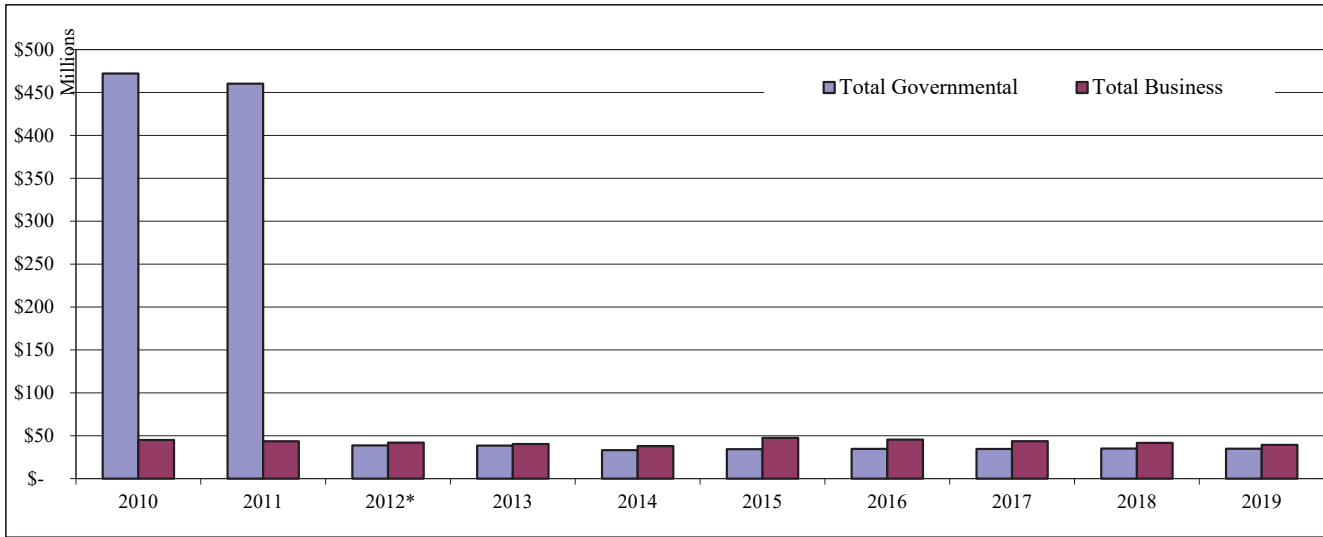
| Fiscal Year | Total Tax Levied | Current Tax Collections | Percent of Levy County Collected * | Total Tax Collections | Percent of Total Tax Collections To Tax Levy | Amount Delinquent | Percent % Delinquent |
|--------------------|-------------------------|--------------------------------|---|------------------------------|---|--------------------------|-----------------------------|
| 2010 | \$ 8,502,712 | \$ 8,099,570 | 95.26% | \$ 8,099,570 | 95.26% | \$ 403,142 | 4.74% |
| 2011 | 8,398,671 | 8,171,082 | 97.29% | 8,171,082 | 97.29% | 227,589 | 2.71% |
| 2012 | 8,399,298 | 8,255,063 | 98.28% | 8,255,063 | 98.28% | 144,235 | 1.72% |
| 2013 | 8,119,308 | 7,891,110 | 97.19% | 7,891,110 | 97.19% | 228,198 | 2.81% |
| 2014 | 8,520,700 | 8,441,966 | 99.08% | 8,441,966 | 99.08% | 78,734 | 0.92% |
| 2015 | 9,425,580 | 9,353,530 | 99.24% | 9,353,530 | 99.24% | 72,050 | 0.76% |
| 2016 | 10,060,215 | 9,991,126 | 99.31% | 9,991,126 | 99.31% | 72,008 | 0.72% |
| 2017 | 10,398,911 | 10,327,316 | 99.31% | 10,327,316 | 99.31% | 71,496 | 0.69% |
| 2018 | 11,112,284 | 11,044,802 | 99.39% | 11,044,802 | 99.39% | 67,482 | 0.61% |
| 2019 | 11,939,625 | 11,862,801 | 99.36% | 11,862,801 | 99.36% | 76,824 | 0.64% |

* The County provides the City 100% of its tax levy under the "Teeter Plan", an agreement which allows the County to keep all interest and delinquency charges collected.

Source: CCC Auditor-Controller (Procedure 10-147)

CITY OF PITTSBURG

**Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**



Governmental Activities

| Fiscal Year | Successor Agency Bonds | Pension Obligation Bonds | City Loans/ Capital Leases | Total |
|-------------|------------------------|--------------------------|----------------------------|----------------|
| 2010 | \$ 430,852,493 | \$ 39,091,056 | \$ 2,201,772 | \$ 472,145,321 |
| 2011 | 421,249,828 | 39,026,056 | - | 460,275,884 |
| 2012* | - | 38,726,056 | - | 38,726,056 |
| 2013 | - | 38,351,056 | 139,171 | 38,490,227 |
| 2014 | - | 33,157,051 | 105,815 | 33,262,866 |
| 2015 | - | 33,826,975 | 538,686 | 34,365,661 |
| 2016 | - | 34,036,850 | 646,382 | 34,683,232 |
| 2017 | - | 34,104,558 | 504,189 | 34,608,747 |
| 2018 | - | 34,030,018 | 1,089,735 | 35,119,753 |
| 2019 | - | 33,260,642 | 1,595,000 | 34,855,642 |

Business-Type Activities

| Fiscal Year | Water Revenue Bonds | Sewer Revenue Bonds ** | I-Bank Loan | Total | Total Primary Government | Percentage of Personal Income *** | Per Capita *** |
|-------------|---------------------|------------------------|-------------|---------------|--------------------------|-----------------------------------|----------------|
| 2010 | \$ 36,425,000 | \$ 8,615,000 | \$ - | \$ 45,040,000 | \$ 517,185,321 | 0.00% | 7,961 |
| 2011 | 35,515,000 | 8,025,000 | - | 43,540,000 | 503,815,884 | 0.00% | 8,013 |
| 2012 | 34,580,000 | 7,420,000 | - | 42,000,000 | 80,726,056 | 0.00% | 1,248 |
| 2013 | 33,620,000 | 6,800,000 | - | 40,420,000 | 78,910,227 | 0.00% | 1,202 |
| 2014 | 32,610,000 | 5,342,000 | - | 37,952,000 | 71,214,866 | 0.00% | 1,068 |
| 2015 | 31,575,000 | 4,601,000 | 11,387,398 | 47,563,398 | 81,929,059 | 0.00% | 1,202 |
| 2016 | 30,485,000 | 3,864,000 | 11,167,171 | 45,516,171 | 80,199,403 | 0.00% | 1,155 |
| 2017 | 29,605,000 | 3,111,000 | 10,939,216 | 43,655,216 | 78,263,963 | 0.00% | 1,107 |
| 2018 | 28,650,000 | 2,350,000 | 10,703,258 | 41,703,258 | 76,823,011 | 0.00% | 1,065 |
| 2019 | 27,335,000 | 1,578,000 | 10,459,018 | 39,372,018 | 74,227,660 | 0.00% | 1,025 |

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

*With the dissolution of RDA in January 2012, the debts related to Former RDA moved to Successor Agency

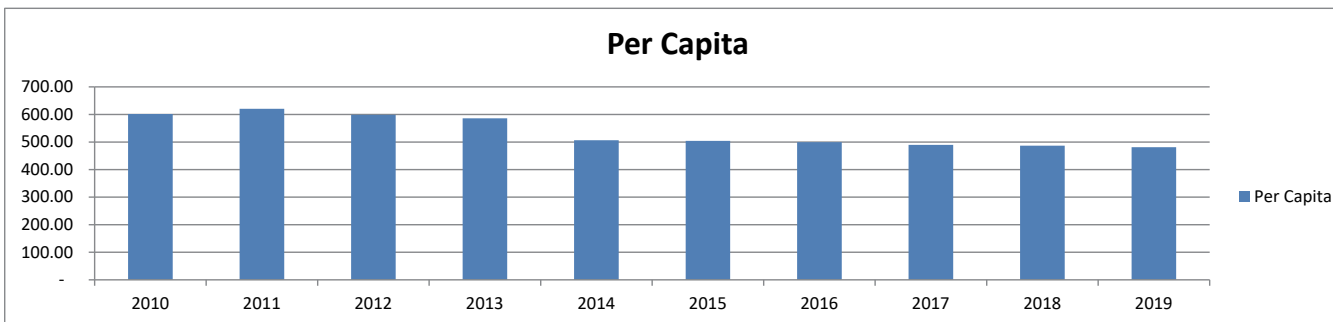
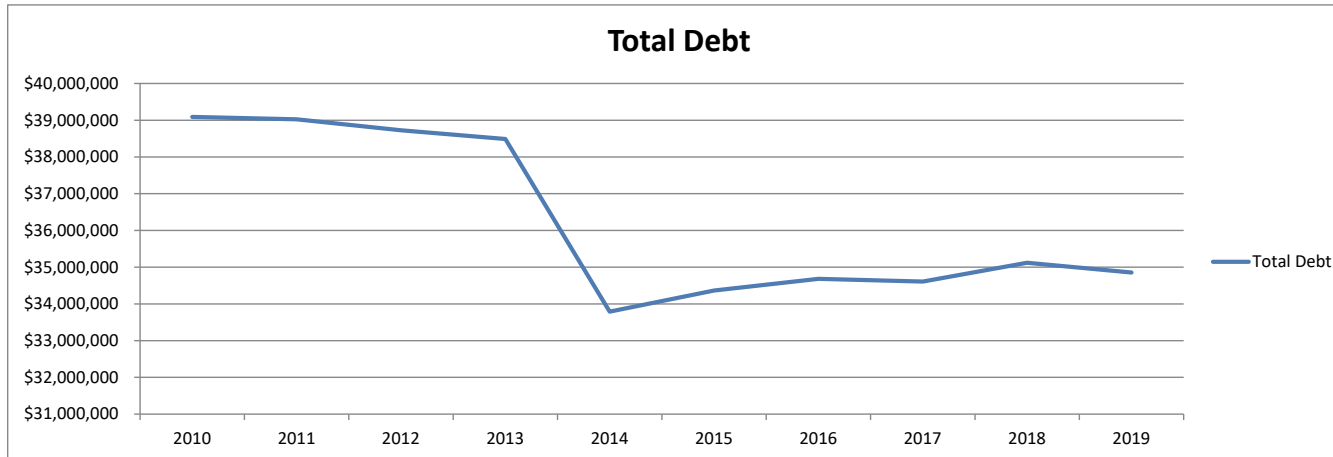
**Sewer Revenue Bond was fully defeased as of June 30, 2014. It has been replaced with a private placement debt.

*** See Schedule of Demographic and Economic Statistics for personal income and population data.

Please refer to Note 7 for further information.

Sources: City of Pittsburgh
 State of California, Department of Finance (population)
 U.S. Department of commerce, Bureau of the Census (income)

CITY OF PITTSBURG
Ratio of General Government Debt Outstanding
Last Ten Fiscal Years*



| Fiscal Year | General Government Debt Outstanding | | | | | | | | Percentage of | | | |
|-------------|-------------------------------------|------------------------------|------------|--------------------------------|---------------------------|---|-------------------------------|---------------|---------------------|------------|-------------------------|--|
| | POB Bonds * | Capital Lease Street Sweeper | CEC Energy | PG&E Energy Efficient Retrofit | Capital Lease VOIP System | Capital Lease Fleet Vehicles/Street Sweeper | Capital Lease Fleet Equipment | Total Debt | Total Gross Revenue | Per Capita | Debt Per Assessed Value | |
| 2010 | \$ 39,091,056 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 39,091,056 | 42.62% | 601.71 | 0.71% | |
| 2011 | 39,026,056 | - | - | - | - | - | - | 39,026,056 | 41.45% | 620.67 | 0.72% | |
| 2012 | 38,726,056 | - | - | - | - | - | - | 38,726,056 | 45.85% | 598.92 | 0.72% | |
| 2013 | 38,351,056 | 139,171 | - | - | - | - | - | 38,490,227 | 62.05% | 586.17 | 0.73% | |
| 2014 | 33,157,051 | 105,815 | 526,313 | - | - | - | - | 33,789,179 | 54.90% | 506.62 | 0.62% | |
| 2015 | 33,826,975 | 71,520 | 467,166 | - | - | - | - | 34,365,661 | 55.30% | 504.34 | 0.57% | |
| 2016 | 34,036,850 | 240,114 | 406,268 | - | - | - | - | 34,683,232 | 50.99% | 499.59 | 0.54% | |
| 2017 | 34,104,558 | 160,696 | 343,493 | - | - | - | - | 34,608,747 | 46.93% | ** 489.66 | 0.53% | |
| 2018 | 34,030,018 | 116,339 | 278,821 | 209,740 | 484,835 | - | - | 35,119,753 | 45.78% | ** 486.82 | 0.52% | |
| 2019 | 33,260,642 | 70,754 | 212,194 | 188,411 | 363,626 | 498,647 | 261,368 | 34,855,642 | 40.10% | 481.19 | 0.47% | |

* The 2006 Pension Obligation Bonds (POB) includes the accreted amount of Capital Appreciation Bonds.

** FY 17 and 18 percent rates restated to reflect the correct revenue.

CITY OF PITTSBURG
Computation of Direct and Overlapping Debt
June 30, 2019

2018-19 Assessed Valuation (2)

\$2,542,336,692

| Direct Debt | Total Debt Outstanding 6/30/2019 | Percentage Applicable To City of Pittsburg (1) | Amount Applicable To City of Pittsburg |
|---|--|---|---|
| 2006 PENSION OBLIGATION BONDS | \$ 34,030,018 | 100.000% | \$ 33,260,642 |
| CAPITAL LEASES-STREET SWEEPER/VOIP/FLEET VEHICLES | 601,174 | 100.000% | 1,194,396 |
| ENERGY EFFICIENT LOANS | 488,561 | 100.000% | 402,382 |
| Sub-total Direct Debt | | | <u>34,857,420</u> |
| Overlapping Debt | | | |
| PITTSBURG UNIFIED 2006 BOND | 151,075,000 | 98.805% | 149,269,942 |
| PITTSBURG UNIFIED 2010 BOND | 95,318,211 | 98.805% | 94,179,340 |
| PITTSBURG UNIFIED 2004 BOND | 56,430,000 | 98.805% | 55,755,769 |
| PITTSBURG UNIFIED 2014 BOND | 64,785,000 | 98.805% | 64,010,943 |
| STATE FUND LOANS/INSTALL NOTE PAYABLE/CA ENERGY | 23,555,563 | 8.333% | 1,962,991 |
| PITTSBURG UNIFIED 1995 BOND | 12,475,000 | 98.805% | 12,325,948 |
| MT DIABLO 2010 2018 BOND | 315,272,000 | 3.944% | 12,435,184 |
| MT DIABLO 2002 BOND | 277,765,000 | 3.944% | 10,955,806 |
| CONTRA COSTA COMMUNITY COLLEGE 2006 BOND | 281,570,000 | 3.660% | 10,304,156 |
| CONTRA COSTA COMMUNITY COLLEGE 2002 BOND | 159,705,000 | 3.660% | 5,844,462 |
| BART BOND | 219,953,951 | 3.647% | 8,021,408 |
| CONTRA COSTA COMMUNITY COLLEGE 2014 BOND | 84,440,000 | 3.660% | 3,090,112 |
| ANTIOCH USD SFID 1 | 53,135,000 | 3.465% | 1,841,073 |
| ANTIOCH USD SFID 1 2012 | 59,225,329 | 3.465% | 2,052,097 |
| COUNTY GENERAL | 122,585,000 | 3.647% | 4,470,501 |
| CCC PFA 1998A LRB | 9,140,000 | 3.647% | 333,323 |
| CCC PFA 1999A LRB | 7,750,000 | 3.647% | 282,631 |
| CCC PFA 2002A LRB | 5,175,000 | 3.647% | 188,725 |
| CCC PFA 2003A LRB | 4,235,000 | 3.647% | 154,444 |
| CCC PFA 2007A LRB | 94,195,000 | 3.647% | 3,435,158 |
| CCC PFA 2009A LRB | 10,233,557 | 3.647% | 373,203 |
| CCC PFA 2010A-1 LRB | 10,580,000 | 3.647% | 385,838 |
| CCC PFA 2010A-2 LRB | 13,130,000 | 3.647% | 478,832 |
| CCC PFA 2010A-3 LRB | 20,700,000 | 3.647% | 754,900 |
| CCC PFA 2010B LRB | 8,730,000 | 3.647% | 318,371 |
| CCC PFA 2012 LRB | 8,074,191 | 3.647% | 294,454 |
| CCC PFA 2015 A&B LRB | 52,210,000 | 3.647% | 1,904,025 |
| CCC PFA 2017A LRB | 69,000,000 | 3.647% | 2,516,332 |
| CCC PFA 2017B LRB | 88,900,000 | 3.647% | 3,242,057 |
| CONTRA COSTA FIRE | 53,740,000 | 7.938% | 4,265,658 |
| EAST BAY PARKS 2009A MEASURE WW BONDS | 77,218,361 | 3.647% | 2,816,044 |
| Sub-Total Overlapping Debt | | | <u>458,263,727</u> |
| Total Direct and Overlapping Debt | | | <u>\$ 493,121,147</u> |

DEBT TO ASSESSED VALUATION RATIOS

| | |
|------------------|--------|
| Direct Debt | 1.24% |
| Overlapping Debt | 18.03% |
| Total Debt | 19.26% |

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

(2) Net of \$4,938,676,523 Redevelopment Incremental Valuation

Source: HdL Coren & Cone, Contra Costa County Assessor and Auditor combined 2018/19 Lien Date Tax Rolls

CITY OF PITTSBURG
Computation of Legal Bonded Debt Margin
June 30, 2019

ASSESSED VALUATION:

Secured property assessed value, net of
exempt real property (a) \$2,542,336,692

BONDED DEBT LIMIT (15% OF ASSESSED VALUE) (a) \$381,350,504

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt (b) \$62,173,642

Less:

Revenue Bonds 28,913,000

33,260,642

LEGAL BONDED DEBT MARGIN \$348,089,862

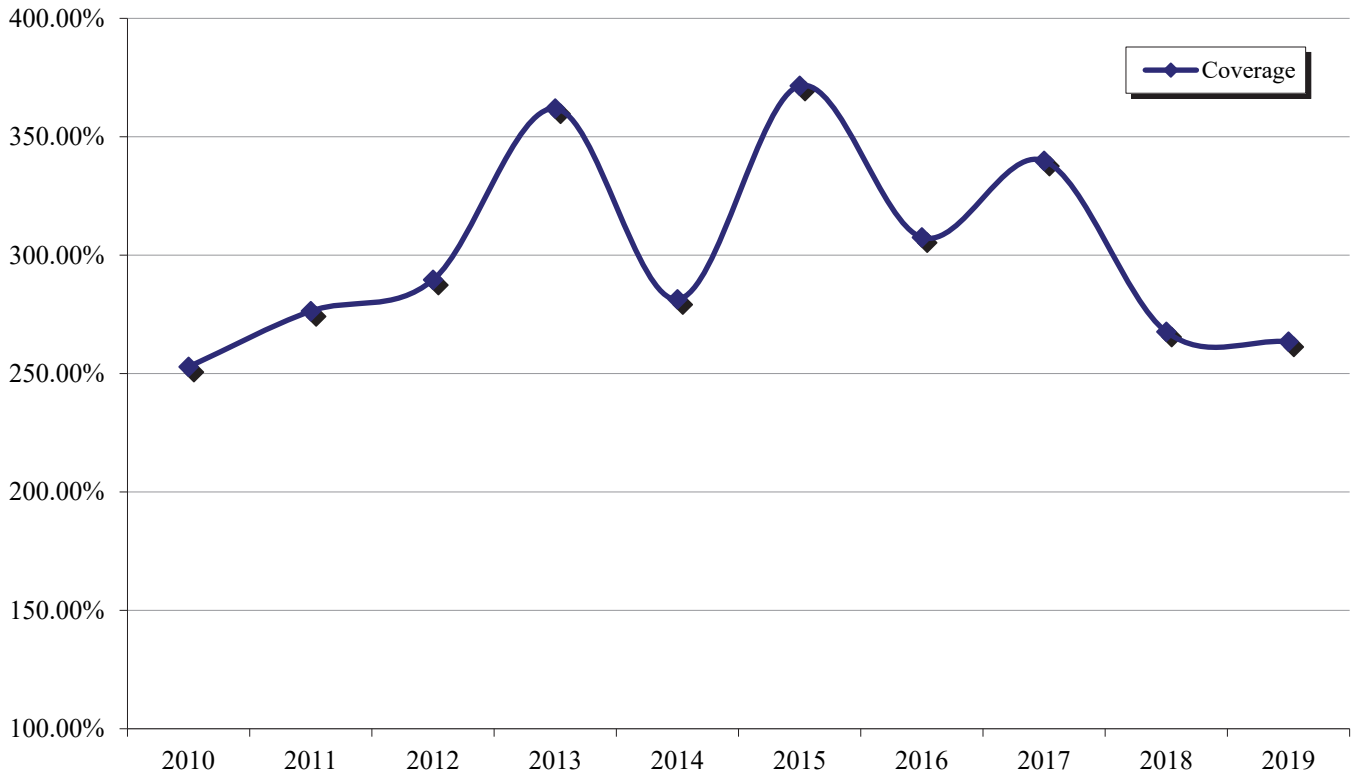
| Fiscal Year | Debt Limit | Total Net Debt Applicable to Limit | Legal Debt Margin | Total net debt applicable to the limit as a percentage of debt limit |
|----------------|---------------|--|-------------------------|---|
| 2010 | 278,212,623 | 39,091,056 | 239,121,567 | 16.35% |
| 2011 | 274,840,138 | 39,026,056 | 235,814,082 | 16.55% |
| 2012 | 269,782,861 | 38,726,056 | 231,056,805 | 16.76% |
| 2013 | 264,754,003 | 38,351,056 | 226,402,947 | 16.94% |
| 2014 | 291,468,534 | 33,157,051 | 258,311,483 | 12.84% |
| 2015 | 320,762,569 | 33,826,975 | 286,935,594 | 11.79% |
| 2016 | 335,737,855 | 34,036,850 | 301,701,005 | 11.28% |
| 2017 | 340,711,533 | 34,104,558 | 306,606,975 | 11.12% |
| 2018 | 361,299,502 | 34,030,018 | 327,269,484 | 10.40% |
| 2019 | 381,350,504 | 33,260,642 | 348,089,862 | 9.56% |

Source: City Finance Department

(a) California Government Code Section 43605 sets the limit at 15%.

(b) Upon the dissolution of the Redevelopment Agency - City of Pittsburg effective January 31, 2012, a Successor Agency assumed the liabilities of the former Redevelopment Agency, therefore the total bonded debt and revenue bonds have decreased in all years for comparative purposes.

CITY OF PITTSBURG
Revenue Bond Coverage
Wastewater Revenue Bonds



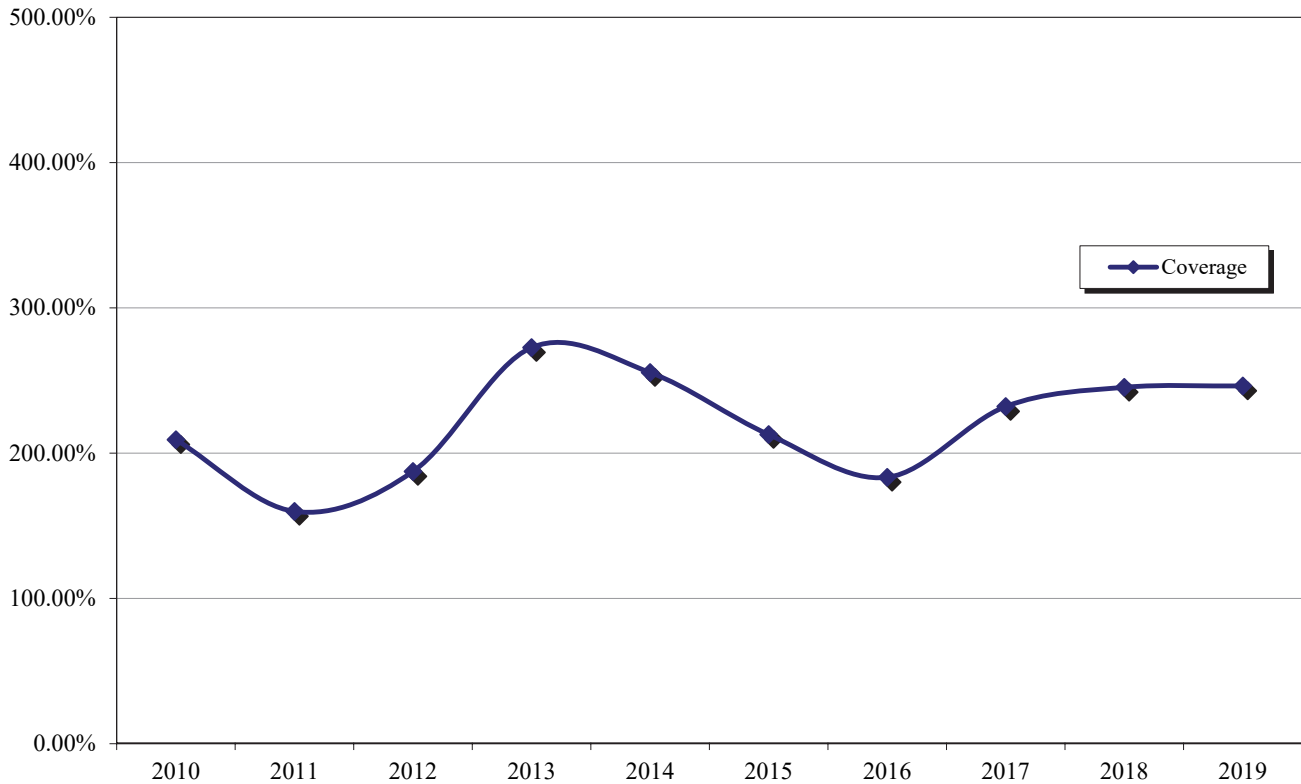
| Fiscal Year | Gross Revenue | Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|-------------|---------------|--------------------|--|---------------------------|------------|------------|----------|
| | | | | Principal | Interest * | Total | |
| 2010 | \$ 4,431,558 | \$ 2,032,469 | \$ 2,399,089 | \$ 570,000 | \$ 378,784 | \$ 948,784 | 2.53 |
| 2011 | 4,407,092 | 1,846,762 | 2,560,330 | 590,000 | 336,436 | 926,436 | 2.76 |
| 2012 | 4,651,016 | 1,971,734 | 2,679,282 | 605,000 | 320,198 | 925,198 | 2.90 |
| 2013 | 5,111,678 | 1,799,354 | 3,312,324 | 620,000 | 295,207 | 915,207 | 3.62 |
| 2014 | 4,917,728 | 1,992,182 | 2,925,546 | 640,000 | 399,786 | 1,039,786 | 2.81 |
| 2015 | 5,022,745 | 1,965,165 | 3,057,580 | 741,000 | 81,986 | 822,986 | 3.72 |
| 2016 | 5,024,185 | 2,547,410 | 2,476,775 | 737,000 | 68,464 | 805,464 | 3.07 |
| 2017 | 5,107,869 | 2,355,218 | 2,752,651 | 753,000 | 56,986 | 809,986 | 3.40 |
| 2018 | 5,168,294 | 3,011,303 | 2,156,991 | 761,000 | 44,922 | 805,922 | 2.68 |
| 2019 | 4,939,327 | 2,817,905 | 2,121,422 | 772,000 | 33,112 | 805,112 | 2.63 |

* Interest is lowered due to the refunding of the 2004 Wastewater Bond (per Resolution 14-0270 dated 6/6/14). The City executed a private Installment Sale Agreement with Bank of the West for a lower interest rate of 1.55% per annum.

Note: Coverage requirements of a least 1.20 times higher than debt service for any fiscal year.

Source: City of Pittsburgh Annual Financial Statements as analyzed by Finance Division Revenue Manager

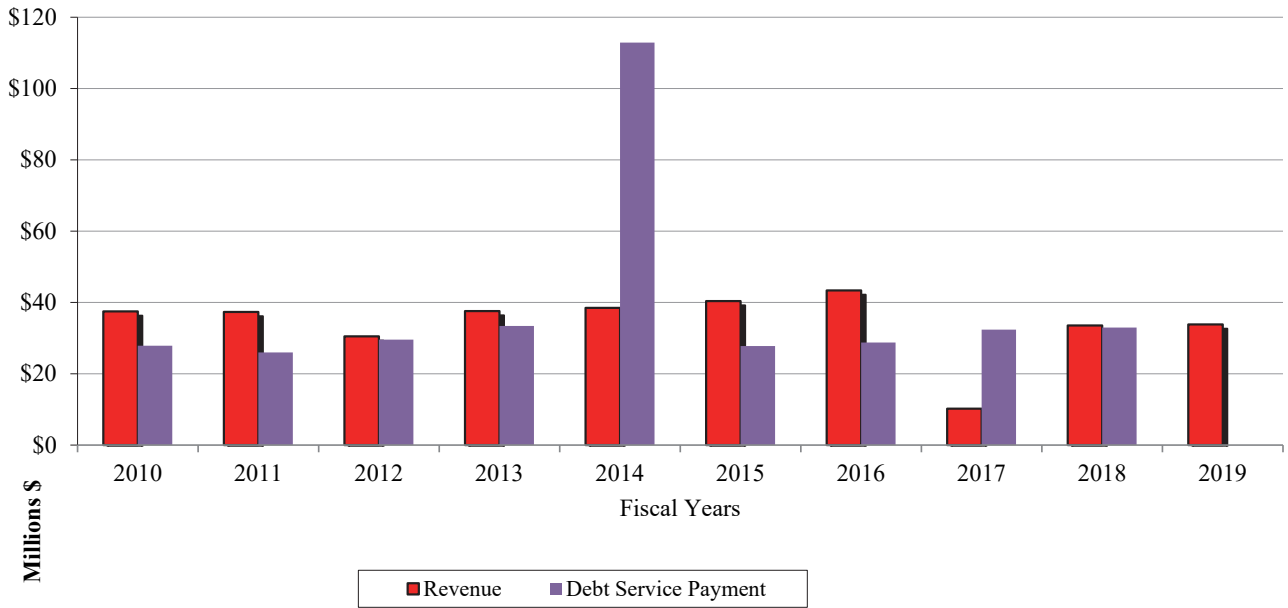
CITY OF PITTSBURG
Revenue Bond Coverage
2016 (Refunded 1997, 2005, and 2008) Water Revenue Bonds



| Fiscal Year | Gross Revenue | Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|-------------|---------------|--------------------|--|---------------------------|--------------|--------------|----------|
| | | | | Principal | Interest | Total | |
| 2010 | \$ 16,489,040 | \$ 11,380,669 | \$ 5,108,371 | \$ 685,000 | \$ 1,756,422 | \$ 2,441,422 | 2.09 |
| 2011 | 16,622,010 | 11,087,014 | 5,534,996 | 835,000 | 2,626,509 | 3,461,509 | 1.60 |
| 2012 | 17,149,663 | 12,120,679 | 5,028,984 | 910,000 | 1,773,709 | 2,683,709 | 1.87 |
| 2013 | 19,205,915 | 12,279,325 | 6,926,590 | 960,000 | 1,580,278 | 2,540,278 | 2.73 |
| 2014 | 18,991,247 | 12,777,146 | 6,214,101 | 1,010,000 | 1,421,992 | 2,431,992 | 2.56 |
| 2015 | 18,272,979 | 12,379,283 | 5,893,696 | 1,035,000 | 1,734,374 | 2,769,374 | 2.13 |
| 2016 | 18,592,332 | 13,088,660 | 5,503,672 | 1,310,226 | 1,691,311 | 3,001,537 | 1.83 |
| 2017 | 19,331,187 | 12,933,557 | 6,397,630 | 1,472,956 | 1,283,708 | 2,756,664 | 2.32 |
| 2018 | 21,519,127 | 14,547,037 | 6,972,090 | 1,190,958 | 1,651,243 | 2,842,201 | 2.45 |
| 2019 | 23,369,888 | 15,605,367 | 7,764,521 | 1,559,240 | 1,594,020 | 3,153,260 | 2.46 |

Note: This schedule has been modified to reconcile to the Revenue Manager's analysis for annual Bond Disclosures,
Source: City of Pittsburgh Annual Financial Statements as Analyzed by the Finance Division Revenue Manager

CITY OF PITTSBURG
Successor Agency Bonded Debt Pledged Revenue Coverage
Tax Allocation Bonds
Last Ten Fiscal Years



| Fiscal Year | Tax Increment Revenue | Debt Service Requirements | | | Coverage |
|-------------|-----------------------|---------------------------|---------------|---------------|----------|
| | | Principal | Interest | Total | |
| 2010 | \$ 37,493,101 | \$ 7,985,000 | \$ 19,873,150 | \$ 27,858,150 | 1.35 |
| 2011 | 37,342,837 | 9,310,000 | 16,683,580 | 25,993,580 | 1.44 |
| 2012 | 30,497,707 | 11,185,000 | 18,391,950 | 29,576,950 | 1.03 |
| 2013 | 37,580,423 | 15,595,000 | 17,812,924 | 33,407,924 | 1.12 |
| 2014 | 38,486,428 | 93,635,000 | * 19,250,447 | 112,885,447 | 0.34 |
| 2015 | 40,387,530 | 13,355,000 | ** 14,415,839 | 27,770,839 | 1.45 |
| 2016 | 43,371,250 | 16,655,000 | 12,113,046 | 28,768,046 | 1.51 |
| 2017 | 10,218,501 | 20,250,000 | 12,125,192 | 32,375,192 | 0.32 |
| 2018 | 33,553,848 | 21,310,000 | 11,652,527 | 32,962,527 | 1.02 |
| 2019 | 33,840,468 | 22,350,000 | 10,795,387 | 33,145,387 | 1.02 |

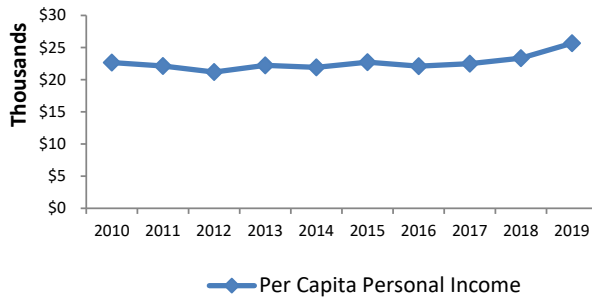
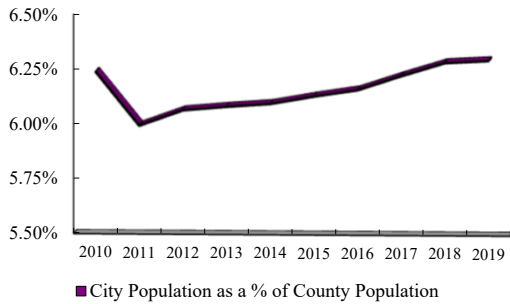
* The 2014 Tax Allocation Refunding Bond was issued to fully refund 2003A Bonds and partly refund the 1999 CIP portion. Refer to Note 14 for additional information on refunding.

The 2016 Refunding Bond was excluded for trending purpose

** The interest amount excludes the Letter of Credit fees and costs associated with 2016 bond refunding

Source: City of Pittsburgh Annual Financial Statements

CITY OF PITTSBURG Demographic and Economic Statistics Last Ten Fiscal Years



| Fiscal Year | City * Population | Total ** Personal Income | Per Capita Personal Income | Unemployment*** Rate (%) | Contra Costa * County Population | Pittsburg Population % of County |
|-------------|-------------------|--------------------------|----------------------------|--------------------------|----------------------------------|----------------------------------|
| 2010 | 64,967 | \$ 1,472,579,000 | \$ 22,667 | 11.3% | 1,041,274 | 6.24% |
| 2011 | 62,877 | 1,391,528,000 | 22,131 | 12.3% | 1,049,025 | 5.99% |
| 2012 | 64,660 | 1,370,214,000 | 21,191 | 11.0% | 1,066,096 | 6.07% |
| 2013 | 65,664 | 1,459,608,000 | 22,228 | 13.4% | 1,079,597 | 6.08% |
| 2014 | 66,695 | 1,461,822,000 | 21,918 | 9.7% | 1,094,000 | 6.10% |
| 2015 | 68,140 | 1,548,229,000 | 22,721 | 5.9% | 1,111,339 | 6.13% |
| 2016 | 69,424 | 1,534,225,000 | 22,099 | 5.8% | 1,126,745 | 6.16% |
| 2017 | 70,679 | 1,589,374,000 | 22,487 | 5.0% | 1,135,127 | 6.23% |
| 2018 | 72,141 | 1,684,104,000 | 23,345 | 3.7% | 1,147,439 | 6.29% |
| 2019 | 72,437 | 1,859,890,000 | 25,676 | 3.7% | 1,150,215 | 6.30% |

Source: * www.americanfactfinder.com
 ** from HdL Coren Report
 *** www.homefacts.com

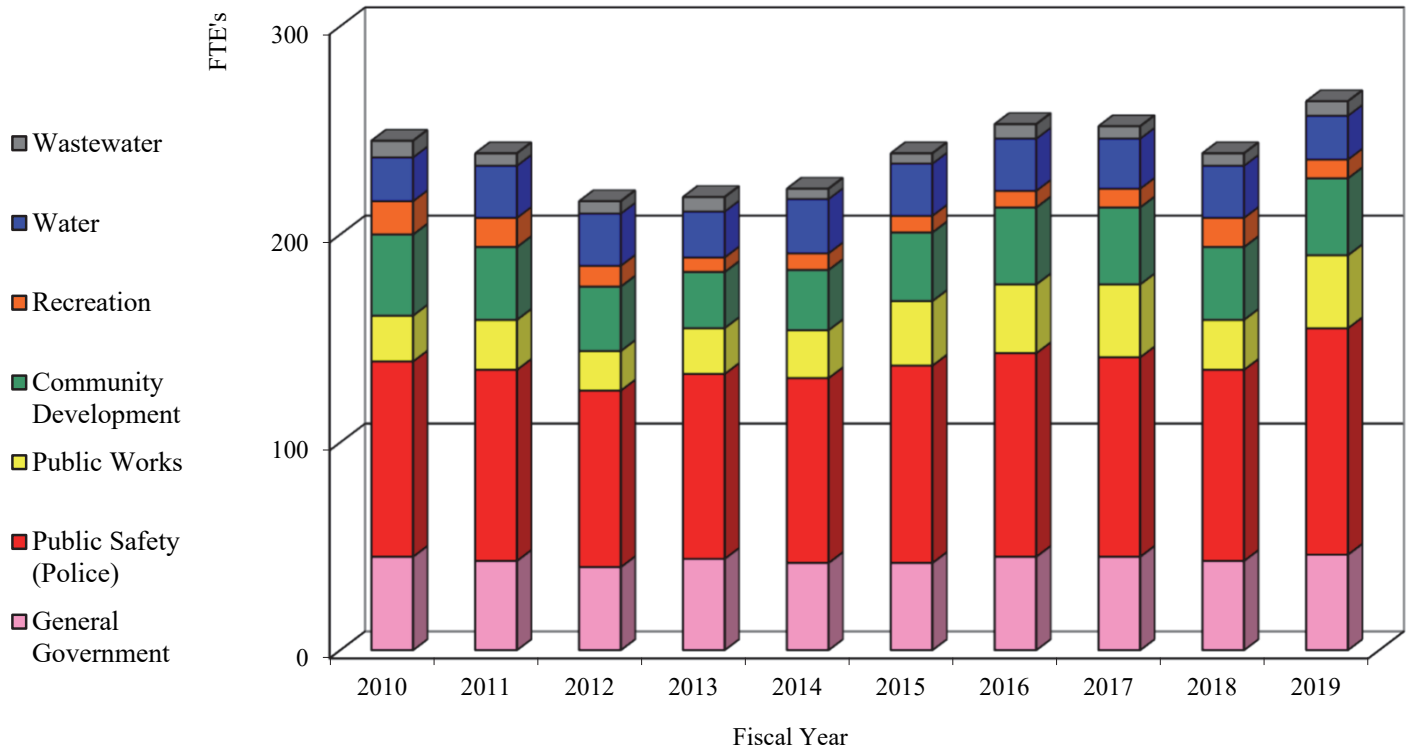
CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

| <u>Employer</u> | <u>2018-19 *</u> | | | <u>2009-10 **</u> | | |
|------------------------------------|----------------------------|-------------|--|----------------------------|-------------|--|
| | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> | <u>Number of Employees</u> | <u>Rank</u> | <u>Percentage of Total City Employment</u> |
| Pittsburg Unified School District | 1,242 | 1 | 3.9% | 868 | 2 | 2.7% |
| Los Medanos Community College | 584 | 2 | 1.8% | 520 | 3 | 1.6% |
| USS - Posco Industries | 581 | 3 | 1.8% | 1,000 | 1 | 3.1% |
| Dow Chemical Company | 350 | 4 | 1.1% | 425 | 4 | 1.3% |
| Ramar Foods | 352 | 5 | 1.1% | - | - | - |
| City of Pittsburg | 270 | 6 | 0.8% | 275 | 7 | 0.9% |
| Walmart | 222 | 7 | 0.7% | 320 | 5 | 1.0% |
| Home Depot | 145 | 8 | 0.5% | - | - | - |
| Cardenas | 143 | 9 | 0.4% | - | - | - |
| WinCo Foods | 143 | 9 | 0.4% | - | - | - |
| Redwood Painting | 125 | 10 | 0.4% | - | - | - |
| Contra Costa Health Center | - | | - | 300 | 6 | 0.9% |
| Safeway | - | | - | 180 | 8 | 0.6% |
| Target | - | | - | 154 | 9 | 0.5% |
| Best Buy Stores | - | | - | 150 | 10 | 0.5% |
| Subtotal | <u>4,157</u> | | <u>13.0%</u> | <u>4,192</u> | | <u>13.2%</u> |
| Employees in the City of Pittsburg | <u>31,873</u> *** | | | <u>31,873</u> ** | | |

Source: * Telephone Survey by Finance Staff
**2009-10 data from CAFR
*** www.americanfactfinder.com

CITY OF PITTSBURG

Actual Full-Time Equivalent City Government Employees by Function Last Ten Fiscal Years



June 30, 2019

| Function | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| General Government | 45 | 43 | 40 | 44 | 42 | 42 | 45 | 45 | 43 | 46 |
| Public Safety (Police) | 94 | 92 | 85 | 89 | 89 | 95 | 98 | 96 | 101 | 109 |
| Public Works | 22 | 24 | 19 | 22 | 23 | 31 | 33 | 35 | 37 | 35 |
| Community Development | 39 | 35 | 31 | 27 | 29 | 33 | 37 | 37 | 37 | 37 |
| Recreation | 16 | 14 | 10 | 7 | 8 | 8 | 8 | 9 | 9 | 9 |
| Water | 21 | 25 | 25 | 22 | 26 | 25 | 25 | 24 | 23 | 21 |
| Wastewater | 8 | 6 | 6 | 7 | 5 | 5 | 7 | 6 | 6 | 7 |
| Total | 245 | 239 | 216 | 218 | 222 | 239 | 253 | 252 | 256 | 264 |

Source: City of Pittsburgh

CITY OF PITTSBURG
Operating Indicators by Function/Program
Last Ten Fiscal Years

| | | 2010 | 2011 | 2012 | 2013 |
|--|--|--------|--------|--------|--------|
| Function/Program | | | | | |
| Public safety: | | | | | |
| Police: | | | | | |
| *** | Police calls for Service | 68,371 | 69,576 | 66,145 | 67,349 |
| | Law violations: | | | | |
| *** | Part I and Part II crimes | 7,445 | 8,069 | 7,622 | 7,081 |
| *** | Physical arrests (adult and juvenile) | 3,770 | 4,798 | 4,033 | 3,269 |
| *** | Traffic violations (VC14601 & VC12500) | 1,772 | 2,454 | 1,732 | 1,175 |
| | | | | | |
| (Fire Protection is Contra Costa County) | | | | | |
| | | | | | |
| Public works | | | | | |
| | Street Re-surfacing (Miles) | | | | 14.26 |
| | Streets Repaired (square feet) | 71,809 | 84,420 | 84,001 | 82,314 |
| | | | | | |
| Leisure Services: | | | | | |
| Community Services: | | | | | |
| | Swim Participants | * | * | 264 | 1,980 |
| | Softball Participants | * | * | 2,300 | 580 |
| | Small World Park Gate Attendance | 15,833 | * | 19,783 | 24,732 |
| | Senior Center Nutrition/Exercise Class Participants | 16,777 | 18,186 | 13,786 | 14,980 |
| | | | | | |
| Water | | | | | |
| | Number of Meters Served | 17,097 | 17,254 | 17,444 | 17,664 |
| | Water Main Breaks | 74 | 45 | 60 | 50 |
| | Average Daily Consumption (millions of gallons) | 8.5 | 7.9 | 8.5 | 9.1 |
| | | | | | |
| Wastewater | | | | | |
| | Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A) | 171 | 172 | 172 | 175 |
| | | | | | |
| Solid Waste | | | | | |
| | Refuse Landfilled (tons per year) | 49,978 | 45,106 | 46,892 | 52,722 |
| | Recyclables Processed (tons per year) | 33,948 | 35,868 | 37,784 | 42,213 |

*Leisure Services Data not Available due to City Reorganization and Early Retirement.

** FY 2013 & FY 2014 Number corrected. Prior CAFR reported number of classes, updated to reflect number of Participants.

*** FY 2016 Numbers corrected.

**** All numbers restated to calendar years to be in line with the DOJ - FBI Uniform Crime Report publication.

Source: City of Pittsburg Divisions & Prior Year CAFR's

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|----|-----------|--------|-----------|--------|--------|--------|
| | 77,569 | 76,346 | 72,426 | 80,631 | 80,133 | - |
| | 7,725 | 7,729 | 7,286 | 7,663 | 7,778 | - |
| | 3,225 | 3,287 | 2,805 | 3,329 | 2,808 | - |
| | 920 | 1,032 | 706 | 1,193 | 908 | - |
| | 13.41 | 1.55 | 0.80 | 0 | 0.97 | 0.25 |
| | 24,404 | 46,905 | 52,503 | 44,795 | 48,305 | 40,028 |
| | 2,320 | 3,100 | 1,600 * * | 2,379 | 2,301 | 2,335 |
| | 850 | 731 | 590 | 650 | 616 | 750 |
| | 25,780 | 28,420 | 27,666 | 25,050 | 22,839 | 22,999 |
| ** | 19,339 ** | 22,423 | 20,014 | 11,305 | 16,000 | 17,210 |
| | 17,880 | 18,094 | 18,359 | 18,574 | 18,759 | 18,767 |
| | 59 | 71 | 80 | 46 | 32 | 27 |
| | 8.2 | 7.8 | 7.3 | 8.6 | 8 | 8.1 |
| | 177 | 171 | 176 | 178 | 179 | 180 |
| | 53,753 | 51,564 | 63,500 | 59,559 | 70,982 | 94,092 |
| | 44,213 | 39,313 | 48,500 | 48,500 | 42,811 | 54,940 |

CITY OF PITTSBURG
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

| | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|
| Function/Program | | | | |
| Public safety: | | | | |
| Police stations | 1 | 1 | 1 | 1 |
| Police patrol units (Includes Unmarked) | 52 | 52 | 52 | 55 |
| Public works | | | | |
| Miles of streets (Center Line) | 157.00 | 157.00 | 165.35 | 165.35 |
| Street lights (Total) | 4,194 | 4,278 | 2,041 | 2,122 |
| Traffic Signals | 61 | 61 | 61 | 60 |
| Culture and recreation: | | | | |
| Community services: | | | | |
| City Parks | 21 | 21 | 23 * | 23 |
| City parks acreage | 145 | 145 | 145 | 145 |
| Roadway landscaping acreage | 19 | 19 | 19 | 19 |
| Regional park acreage | 56 | 56 | 56 | 56 |
| Regional park facilities: | | | | |
| Golf courses (18 holes) | 1 | 1 | 1 | 1 |
| Marina Fuel Station | 1 | 1 | 1 | 1 |
| Community Civic Center | 1 | 1 | 1 | 1 |
| Senior centers | 1 | 1 | 1 | 1 |
| Swimming pools | 1 | 1 | 1 | 1 |
| Tennis courts | 3 | 3 | 3 | 3 |
| Water | | | | |
| Storage capacity (millions of gallons) | 19.3 | 19.3 | 19.3 | 19.3 |
| Miles of Water Mains | 222 | 222 | 224 | 225 |
| Wastewater | | | | |
| Miles of Storm Drains | 92 | 93 | 94 | 95 |

Note: n/a denotes information is not available.

*FY 2012 # OF City Parks Corrected. 2-School Soccer Fields not included in City parks number.

** In 2016, the City remeasured all water lines using the new GIS System

Source: City of Pittsburg Staff & Prior Year CAFR's

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------|--------|--------|--------|--------|--------|
| 1 | 1 | 1 | 1 | 1 | 1 |
| 63 | 64 | 67 | 69 | 69 | 83 |
| 165.35 | 163.79 | 164.63 | 169.90 | 169.90 | 169.90 |
| 4,331 | 4,358 | 4,287 | 4,287 | 4,287 | 4,287 |
| 61 | 61 | 63 | 63 | 63 | 63 |
| 23 | 24 | 24 | 24 | 26 | 26 |
| 145 | 147 | 147 | 147 | 322 | 322 |
| 20 | 22 | 22 | 22 | 22 | 22 |
| 56 | 56 | 56 | 56 | 56 | 56 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 3 | 3 | 3 | 3 | 3 | 3 |
| 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 |
| 227 | 229 | 224 ** | 227 | 227 | 227 |
| 95 | 101 | 101 | 103 | 104 | 104 |



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2019