

City of Pittsburg, California



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008
(Reissued)

City of Pittsburg
Basic Financial Statements
For the year ended June 30, 2008
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CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008





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

December 15, 2008

Honorable Mayor
Members of the City Council
And Citizens of Pittsburg

Comprehensive Annual Financial Report

Presented herein is the Comprehensive Annual Financial Report for the City of Pittsburg (the City) for the Fiscal Year ended June 30, 2008. This report presents fairly, in all material respects, the financial position and changes in financial position of the City as of and for the Fiscal Year ended June 30, 2008. City management is responsible for the accuracy of the data, the fairness and completeness of the presentation, and the inclusion of all disclosures that are necessary to enable the reader to understand the City's operations. This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with "generally accepted accounting principles" (GAAP) in the United States of America.

Major Changes in Reporting

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which revised the City's financial reporting requirements. Governments comparable in size to the City of Pittsburg were required to implement GASB Statement No. 34 for the Fiscal Year ended June 30, 2003 and this is the sixth fiscal year the City of Pittsburg complies with the GASB requirements. The major changes that resulted from GASB 34 include:

- Government-wide financial statements that are designed to provide readers with a broad overview of the City in a manner similar to a private-sector business. The statements cover all of the City's activities (except fiduciary activities) and include the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets reports what the City owns (assets), what it owes (liabilities) and what is left over after assets have been used to satisfy liabilities (net assets). The Statement of Activities reports the City's expenses and revenues, as well as other changes in its net assets during the year.
- Fund financial statements report the finances of fund groups within the City's reporting entity - its governmental, proprietary and fiduciary funds. Reconciliation that describes the adjustments necessary to reconcile the governmental funds financial statements with the governmental activities column of the government-wide financial statements are included because the two types of statements measure the City's finances differently.
- Infrastructure assets are included in the government-wide statement of net assets. Governmental fund infrastructure assets are roads, curbs, gutters, medians, sidewalks, streetlights, and traffic signals. Financial information relative to infrastructure assets had not previously been required for governmental funds, but was required for proprietary funds (water, sewer and storm underground pipes, reservoirs, etc.).

- GASB Statement No. 34 establishes criteria to identify and report certain governmental funds and proprietary funds as major funds for presentation in the fund financial statements.
- The general fixed assets and the general long-term debt account groups no longer exist. The assets and liabilities previously reported in those account groups are reported in the government-wide statements.
- Funds reported in the past as expendable and nonexpendable trust funds have been reclassified as special revenue funds or agency funds.
- Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement MD&A, and therefore, should be read with it. The City's MD&A can be found immediately following the Independent Auditors' Report.

In 2004, the Governmental Accounting Standards Board (GASB) issued statement No. 44, *Economic Financial Trends Information Condition Reporting: The Statistical Section* which updated the reporting requirements of the statistical section of the CAFR. This update of the statistical section improves comparability and adds new entity-wide data. The data is organized into five categories:

1. Revenue Capacity Information
2. Debt Capacity Information
3. Demographic and Economic Information
4. Operating Information
5. Financial Trend Information

In 2006, the Governmental Accounting Standards Board (GASB) issued statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*.

This statement requires that the City makes specific note of receivables or resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues, or even if the City does not receive resources, but, nevertheless, pledges or commits future cash flows generated by collecting specific future revenues, and the City identifies all intra-entity transfers of assets and future revenues. For future revenues that are pledged, notes to this financial statement should contain information about specific revenues pledged, including:

1. Identification of the specific revenue pledged and the approximate amount of the pledge
2. Identification of and the general purpose for the debt secured by the pledged revenue
3. The term of the pledge
4. The relationship of the pledged amount to the total for the specific revenue and the proportion of the specific revenue stream that is pledged
5. A comparison of the pledged revenues recognized to the principal and interest requirements for the debt collateralized by those revenues.

The Reporting Entity and Its Services

The City was incorporated on June 25, 1903 and Pittsburg is a full service general law city providing a full range of municipal services, including police, water and sewer, streets, cultural and recreational facilities, golf course, public works and parks, redevelopment, economic development, planning, zoning, building inspection, code enforcement, housing assistance, marina operations, energy distribution, engineering and general administration. Fire services are provided by Contra Costa County.

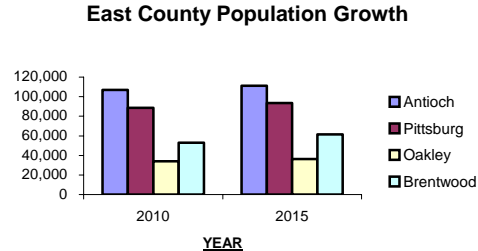
The financial statements included in this CAFR present the City (the primary government) with all the City funds, the City of Pittsburg Redevelopment Agency (the Agency), Community Access of the City of Pittsburg (formerly known as the Housing and Community Services), and the Pittsburg Power Company (Pittsburg Power) 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 Agency Board, and the Pittsburg Power Board. Therefore, financial information for Community Access (Housing Authority), the Agency, and Pittsburg Power is blended with the City’s financial information.

Economic Conditions and Outlook

Located along the Sacramento-San Joaquin River Delta, Pittsburg is situated on the north side of the beautiful Mount Diablo Recreation Area. Pittsburg resides in the Eastern part of Contra Costa County and is a part of the Oakland Metropolitan Statistical Area. Most statistics for Pittsburg also include the unincorporated area of Bay Point.

POPULATION GROWTH			
<i>ABAG - PROJECTIONS 2007</i>			
	2010	2015	CHANGE
Pittsburg *	88,600	93,400	4,800
Antioch	106,800	111,300	4,500
Brentwood	53,100	59,600	6,500
Oakley	29,850	34,050	4,200
East County:	278,350	298,350	20,000
Contra Costa County:	1,061,900	1,107,300	45,400

**Includes City Sphere of Influence*



ABAG - Projections are only published on a bi-annual basis, so Projections 2009 will not be available until the end of the next fiscal year.

ABAG population projections seem to be inflated in consideration of the impending economic down-turn, but Pittsburg’s population may continue to increase due to the affordable housing supply in eastern Contra Costa County.

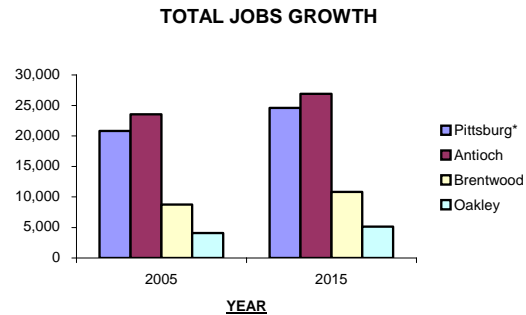
U.S Census Bureau data represents more conservative population growth rates by this historical data:

July '07 63,004; July '06 63,017; July '05 62,547; July '04 62,270; July '03 60,706

From New York of the Pacific to Black Diamond and finally known as Pittsburg, this is a city that values achievement and innovation. Pittsburg’s estimated total number of jobs from the Association of Bay Area Governments (ABAG) Projections 2007 was at 20,800 by the year 2010 and at 24,600 by the year 2015. Out of the three neighboring cities in East County, Pittsburg’s job growth outlook is the highest.

TOTAL JOBS			
<i>ABAG - PROJECTIONS 2007</i>			
	2010	2015	CHANGE
Pittsburg*	20,800	24,600	3,800
Antioch	23,540	26,900	3,360
Brentwood	8,770	10,800	2,030
Oakley	4,080	5,100	1,020
East County:	57,190	67,400	10,210
Contra Costa County:	403,100	436,970	33,870

**Includes City Sphere of Influence*



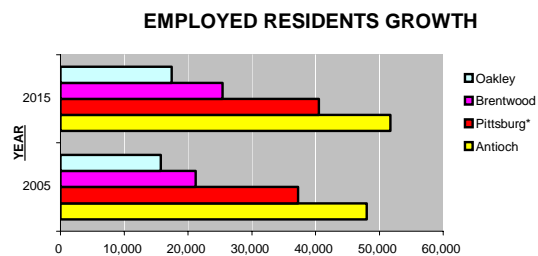
The City offers a number of programs and incentives to attract new businesses, help existing businesses, as well as help residents find employment. The East County One-Stop Career Center provides businesses and residents with employment, training and business services. Pittsburg is one of just 39 cities in the State with an Enterprise Zone, offering businesses tax and other incentives to relocate here.

Short term expectations for the Bay Area are for slow job growth and even a potential recession.

Incomes are expected to keep abreast of inflation.

EMPLOYED RESIDENTS			
<i>ABAG - PROJECTIONS 2007</i>			
	2010	2015	CHANGE
Pittsburg*	37,240	40,530	3,290
Antioch	48,050	51,730	3,680
Brentwood	21,190	25,430	4,240
Oakley	15,740	17,450	1,710
East County:	122,220	135,140	12,920
Contra Costa County:	495,300	533,300	38,000

**Includes City and Sphere of Influence*



While the state’s economic crisis will cause the county’s economy to slow, some employment growth is still projected in the years from 2010 to 2015. The cities of Antioch, Pittsburg, and Hercules are expected to see moderate job growth as a result of ABAG Smart Growth Policy assumptions. Manufacturing and wholesale jobs will be most likely to develop along the shore line in Pittsburg. Retail jobs will also see growth in Pittsburg as the City’s revitalization of Old Town Pittsburg continues to attract restaurants such as La Veranda Restaurant and the future opening of the E.J Phair Brewery.

In 2008, real GDP (gross domestic product) was adjusted in the second quarter to 2.8% compared to the adjusted GDP increase of 3.8% in 2007. The third quarter 2008 advance is already estimated at an annual decrease of at least 0.3 percent.

For the City of Pittsburg, sales tax revenue in the Fiscal Year 2007-2008 fell short of its forecasted estimate by \$284,751 which can be attributed to the economic down turn. Total Sales Taxes and backfill was \$7.3M which is still a major revenue source. As noted in the supplemental notes at the end of this report, the City was advised by the auditors, Caporicci and Larson to process a one-time revenue adjustment for the prior period in Fiscal Year 2006-2007 fund balance to recognize sales and use tax based on the State of California Board of Equalization's reporting periods which are normally three months in arrears. This adjustment to the Fiscal 2006-2007 fund balance totaled \$832,166. For Fiscal Year 2007-2008 the correct accrual for the months of April, May, and June 2008 was a total of \$592,028 that was received by the City in July, August, and September 2008, respectively.

Major Initiatives

For The Fiscal Year 2007 - 2008: The Redevelopment Agency of the City of Pittsburg (the Agency) and the Economic Development Department continued to work on the development projects in residential, commercial and industrial areas. The State of California requires a separate accounting report for the redevelopment area of the City, thus a separate Component Unit Financial Report is prepared and audited by the independent outside audit firm of Caporicci and Larson, Certified Public Accountants. It is not the intent to copy verbatim all the information from that separate Component Unit Financial Report, but to highlight a few of the Agency's accomplishments for the Fiscal Year 2007-2008.

The Redevelopment Agency General Funds supported the following projects and programs during the Fiscal Year 2007-2008:

- The Agency expended \$2,030,417 for a La Veranda Project that primarily consists of the rehabilitation of vacant and unused space into a 3,400 square foot casual fine dining restaurant pursuant to the Agency Resolution No. 07-1189 and 07-1258. The Agency entered into a loan agreement with Nicolas Mamaari and Johny Khalilieh to provide a commercial rehabilitation loan obligating the borrowers to rehabilitate, construct, establish, and operate a first class, full-service, sit-down restaurant that includes a fully-licensed bar and a live entertainment venue. The outstanding loan balance as of June 30, 2008 was \$1,679,058.
- The Agency expended \$1,632,255 during the fiscal year 2007-2008 for an E.J. Phair Brewing Co. Project that consists of constructing a 5,000 square foot new brewery and brew pub restaurant at the corner of Third Street and Cumberland pursuant to the Agency Resolution No. 06-1166 and 07-1200. The outstanding principal loan balance and accrued interest as of June 30, 2008 was \$638,243 and \$10,874 totaling \$649,117.
- The Agency expended \$1,032,019 for a Pacific Plaza Imports Project to relocate and operate a gourmet food and drink shop that sells caviar, chocolate, wine, champagne and other specialty food items, and provides a full service delicatessen for on-site and off-site consumption pursuant to the Agency Resolution No. 07-1209. The outstanding loan balance as of June 30, 2008 was \$850,000.

- The Agency expended \$1,870,708 for Railroad Ave. Corridor Project that acquired 1605 Railroad Ave. which contains the Los Cunados Market and has three rental dwellings. The Project also includes installing the sound wall, performing landscaping and placing an LED sign.
- The Agency expended \$4,712,804 during the Fiscal Year 2007-2008 making a progress of construction on Phase I of Vidrio Project (a \$100 million mixed use development) that began in August, 2006. In Phase I, the three block, five story mixed use project will add 66 owner occupied residences (10 affordable to moderate income homebuyers) and 11,000 square feet of new ground floor retail space to the Old Town economy. The Vidrio Project covers three adjacent city blocks in Old Town Pittsburg. The developer for the Vidrio Project is A. F. Evans.
- The Agency expended \$2,189,228 (includes \$634,763 grant funds) for an East Leland Road Pavement Reconstruction Project to provide utility and circulation infrastructure improvements throughout the Los Medanos Project area.
- The Agency expended \$4,149,597 (includes \$2,393,808 grant funds) for a Reclaimed Water Irrigation for City Parks. Upon completion of the project, various City-owned and maintained facilities will be able to use reclaimed water instead of City treated water for irrigation.
- The Agency expended \$1,660,537 (includes \$680,221 grant funds) for a City Park Soccer Field Project, construction of a new lighted artificial turf soccer field within the existing boundaries of City Park pursuant to the Agency Resolution No. 06-1064.
- The Agency expended \$5,772,892 including Agency's low and moderate income housing funds of \$1,334,847 for Gateway Mixed Use Project. Pursuant to a Disposition and Development and Loan Agreement with Domus Development LLC on November 21, 2005, the Agency fulfilled the loan commitments having an outstanding balance of \$8,800,000 as of June 30, 2008.
- The Agency expended \$10,986,006 (which included \$3M from the 2005 water bond fund) from an allocated \$15,500,000 for the Downtown 8th to 12th Infrastructure Project that consists of four phase construction plans:
 - Phase I - Water, Sewer and Storm Drain Improvements
 - Phase II - Montezuma Pump Station
 - Phase III - Undergrounding of Overhead Utilities
 - Phase IV - Street Sidewalk Curb and Gutter Improvements

The first phase of the project consists mainly of supplying and installing all products and materials for the construction of water, sewer and storm drain improvements located in several blocks of residential infrastructure in the Old Town area. The third phase of the project consists of supplying and installing PVC conduits and junction boxes for the conversion of overhead utilities to underground, located in several blocks of residential infrastructure in the Old Town area.

Acquisition is an important activity that the Agency exercises in order to assist in the redevelopment of a particular site or to assemble various parcels to redevelop a larger site. In Fiscal Year 2007-2008 the Agency spent \$5.4 million in land acquisitions for development of new offices, market rate and affordable units, and for redevelopment of the older downtown area. The following various acquisitions are for redevelopment purposes (by improving or replacing significantly blighted properties) providing the community with improvements that will encourage business development through the retention of existing businesses and attraction of new businesses, thereby providing additional employment opportunities:

- 1027 Bending Willow Way
- 1301 Standard Oil Ave.
- 14 West Blvd.
- 1605 Railroad Ave.
- 1065 & 1067 Beacon
- 470, 474, 478 & 555 West 10th St
- 901-955 Los Medanos
- 1056 & 1073 Cumberland St.
- 695 E 3rd Street

OTHER INFORMATION

The City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are 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 structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the 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 also 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. Also, the results of the City's single audit for the fiscal year ended June 30, 2008 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also applies and maintains encumbrance accounting system as a technique of 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.

Appropriations Limit

Proposition 4, the “Gann” initiative, was passed by California voters in 1978 and is intended to limit governmental appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which are modified by the composite consumer price index, and population changes which have occurred in subsequent years. The City’s appropriation limit and estimated appropriations subject to limit for fiscal year 2006-07 and 2007-08 amounted to \$84,860,396 and \$101,524,254 respectively. The Redevelopment Agency and Housing Authority appropriations are not subject to the above limitations.

Cash Management

Cash temporarily idle during the year was invested in the Local Agency Investment Fund (LAIF) administered by the Treasurer of the State of California and obligations of the United States Treasury, Federal Agency Coupons and Discount Notes, Medium Term Notes, and Certificates of Deposit. These investments are allowed under an investment policy adopted by the City Council, which 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, 2008 was 3.11 %, a decrease of 2.12% compared to the same period of last fiscal year (June 30, 2007) 5.23%. Total LAIF interest earnings were \$3,277,983 for the fiscal year 2007-08, a decrease \$1,027,373 from the fiscal year 2006-07. At June 30, 2008, 26.37% of the City’s pooled cash and investments were in LAIF.

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 not insured for liability occurrences over \$15 million per occurrence. The City also maintains statutory excess workers’ compensation insurance through the Municipal Pooling Authority (MPA).

Independent Audit

Caporicci and Larson, 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.

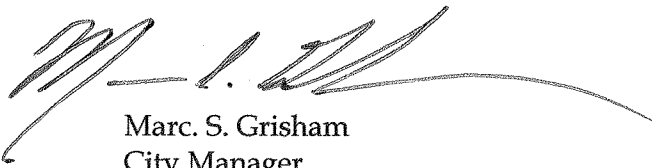
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pittsburg for its Comprehensive Annual Financial Reports (CAFR) for the six fiscal years ended June 30, 2000, 2001, 2002, 2003, 2004, 2005, and 2007. In order to be awarded a Certificate of Achievement, a government 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.

A Certificate of Achievement is valid for a period of one year only. We believe that our current (CAFR) for June 30, 2008 continues to meet the Certificate Achievement Program's requirements.

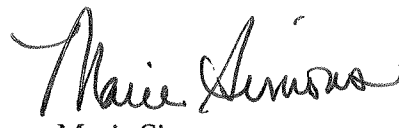
Acknowledgements

The preparation of this report could not have been accomplished without the concerted effort and dedication of all the employees of the Pittsburg Finance Department. We would also 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 progressive manner.

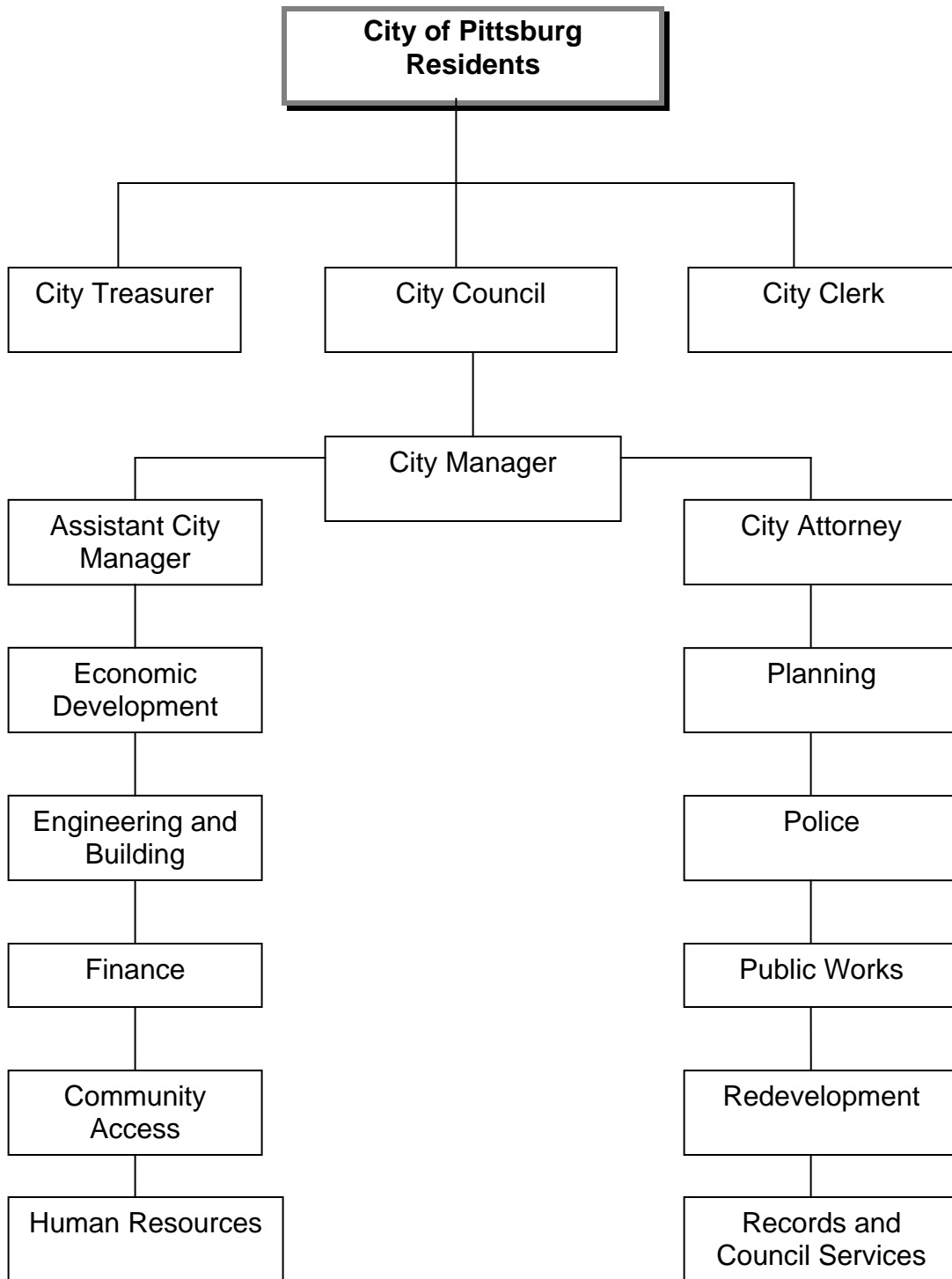
Respectfully submitted,



Marc S. Grisham
City Manager



Marie Simons
Director of Finance



City of Pittsburg
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2008

◆ ◆ ◆ **City Council**

Will Casey, Mayor
Nancy L. Parent, Vice-Mayor
Salvatore N. Evola, Council Member
Michael B. Kee, Council Member
Ben Johnson, Council Member

◆ ◆ ◆ **Other Elected Officials**

James F. Holmes, City Treasurer
Alice E. Evenson, City Clerk

◆ ◆ ◆ **City Attorney**

Ruthann G. Ziegler, Esquire, City Attorney

◆ ◆ ◆ **Management Staff**

Marc S. Grisham, City Manager
R. Matt Rodriguez, Assistant City Manager

Marc S. Grisham, Interim Director of Planning
Aaron Baker, Chief of Police
Garrett Evans, Director of Power
Paul Flores, Director of Recreation
Marc Fox, Director of Human Resources
John Fuller, Director of Public Works
Annette Landry, Director of Housing and Community Programs
Brad Nail, Director of Economic Development
Joseph Sbranti, Director of Engineering
Marie Simons, Director of Finance
Randy Starbuck, Director of Redevelopment

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council
of the City of Pittsburg
Pittsburg, California

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, 2008, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Subsequent to the basic financial statement date of June 30, 2008 and the year then ended, the United States has entered into a Financial Credit Crisis. Although the United States Federal Government has taken actions that, at least in part, are intended to relieve and correct this Financial Credit Crisis, investments are subject to significant impairment and losses. To date, the City has not been informed and is not aware of any investment losses. Accordingly, such investment losses, if any, have not been reflected in the accompanying basic financial statements.

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, 2008, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2008, on 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

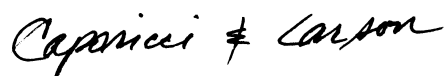
To the Honorable Mayor and Members of City Council
of the City of Pittsburg
Pittsburg, California
Page 2

As discussed in Note 18 to the basic financial statements, certain errors in the Management's Discussion and Analysis and the Statistical Section of the City's previously issued 2008 Comprehensive Annual Financial Report (CAFR) were discovered by the management of the City. In addition, certain errors relating to how the City classified its transfers in and out and capital contributions revenue in its previously issued 2008 CAFR were also discovered. Accordingly, the City's CAFR has been reissued to correct the errors.

As described in Note 1 to the basic financial statements, the City adopted Statement of Governmental Accounting Standards Board No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis, budgetary comparison information and other information, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Introductory Section, Supplementary Information, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.



Oakland, California
December 15, 2008 except for Note 18 Reissuing of the 2008 Comprehensive Annual Financial Report, as to which the date is January 29, 2009



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

December 15 , 2008

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 Fiscal Year ended June 30, 2008. 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 of the City exceeded its liabilities at the close of the Fiscal Year 2007-2008 by \$179M (*net assets*).
- The City's total net assets of \$179.6M increased by \$2M (from \$177M in Fiscal Year 2006-2007) representing a \$7M increase in governmental and a \$5M decrease in business-type total net assets. The increase in the governmental net assets can be attributed mainly to the increase of rehabilitation and construction loans and completion of citywide pavement rehabilitation projects. The \$5M decrease in business-type net assets can be attributed mainly to draw downs of bond proceeds for the Southwest Hills and Old Town Water Infrastructure Projects and the El Dorado Heights Waterline Rehabilitation Project, and various costs related to sewer replacement projects.
- As of June 30, 2008, the City's governmental funds reported combined ending fund balances of \$248.1M, a decrease of \$43.2M in comparison with the prior fiscal year of \$291.3M. Most of the decrease in the governmental fund balances can be attributed to the increase in redevelopment project costs and higher interest costs associated with the Redevelopment Agency 2004 and 2006 Tax Allocation Bonds that were impacted by the financial market upheaval. Transfers-out for capital improvement projects increased \$17.9M. Overall, Total Current Assets decreased by \$26M, however the total for Capital Assets increased by \$30M. Approximately \$10.8M or 4% of this amount is unreserved and undesignated which means this amount is available for spending at the government's discretion.
- Last year, there were seven major funds in the Governmental Funds section of the Comprehensive Annual Financial Report. For the Fiscal Year Ended June 30, 2008, one additional fund, the Budget Stabilization for the Redevelopment Agency was established and categorized as a major fund. Out of the eight major funds, only the General Fund and the Budget Stabilization Redevelopment Agency funds experienced a positive net change to fund balance. The other funds, the Low and Moderate Income Housing Fund, Redevelopment Special Revenue Fund, Housing Authority Fund, Redevelopment Debt Service Fund, and Redevelopment Capital Improvement Funds experienced decreases in fund balances.

- As of June 30, 2008, the fund balance for the General Fund was \$11M, of which \$208,767 is reserved for miscellaneous inventory reserves, the loan of \$150,000 due from the Park Maintenance 2007-1 CFD fund, and prepaid expenses, this leaves an appropriable outstanding fund balance of \$10.8M for Fiscal Year 2008-2009.
- Compared to the prior fiscal year, the City's total liabilities reported in the Government-Wide statements decreased \$4.9M for a total of \$593M, which most can be attributed to annual debt service payments, and to no new issuance of new long term debt.

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 also contains other supplementary information in addition to the basic financial statements themselves.

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 Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in net assets 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 assets during the most recent fiscal year. All changes in net assets 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 time leaves).

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, Golf Course, Island Energy and Pittsburg Power Company operations.

The Government-Wide Financial Statements include not only the City itself but also the Redevelopment Agency, Community Access (formerly known as the Housing and Community Services) and the Pittsburg Power Company. 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 Pittsburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

- *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 35 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for 8 funds that are considered to be major funds. These 8 funds consist of General, Low/Moderate Income Housing I, Low/Moderate Income Housing II, Redevelopment Special Revenue, Budget Stabilization for the Redevelopment Agency, Housing Authority (Section 8), Redevelopment Debt Service, and Redevelopment Capital Projects. Data from the other 27 governmental funds, which are combined into a single, aggregated presentation, are considered 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. Enterprise Funds are used to account for the Water, Sewer, Marina, Golf Course, Island Energy and Pittsburg Power Company operations. 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 its fleet of vehicles maintenance, building maintenance, information and communication systems management, 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.

Proprietary 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, and the Marina Fund; all of which are considered to be major funds. Data from the other three Enterprise Funds are combined into a single, aggregated presentation. Conversely Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund 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 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.

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.

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 Assets - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, combined net assets (government and business-type activities) totaled \$179.6M at the close of the Fiscal Year ended June 30, 2008.

The City uses these capital assets to provide services and operations for the benefit of the community, consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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 Assets for the Fiscal Year ended June 30, 2008 with the comparative data for the Fiscal Year ended June 30, 2007.

City of Pittsburgh Summary of Net Assets As of June 30, 2008

	Governmental Activities		Business-type Activities		Total	
	2007	2008	2007	2008	June 30, 2007	June 30, 2008
Current Assets	\$ 345,162,536	\$ 318,628,757	\$ 47,481,792	\$ 39,843,385	\$ 392,644,328	\$ 358,472,142
Non-Current Assets	5,885,888	5,562,357	-	-	5,885,888	5,562,357
Capital Assets	285,599,084	315,709,834	90,968,074	92,840,703	376,567,158	408,550,537
Total Assets:	<u>636,647,508</u>	<u>639,900,948</u>	<u>138,449,866</u>	<u>132,684,088</u>	<u>775,097,374</u>	<u>772,585,036</u>
Current Liabilities	37,596,087	41,011,682	4,028,875	4,066,609	41,624,962	45,078,291
Non-Current Liabilities	508,677,692	501,195,569	47,621,650	46,715,024	556,299,342	547,910,593
Total Liabilities:	<u>546,273,779</u>	<u>542,207,251</u>	<u>51,650,525</u>	<u>50,781,633</u>	<u>597,924,304</u>	<u>592,988,884</u>
Investments in Capital Assets						
Net of Related Debt	3,247,946	18,733,410	42,643,385	44,780,703	45,891,331	63,514,113
Restricted	58,131,686	28,890,295	13,474,928	24,190,306	71,606,614	53,080,601
Unrestricted	28,994,097	50,069,992	30,681,028	12,931,446	59,675,125	63,001,438
Total Net Assets:	<u>\$ 90,373,729</u>	<u>\$ 97,693,697</u>	<u>\$ 86,799,341</u>	<u>\$ 81,902,455</u>	<u>\$ 177,173,070</u>	<u>\$ 179,596,152</u>

At the end of the Fiscal Year 2007-2008 the total assets exceeded total liabilities by \$179.6M.

Changes in Net Assets - In the Fiscal Year 2007-2008, the City's expenses for governmental activities of \$113.6M exceeded program revenues of \$32M by \$81.6M resulting in the use of general revenues. The City's expenses cover a range of services. Of the Governmental Activities, the largest expenses were in the Community Development and Services category (\$33.4M), Interest on Long-term Debt (23.4M), Public Safety (\$19M), and General Government (\$16.6M). These expenses do not 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.

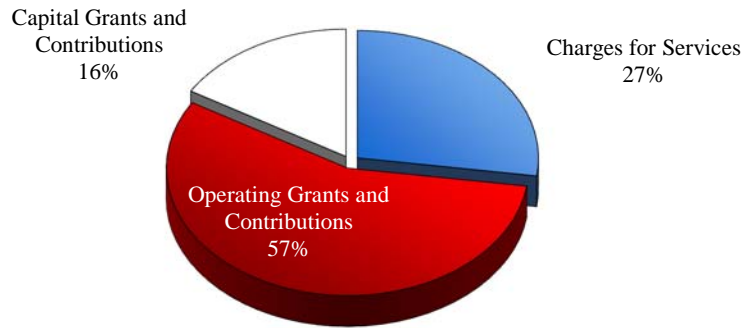
Governmental Activities- Governmental Activities reflects an increase of \$9.4M in net assets and Business Activities reflects a decrease of \$4.0M in net assets for the Fiscal Year 2007-2008. A comparison of the cost of services by function for the City's Governmental Activities is shown below, along with the revenues used to cover the net expenses of the Governmental Activities, and with the comparative data from Fiscal Year 2006-2007.

Statement of Changes in Net Assets
Fiscal Year Ended June 30, 2008
With comparative data for fiscal year ended June 30, 2007

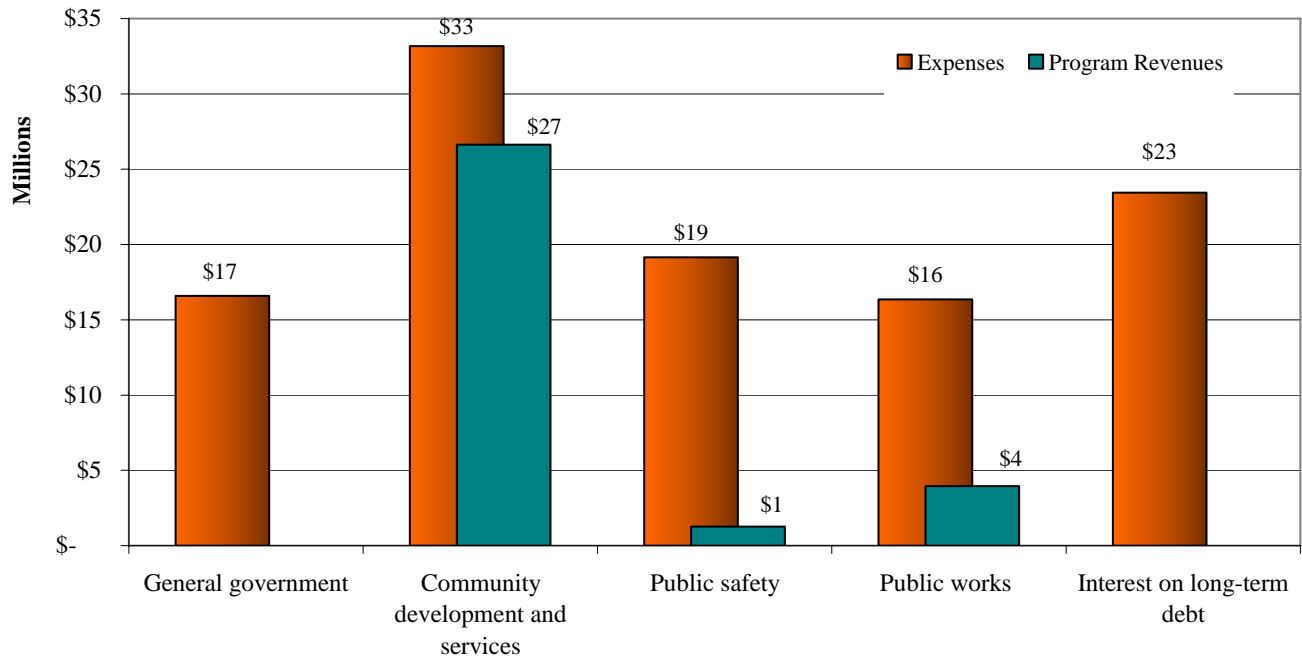
	Governmental Activities		Business -Type Activities		Total	
	2007	2008	2007	2008	June 30, 2007	June 30, 2008
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$ 13,696,897	\$ 8,708,438	\$ 27,735,417	\$ 28,187,872	\$ 41,432,314	\$ 36,896,310
Operating Grants and Contributions	19,357,391	17,999,919	-	-	19,357,391	17,999,919
Capital Grants and Contributions	948,905	5,243,189	197,903	2,401,341	1,146,808	7,644,530
<i>General Revenues:</i>						
Property Taxes	50,917,360	51,782,902	-	-	50,917,360	51,782,902
Sales Taxes	7,953,283	7,295,549	-	-	7,953,283	7,295,549
Franchise Fees	2,246,603	2,340,661	-	-	2,246,603	2,340,661
Motor Vehicle in lieu fees	4,784,517	4,871,681	-	-	4,784,517	4,871,681
Gas Taxes	1,150,412	1,127,603	-	-	1,150,412	1,127,603
Other Taxes	2,391,238	1,204,000	-	-	2,391,238	1,204,000
Investment Earnings - Unrestricted	11,146,109	11,718,198	2,263,490	1,961,224	13,409,599	13,679,422
Transfers	563,960	10,758,553	(563,960)	(10,758,553)	-	-
Total Revenues:	115,156,675	123,050,693	29,632,850	21,791,884	144,789,525	144,842,577
Expenses:						
General Government	9,455,919	16,568,475	-	-	9,455,919	16,568,475
City Council	86,794	82,048	-	-	86,794	82,048
City Manager and City Clerk	922,877	771,446	-	-	922,877	771,446
City Attorney	584,173	750,263	-	-	584,173	750,263
Human Resources	820,474	917,462	-	-	820,474	917,462
Finance and Services	2,384,176	2,405,917	-	-	2,384,176	2,405,917
Community Development & Services	27,708,137	33,381,962	-	-	27,708,137	33,381,962
Public Safety	16,949,031	18,961,917	-	-	16,949,031	18,961,917
Public Works	17,949,516	16,356,492	-	-	17,949,516	16,356,492
Interest on Long-Term Debt	20,495,286	23,435,995	-	-	20,495,286	23,435,995
Water Utility	-	-	13,372,173	14,316,223	13,372,173	14,316,223
Sewer Utility	-	-	1,929,214	1,972,310	1,929,214	1,972,310
Marina	-	-	2,378,869	2,112,615	2,378,869	2,112,615
Golf Course	-	-	1,612,569	1,615,524	1,612,569	1,615,524
Island Energy	-	-	3,560,144	4,469,643	3,560,144	4,469,643
Pittsburg Power	-	-	1,490,429	1,345,135	1,490,429	1,345,135
Total Expenses:	97,356,383	113,631,977	24,343,398	25,831,450	121,699,781	139,463,427
Change in Net Assets	17,800,292	9,418,716	5,289,452	(4,039,566)	23,089,744	5,379,150
Net assets - Beginning of Year, as restated	72,573,437	88,274,981	81,509,889	85,942,021	154,083,326	174,217,002
Net Assets - End of Year	\$ 90,373,729	\$ 97,693,697	\$ 86,799,341	\$ 81,902,455	\$ 177,173,070	\$ 179,596,152

Total Program Revenues from Governmental Activities were \$32M in Fiscal Year 2007-2008. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program Revenues reduce the net cost of the function to be financed from the government's general revenues. As reflected in the pie chart below, 27% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 57% from the Operating Grants and Contributions category (including restricted revenues such as Gas Tax, Measure C Tax, Asset Seizure fund and Federal/State Grants), and 16% are from Capital Grants and Contributions.

Governmental Activities by Program Revenues

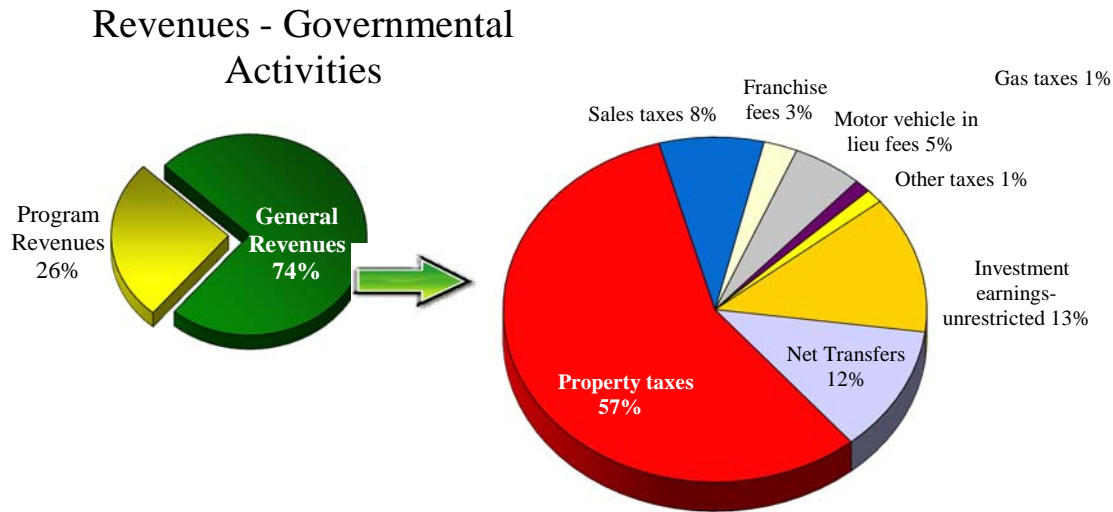


Expenses & Program Revenues for Governmental Activities

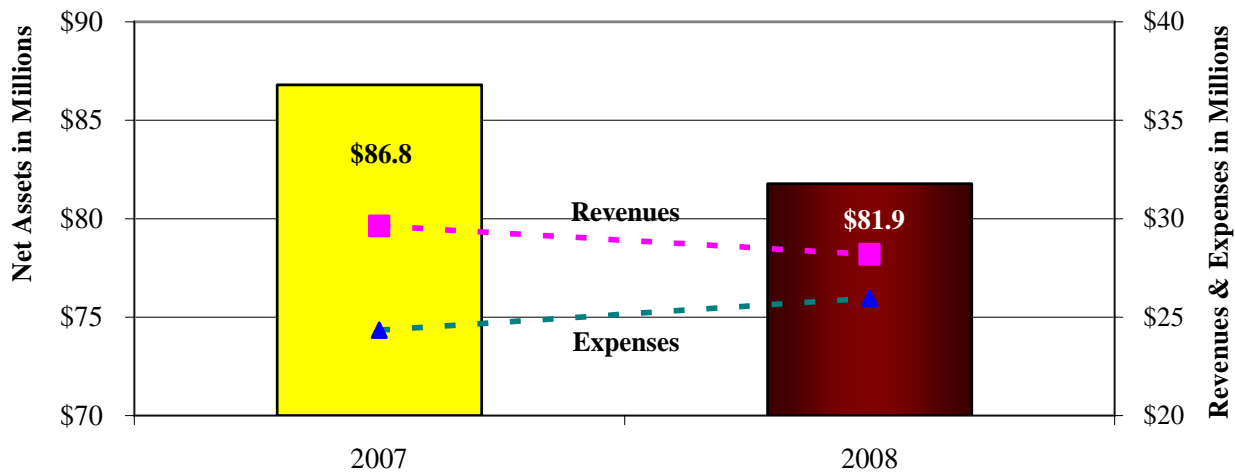


As graphically depicted, General Government services are funded by General Revenues. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. All interest on long-term debt is paid through general revenues, 94% of Public Safety services are supported through general revenues, as is 76% of Public Works services are supported through general revenues.

Total General Revenues from Governmental Activities were \$91M in Fiscal Year 2007-2008. The largest percentage of General Revenues, 57% or \$52M, received during the fiscal year was Property Taxes.



Business-Type Activities



Business-Type Activities - Net assets for Business-Type Activities were \$81.9M, a net decrease of \$4.0M from prior fiscal year. Total program revenues (excluding capital grants and contributions) for Business-Type Activities were \$28.5M (from Charges for Services). Total expenses for the Business-Type Activities were \$25.8M for the Fiscal Year 2007-2008.

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, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's Governmental Funds reported combined ending fund balances of \$248.1M, a decrease of \$43.2M, in comparison with the prior year. Approximately 4% percent of this total amount or \$10.8M constitutes unreserved, *un*-designated fund balance which is available for spending at the government's discretion. Another 33.9M is Unreserved, designated which means that funds are not reserved but designated for specific purposes. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has either been committed to 1) liquidate contracts, purchase orders of the prior period and debt service requirements for the following fiscal years, or 2) continue work on the special activities and capital improvement projects.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$11M with \$208,767 reserved or miscellaneous supplies reserves, the loan of \$150,000 to the Park Maintenance 2007-1 CFD Fund, and prepaid expenses. The unreserved and undesignated amount of \$10.8 M is available to be used at the City Council's discretion.

General Fund Budgetary Highlights - The final amended budget totaled \$34.4M, including \$485,989 for prior fiscal year project carry forward totals and new appropriation amendments to the originally adopted budget, these amendments are briefly summarized below.

Per Resolutions 07-10886, 07-10894, 08-10944, 08-10979, 08-11010, 08-10955, 08-11068 and 08-11099 the City Council adopted the approval of the follow additional appropriations and project carry-forwards:

Budget Carry Forwards

\$	3,044	Mirant Annexation - Planning
	4,000	Ambrose Park Annexation
	8,547	Agenda Management System - City Clerk
	9,500	Document Scanning Services - Engineering
	9,676	Hillside Development Guidelines
	10,000	Bay Point Fiscal Review
	10,000	Temporary Housing Relocation Program
	15,000	Deferred Comp Review
	15,937	Recodification of Municipal Code - City Clerk
	16,853	Port Development - Economic Development
	21,529	East Bay Regional Communications System (EBRCS) Membership
	27,000	Document Scanning Services - Building
	29,000	Cost Plan User Fee Update
	32,000	Signal Pole Replacement
	55,656	Building Plan Check Services
	60,000	Eden Financial System
	60,656	Various Engineering Contract Services
	97,500	Webcast and Voting System
\$	485,898	Sub-Total Budget Carry Over

Approved Appropriations

\$	(1,201,200)	Mid-Year Budget Reduction Adjustments
	15,000	Keller Canyon Grant
	15,000	Public Works Succession Plan
	16,750	Webcasting Equipment
	35,000	Transfers-Out to Landscape Fund (Frontage Rd. Streetlight Repairs)
	40,000	Transfers-Out to Landscape Fund (Streetlight Repairs)
	60,000	Transfers-Out to Golf Course
\$	(1,019,450)	Sub-Total Approved Appropriations
\$	(533,552)	Total Budget Carry Forwards and Approved Appropriations

The amendments to the General Fund estimated revenues in total were a decrease of \$1,025,547 over the adopted budget estimates. This is comprised of a sum of mid-year reduction adjustments of (\$1,172,400), recognition of \$40,000 City land sale increase to RDA, and recognition of a Keller Canyon grant of \$15,000, and other estimated budget changes of \$91,853 which were the result of various Water and Sewer Fund reimbursements to the General Fund for the Eden Financial System enhancements, Pittsburg Power Fund reimbursement to support the Port Development, and the Water and Sewer Fund reimbursements for the Public Works succession plan.

Out of the five largest revenue sources, Property Taxes fell short of the budget by \$593,400, which marks the beginning of the housing market downturn due to the sub-prime mortgage crisis. Sales Tax missed the estimated budget projection by \$284,451, Franchise Taxes exceeded the budget by \$119,461, Motor Vehicle In-Lieu and Backfill taxes fell short of their budgeted projections by \$56,926, and Transient Lodging Taxes exceeded projections by 22,734.

There is a total deferral of revenue of \$1,263,000 to be set aside for future Engineering related construction activity. A total transfer of \$644,000 in engineering plan check (\$105,000) and inspection fees (\$539,000) for United Spiral Pipe, Mercy Housing, and the San Marco Villa subdivisions have been deferred into the Fiscal Year 2008-2009. The Fiscal Year 2006-2007 engineering fees received from Bailey Estates and Vista Del Mar subdivisions will continue to be deferred in the total amount of \$619,000 due to the delay of construction activity.

At the end of the fiscal year, the total actual expenses in the General Fund were \$268,908 under the total amended budget. This is the result of all General Fund operating departments (with the exception of the City Attorney) and projects, operating within budget. The two largest under budget divisions were Public Safety under budget by \$240,044 and Community Development and Services under budget by \$221,768.

The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail. According to GASB 34 criteria the Water Fund and Sewer Fund are the major funds. The Water, Sewer and Marina Fund are no longer considered to be major funds according to GAAP standards, but the City has elected to continue to report the Water, Sewer and Marina Funds to maintain continuity with the prior year reporting format, and to fulfill bond disclosure requirements for the Water and Sewer Bonds.

Total net assets of the Proprietary Funds at the end of the year were \$81.9M; a decrease of \$4.0M from the prior fiscal year, in which \$44.8M was invested in capital assets net of related debt. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's Business-Type Activities.

Capital Asset and Debt Administration - The City's investment in capital assets for its Governmental and Business Type activities as of June 30, 2008, amounts to \$408.5M (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges, water lines, sewer and storm systems, and the golf course. The total increase in the City's investment in capital assets net of depreciation for the current fiscal year was \$33M or 11.6%. Most of the increase can be attributed to the increase in work-in-progress for the revitalization of Pittsburg's Old Town Area, and water and sewer infrastructure projects.

**City of Pittsburg
Capital Assets
(Net of Depreciation)
June 30, 2008**

	Governmental Activities		Business-Type Activities		Total	
	2007	2008	2007	2008	2007	2008
Non-depreciable assets:						
Land	\$ 53,751,984	\$ 54,008,636	\$ 325,000	\$ 325,000	\$ 54,076,984	\$ 54,333,636
Construction in progress	63,574,891	93,753,073	9,135,839	7,267,201	72,710,730	101,020,274
Total non-depreciable assets	<u>117,326,875</u>	<u>147,761,709</u>	<u>9,460,839</u>	<u>7,592,201</u>	<u>126,787,714</u>	<u>155,353,910</u>
Depreciable assets (net of depreciation):						
Building and improvements	37,334,622	37,432,899	14,456,491	14,005,864	51,791,113	51,438,763
Machinery and equipment	4,154,319	4,405,279	839,016	786,204	4,993,335	5,191,483
Infrastructure	126,783,268	126,109,947	66,211,728	70,456,434	192,994,996	196,566,381
Total depreciable assets (net)	<u>168,272,209</u>	<u>167,948,125</u>	<u>81,507,235</u>	<u>85,248,502</u>	<u>249,779,444</u>	<u>253,196,627</u>
Total capital assets	<u>\$ 285,599,084</u>	<u>\$ 315,709,834</u>	<u>\$ 90,968,074</u>	<u>\$ 92,840,703</u>	<u>\$ 376,567,158</u>	<u>\$ 408,550,537</u>

Debt Service Administration - A complete detail of all outstanding debt is contained in Note 8 beginning on page 67 in the Notes to the Basic Financial Statements section. At the end of the fiscal year, the City had total long-term debt outstanding of \$508.3M in Governmental Activities, of this amount, \$466.5M represent the Redevelopment Agency Tax Allocation Bonds (secured solely by the Agency's tax increments), \$41.8M in 2006 Pension Obligation Bonds and the Contra Costa County Employees' Retirement Association (CCCERA) Pension note. \$47.7M in Business-Type Activities represent two revenue bonds in the Water and Sewer Funds.

**City of Pittsburg
Long-Term Debt
June 30, 2008**

	Governmental Activities		Business-Type Activities		Total	
	FY 2006-07	FY 2007-08	FY 2006-07	FY 2007-08	FY 2006-07	FY 2007-08
Tax Allocation Bonds	\$ 472,741,357	\$ 465,191,357	\$ -	\$ -	\$ 472,741,357	\$ 465,191,357
- Unamortized Premium	5,747,169	5,305,079	-	-	5,747,169	5,305,079
- Deferred Gain 2006C Refund	(4,183,894)	-	-	-	(4,183,894)	-
Pension Obligation Bonds	39,566,056	39,441,056	-	-	39,566,056	39,441,056
Deferred Refunding 2006C	-	(4,034,469)	-	-	-	(4,034,469)
2006 CCCERA Pension Note	-	2,411,713	48,310,000	47,685,000	48,310,000	50,096,713
Total Long-Term Debt	<u>\$ 513,870,688</u>	<u>\$ 508,314,736</u>	<u>\$ 48,310,000</u>	<u>\$ 47,685,000</u>	<u>\$ 562,180,688</u>	<u>\$ 555,999,736</u>

Economic Factors and Next Year's Budget - The Association of Bay Area Governments (ABAG) Bay Area Economic Outlook is forecasting a recession for the coming year. The California and national housing slumps showed no signs of abating. As was noted in the preliminary un-audited financial presentation to the Council on October 6, 2008, there will be reduced assessed property valuations due to the foreclosures of many homes in the City of Pittsburg, thus reducing tax increment revenues for the Redevelopment Agency.

A primary on-going goal of the City Council and Management Staff is to develop a "Budget Stabilization Plan" with the objective of reducing the City's dependence on one-time revenues. Management Staff has put into place a prudent plan of establishing a Budget Stabilization Fund within the Redevelopment Agency to insure that future debt service obligations and on-going program costs will be met in light of future State of California "take aways" and general revenue declines. Early retirements are being encouraged and vacant positions are temporarily being placed on hold or eliminated.

In May 2008, the 2005 Water Revenue Bonds were refunded by the 2008 Water Revenue Bonds with credit enhancement provided by Allied Irish Bank. In June 2008, credit enhancement was provided by State Bank in support of the Redevelopment 2004 Subordinated Tax Allocation Bonds. Both variable rated bond transactions are currently trading at around 1.00% with an all inclusive fixed synthetic rate of about 3.8% (includes all costs including letter of credit enhancements).

On November 6, 2008, the Redevelopment 2006A Subordinate Tax Allocation Bonds were successfully refunded by the 2008A Subordinate Tax Allocation Bonds at a fixed rate of 6.77%.

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.

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BASIC FINANCIAL STATEMENTS

CITY OF PITTSBURG
Comprehensive Annual Financial Report
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GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF PITTSBURG
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City of Pittsburg
Statement of Net Assets
June 30, 2008

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 101,388,097	\$ 23,934,429	\$ 125,322,526
Restricted cash and investments (Note 2)	169,634,297	12,379,450	182,013,747
Receivables:			
Accounts	4,350,415	3,065,269	7,415,684
Interest	1,547,233	201,657	1,748,890
Loans/notes (Note 3)	39,863,712	125,000	39,988,712
Supplies	48,399	-	48,399
Inventory	-	131,136	131,136
Prepaid items and other assets	1,796,604	6,444	1,803,048
Total current assets	318,628,757	39,843,385	358,472,142
Non-current assets:			
Deferred charges (Note 6)	5,562,357	-	5,562,357
Capital assets (Note 7):			
Land and nondepreciable assets	147,761,709	7,592,201	155,353,910
Depreciable assets, net	167,948,125	85,248,502	253,196,627
Total capital assets	315,709,834	92,840,703	408,550,537
Total non-current assets	321,272,191	92,840,703	414,112,894
Total assets	639,900,948	132,684,088	772,585,036
LIABILITIES			
Current liabilities:			
Accounts payable	18,855,303	1,566,921	20,422,224
Salaries payable	1,328,447	23,644	1,352,091
Interest payable	6,191,225	-	6,191,225
Refundable deposits	842,522	233,096	1,075,618
Taxes payable	-	137,708	137,708
Loans payable	181,836	-	181,836
Due to other agencies	1,278,047	-	1,278,047
Unearned revenue	1,881,958	429,233	2,311,191
Compensated absences - due within one year (Note 8)	408,231	97,879	506,110
Capital leases - due within one year (Note 8)	184,705	-	184,705
Claims and judgment payable - due within one year	255,713	338,128	593,841
Long-term debt - due within one year (Note 8)	9,603,695	1,240,000	10,843,695
Total current liabilities	41,011,682	4,066,609	45,078,291
Non-current liabilities:			
Compensated absences - due in more than one year (Note 8)	1,932,441	270,024	2,202,465
Capital leases - due in more than one year (Note 8)	552,087	-	552,087
Long-term debt - due in more than one year (Note 8)	498,711,041	46,445,000	545,156,041
Total non-current liabilities	501,195,569	46,715,024	547,910,593
Total liabilities	542,207,251	50,781,633	592,988,884
NET ASSETS			
Invested in capital assets, net of related debt	18,733,410	44,780,703	63,514,113
Restricted for:			
Capital projects	12,090,846	-	12,090,846
Debt service	10,240,574	3,066,769	13,307,343
Facility fees	-	4,651,477	4,651,477
Specific projects and programs	6,558,875	16,472,060	23,030,935
Total restricted assets	28,890,295	24,190,306	53,080,601
Unrestricted net assets	50,069,992	12,931,446	63,001,438
Total net assets	\$ 97,693,697	\$ 81,902,455	\$ 179,596,152

See accompanying Notes to Basic Financial Statements

City of Pittsburgh
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2008

Programs/Functions	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General government	\$ 16,568,475	\$ -	\$ -	\$ -	\$ -
City Council	82,048	-	-	-	-
City Manager and City Clerk	771,446	7,275	-	-	7,275
City Attorney	750,263	-	-	-	-
Human resources	917,462	30	-	-	30
Finance and services	2,405,917	107,413	-	-	107,413
Community development and services	33,381,962	4,913,358	16,462,180	5,243,189	26,618,727
Public safety	18,961,917	750,286	510,881	-	1,261,167
Public works	16,356,492	2,930,076	1,026,858	-	3,956,934
Interest on long-term debt	23,435,995	-	-	-	-
Total governmental activities	113,631,977	8,708,438	17,999,919	5,243,189	31,951,546
Business-Type Activities:					
Water Utility	14,316,223	15,780,234	-	2,179,614	17,959,848
Sewer Utility	1,972,310	3,305,065	-	221,727	3,526,792
Marina	2,112,615	1,732,960	-	-	1,732,960
Golf Course	1,615,524	1,216,570	-	-	1,216,570
Island Energy	4,469,643	3,952,668	-	-	3,952,668
Pittsburg Power	1,345,135	2,200,375	-	-	2,200,375
Total business-type activities	25,831,450	28,187,872	-	2,401,341	30,589,213
Total primary government	\$ 139,463,427	\$ 36,896,310	\$ 17,999,919	\$ 7,644,530	\$ 62,540,759

General Revenues and Transfers:

Taxes:

- Property taxes
- Sales taxes
- Franchise taxes
- Motor vehicle (unrestricted)
- Gas taxes
- Other taxes
- Total taxes

Investment earnings - unrestricted

Transfers (Note 5C)

Total general revenues and transfers

Change in net assets

Net assets - beginning of year, as restated (Note 15)

Net assets - end of year

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
\$ (16,568,475)	\$ -	\$ (16,568,475)
(82,048)	-	(82,048)
(764,171)	-	(764,171)
(750,263)	-	(750,263)
(917,432)	-	(917,432)
(2,298,504)	-	(2,298,504)
(6,763,235)	-	(6,763,235)
(17,700,750)	-	(17,700,750)
(12,399,558)	-	(12,399,558)
(23,435,995)	-	(23,435,995)
<u>(81,680,431)</u>	<u>-</u>	<u>(81,680,431)</u>
-	3,643,625	3,643,625
-	1,554,482	1,554,482
-	(379,655)	(379,655)
-	(398,954)	(398,954)
-	(516,975)	(516,975)
-	855,240	855,240
<u>-</u>	<u>4,757,763</u>	<u>4,757,763</u>
<u>(81,680,431)</u>	<u>4,757,763</u>	<u>(76,922,668)</u>
51,782,902	-	51,782,902
7,295,549	-	7,295,549
2,340,661	-	2,340,661
4,871,681	-	4,871,681
1,127,603	-	1,127,603
1,204,000	-	1,204,000
<u>68,622,396</u>	<u>-</u>	<u>68,622,396</u>
11,718,198	1,961,224	13,679,422
10,758,553	(10,758,553)	-
<u>91,099,147</u>	<u>(8,797,329)</u>	<u>82,301,818</u>
9,418,716	(4,039,566)	5,379,150
<u>88,274,981</u>	<u>85,942,021</u>	<u>174,217,002</u>
<u>\$ 97,693,697</u>	<u>\$ 81,902,455</u>	<u>\$ 179,596,152</u>

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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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.

Low-Moderate Income Housing I Special Revenue Fund accounts for the allocation of the costs of low/moderate income housing programs qualified for the Housing Set-Aside efforts owed to the Agency.

Low-Moderate Income Housing II Special Revenue Fund accounts for the receipts of the mandated 20% set-aside of tax increment revenue in the Los Medanos II and III Areas and expenses related to the low/moderate income housing programs.

Redevelopment Agency Special Revenue Fund accounts for the tax increment revenue received and expenditures to carry out general operation within project areas.

Redevelopment Agency Budget Stabilization Special Revenue Fund accounts for the resources that have been set aside for any unforeseen future expenditure and or revenue decline impacts by the Redevelopment Agency Special Revenue Fund.

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.

Redevelopment Agency Debt Service Fund accounts for the accumulation of resources for payment of principal, interest and related costs of the Agency's long-term debt.

Redevelopment Agency Capital Projects Fund accounts for the funds used to carry out all the operations for capital improvement projects within the Redevelopment Areas, using the tax increments to pay for the project costs.

City of Pittsburg
Balance Sheet
Governmental Funds
June 30, 2008

	Major Funds					
	General Fund	Special Revenue				Housing Authority (Section 8)
		Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	Budget Stablization Redevelopment Agency	
ASSETS						
Cash and investments (Note 2)	\$ 13,205,555	\$ -	\$ 2,157,155	\$ 39,421,637	\$ 10,000,000	\$ 2,494,255
Restricted cash and investments (Note 2)	-	-	-	-	-	-
Receivables:						
Accounts	2,279,213	-	-	25,043	-	81,389
Interest	96,784	-	11,755	232,997	-	13,253
Loans/Notes (Note 3)	-	-	15,476,531	22,380,028	-	-
Due from other funds (Note 5A)	150,000	-	-	-	-	-
Advances to other funds (Note 5B)	-	-	-	8,100,000	-	-
Supplies	38,444	-	-	-	-	-
Prepaid items and other assets	20,323	-	-	43,482	-	-
Total assets	\$ 15,790,319	\$ -	\$ 17,645,441	\$ 70,203,187	\$ 10,000,000	\$ 2,588,897
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,351,401	\$ -	\$ 359,236	\$ 7,062,623	\$ -	\$ 5,850
Salaries payable	1,294,274	-	-	15,591	-	2,740
Interest payable	-	-	-	-	-	-
Refundable deposits	483,261	-	-	73,126	-	-
Loans payable	-	-	-	-	-	-
Due to other agencies	-	-	-	572,884	-	-
Due to other funds (Note 5A)	-	-	-	-	-	-
Advances from other funds (Note 5B)	-	8,100,000	-	-	-	-
Deferred revenue (Note 4)	1,659,604	-	15,476,531	21,790,593	-	-
Total liabilities	4,788,540	8,100,000	15,835,767	29,514,817	-	8,590
Fund Balances (Note 10):						
Reserved	208,767	-	1,809,674	8,732,917	-	2,580,307
Unreserved, designated	-	(8,100,000)	-	31,955,453	10,000,000	-
Unreserved, undesignated reported in:						
General fund	10,793,012	-	-	-	-	-
Total fund balances	11,001,779	(8,100,000)	1,809,674	40,688,370	10,000,000	2,580,307
Total liabilities and fund balances	\$ 15,790,319	\$ -	\$ 17,645,441	\$ 70,203,187	\$ 10,000,000	\$ 2,588,897

See accompanying Notes to Basic Financial Statements

Major Funds			
Debt Service	Capital Projects		
Redevelopment Agency	Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
\$ 428,231	\$ 6,831,637	\$ 21,314,365	\$ 95,852,835
168,631,943	-	1,002,354	169,634,297
2,000	91,273	1,838,020	4,316,938
1,090,125	-	102,319	1,547,233
-	-	1,977,322	39,833,881
-	-	-	150,000
-	-	-	8,100,000
-	-	-	38,444
-	1,447,199	487	1,511,491
<u>\$ 170,152,299</u>	<u>\$ 8,370,109</u>	<u>\$ 26,234,867</u>	<u>\$ 320,985,119</u>
\$ 165,649	\$ 8,270,109	\$ 1,178,343	\$ 18,393,211
-	-	11,838	1,324,443
290,539	-	932,258	1,222,797
-	100,000	186,135	842,522
-	-	181,836	181,836
692,882	-	12,281	1,278,047
-	-	150,000	150,000
-	-	-	8,100,000
53,907	-	2,382,050	41,362,685
<u>1,202,977</u>	<u>8,370,109</u>	<u>5,034,741</u>	<u>72,855,541</u>
168,949,322	-	21,200,126	203,481,113
-	-	-	33,855,453
-	-	-	10,793,012
<u>168,949,322</u>	<u>-</u>	<u>21,200,126</u>	<u>248,129,578</u>
<u>\$ 170,152,299</u>	<u>\$ 8,370,109</u>	<u>\$ 26,234,867</u>	<u>\$ 320,985,119</u>

CITY OF PITTSBURG
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City of Pittsburg
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2008

Total Fund Balances - Total Governmental Funds \$ 248,129,578

Amounts reported for Governmental Activities in the Statement of Net Assets were different because:

Capital assets used in governmental activities are not current financial resources. Therefore, they were not reported in the governmental funds. Except for the Internal Service Funds amounts of \$3,830,545 which are reported below, the capital assets were adjusted as follows:

Non-depreciable	147,761,709
Depreciable, net	164,117,580
Total capital assets	<u>311,879,289</u>

Bond issuance costs are expenses in the governmental funds but are capitalized and amortized in the Government-Wide Statement of Net Assets. 5,562,357

Interest payable on long-term debt for which resources had not already been transferred to trust agents did not require current financial resources. Therefore, a portion of interest payable was not reported as a liability in the governmental funds. (4,968,428)

Revenues on loans receivable have been deferred in the governmental funds since they do not meet the revenue recognition criteria based on the modified accrual basis of accounting. However, this revenue is recognized in the Government-Wide Financial Statements which are based on the accrual basis of accounting. 39,480,727

Internal Service Funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal Service Funds were included in governmental activities in the Government-Wide Statement of Net Assets. 8,213,567

Long-term liabilities are not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet. The long-term liabilities were adjusted as follows:

Compensated absences - due within one year	(400,910)
Long-term liabilities - due within one year	(9,603,695)
Compensated absences - due in more than one year	(1,887,747)
Long-term liabilities - due in more than one year	(498,711,041)
Total long-term liabilities	<u>(510,603,393)</u>

Net Assets of Governmental Activities \$ 97,693,697

City of Pittsburgh
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2008

	Major Funds					
	General Fund	Special Revenue				Housing Authority (Section 8)
		Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	Budget Stabilization Redevelopment Agency	
REVENUES:						
Property taxes	\$ 3,571,600	\$ -	\$ 3,315,231	\$ 44,896,071	\$ -	\$ -
Sales taxes	7,295,549	-	-	-	-	-
Franchise taxes	2,340,661	-	-	-	-	-
Other taxes	1,244,781	-	-	-	-	-
Intergovernmental revenues	5,870,319	-	-	27,061	-	10,153,414
Permits, licenses and fees	620,035	-	-	-	-	-
Fines and forfeitures	879,653	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Service fees	2,705,680	-	7,500	633	-	-
Use of money and property	751,666	-	160,995	1,216,491	-	113,950
Other revenues	831,781	-	15,228	722,703	-	21,507
Total revenues	26,111,725	-	3,498,954	46,862,959	-	10,288,871
EXPENDITURES:						
Current:						
General Government	2,459,941	-	29,372	11,496,220	-	889,483
City Council	81,937	-	-	-	-	-
City Manager and City Clerk	705,722	-	-	-	-	-
City Attorney	750,263	-	-	-	-	-
Human resources	868,342	-	-	-	-	-
Finance and services	2,161,286	-	-	-	-	-
Community development and services	5,771,565	-	6,530,542	9,311,257	-	9,829,910
Public safety	17,605,084	-	-	-	-	-
Public works - administration	132,418	-	-	-	-	-
Public works - streets	1,930,849	-	-	-	-	-
Public works - parks	134,949	-	-	-	-	-
General non-departmental	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	2,860,159	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	32,602,356	-	6,559,914	23,667,636	-	10,719,393
REVENUES OVER (UNDER) EXPENDITURES	(6,490,631)	-	(3,060,960)	23,195,323	-	(430,522)
OTHER FINANCING SOURCES (USES):						
Proceeds from sale of capital assets	1,940,000	-	-	-	-	-
Payment to escrow account	-	-	-	-	-	-
Transfers in (Note 5C)	6,232,977	-	5,352,433	667,532	10,000,000	-
Transfers out (Note 5C)	(1,572,100)	-	(3,437,347)	(41,202,841)	-	-
Total other financing sources (uses)	6,600,877	-	1,915,086	(40,535,309)	10,000,000	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	110,246	-	(1,145,874)	(17,339,986)	10,000,000	(430,522)
FUND BALANCES:						
Beginning of year, as restated	10,891,533	(8,100,000)	2,955,548	58,028,356	-	3,010,829
End of year	\$ 11,001,779	\$ (8,100,000)	\$ 1,809,674	\$ 40,688,370	\$ 10,000,000	\$ 2,580,307

See accompanying Notes to Basic Financial Statements

Major Funds			
Debt Service	Capital Projects		
Redevelopment Agency	Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 51,782,902
-	-	-	7,295,549
-	-	-	2,340,661
-	-	-	1,244,781
-	3,896,467	5,171,467	25,118,728
-	-	1,470,474	2,090,509
-	-	-	879,653
-	-	2,789,387	2,789,387
-	-	2,096,473	4,810,286
8,386,822	-	814,383	11,444,307
-	30,485	738,766	2,360,470
<u>8,386,822</u>	<u>3,926,952</u>	<u>13,080,950</u>	<u>112,157,233</u>
-	-	35,560	14,910,576
-	-	-	81,937
-	-	-	705,722
-	-	-	750,263
-	-	-	868,342
-	-	-	2,161,286
-	6,056,444	1,598,105	39,097,823
-	-	536,254	18,141,338
-	-	-	132,418
-	-	6,690,344	8,621,193
-	-	-	134,949
-	-	649,898	649,898
-	46,917,541	-	49,777,700
7,550,000	-	-	7,550,000
12,500	-	-	12,500
<u>23,213,722</u>	<u>-</u>	<u>2,047,055</u>	<u>25,260,777</u>
<u>30,776,222</u>	<u>52,973,985</u>	<u>11,557,216</u>	<u>168,856,722</u>
(22,389,400)	(49,047,033)	1,523,734	(56,699,489)
-	375,000	-	2,315,000
(214)	-	-	(214)
21,527,750	48,672,033	2,083,925	94,536,650
(30,968,440)	-	(6,191,793)	(83,372,521)
<u>(9,440,904)</u>	<u>49,047,033</u>	<u>(4,107,868)</u>	<u>13,478,915</u>
(31,830,304)	-	(2,584,134)	(43,220,574)
200,779,626	-	23,784,260	291,350,152
<u>\$ 168,949,322</u>	<u>\$ -</u>	<u>\$ 21,200,126</u>	<u>\$ 248,129,578</u>

City of Pittsburg

Reconciliation of the Governmental Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ (43,220,574)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds reported acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	45,412,842
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(7,272,076)
Deferred charges on issuance of debt are recorded as expenditures in the governmental funds. In the Government-Wide Financial Statements, these costs are capitalized and amortized over the life of the debt.	(323,531)
Bond premiums are recognized as revenue on the governmental funds. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the bond Premiums are amortized over the life of the bonds. This amount represents the amount amortized.	442,090
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. Accrued interest payable changed by this amount.	1,636,928
Disposal of capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets while the total proceeds of the sale is reported in the governmental funds.	
Proceeds on sale of assets	(2,315,000)
Loss on sale of assets	(2,700,409)
CCCERA Pension Obligation Note was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, it was not reported as expenditures in governmental funds. The following amount represented the amount accrued in the current year.	(2,505,433)
Repayment of bond principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.	7,768,720
Payment to escrow agents is an expenditure in the governmental funds, but the payment to escrow agents reduces long-term liabilities in the Government-Wide Statement of Net Assets.	
Amortized amount deferred on refunding	(149,425)
Compensated absences was an expenditure in the governmental funds, but it is treated as liabilities in the Government-Wide Statement of Net Assets.	(108,018)
Revenues that have not met the revenue recognition criteria in the governmental funds are recognized as revenue in the Government-Wide Financial Statements.	13,231,536
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.	(478,934)

Change in Net Assets of Governmental Activities	\$ 9,418,716
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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 expenditures associated with management, operation, and maintenance of the 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 expenditures 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.

City of Pittsburg
Statement of Net Assets
Proprietary Funds
June 30, 2008

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
ASSETS			
Current assets			
Cash and investments (Note 2)	\$ 12,456,267	\$ 4,662,593	\$ 592,044
Restricted cash and investments (Note 2)	11,302,275	969,120	-
Receivables:			
Accounts	1,915,603	408,656	7,032
Interest	138,816	27,741	3,075
Loans/Notes (Note 3)	-	-	-
Inventory	69,585	7,875	-
Prepaid items and other assets	350	5,344	750
Total current assets	25,882,896	6,081,329	602,901
Noncurrent assets:			
Advances to other funds	-	104,280	-
Capital assets (Note 7):			
Non-depreciable assets	6,694,837	806,250	91,114
Depreciable assets, net	48,330,114	16,762,231	13,271,552
Total noncurrent assets	55,024,951	17,672,761	13,362,666
Total assets	80,907,847	23,754,090	13,965,567
LIABILITIES			
Current liabilities:			
Accounts payable	988,174	183,144	118,670
Salaries payable	10,477	2,482	2,499
Taxes payable	-	-	63,401
Refundable deposits	58,336	5,000	72,796
Unearned revenue	-	-	-
Claims and judgments payable - due within one year	338,128	-	-
Compensated absences payable - due within one year	44,262	16,974	23,712
Capital lease - due within one year	-	-	-
Long-term debt - due within one year (Note 8)	685,000	555,000	-
Total current liabilities	2,124,377	762,600	281,078
Noncurrent liabilities:			
Advances from other funds	104,280	-	-
Compensated absences payable - due in more than one year	104,572	23,560	36,963
Capital lease - due in more than one year	-	-	-
Long-term debt - due in more than one year (Note 8)	37,260,000	9,185,000	-
Total noncurrent liabilities	37,468,852	9,208,560	36,963
Total liabilities	39,593,229	9,971,160	318,041
NET ASSETS			
Invested in capital assets, net of related debt	17,079,951	7,828,481	13,362,666
Restricted for:			
Debt service	2,154,691	912,078	-
Special purpose	13,372,309	969,120	218,900
Facility fees	4,009,055	642,422	-
Unrestricted	4,698,612	3,430,829	65,960
Total net assets	\$ 41,314,618	\$ 13,782,930	\$ 13,647,526

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 6,223,525	\$ 23,934,429	\$ 5,535,262
108,055	12,379,450	-
733,978	3,065,269	33,477
32,025	201,657	-
125,000	125,000	29,831
53,676	131,136	9,955
-	6,444	285,113
<u>7,276,259</u>	<u>39,843,385</u>	<u>5,893,638</u>
1,625,000	1,729,280	-
-	7,592,201	-
6,884,605	85,248,502	3,830,545
<u>8,509,605</u>	<u>94,569,983</u>	<u>3,830,545</u>
15,785,864	134,413,368	9,724,183
276,933	1,566,921	462,092
8,186	23,644	4,004
74,307	137,708	-
96,964	233,096	-
429,233	429,233	-
-	338,128	255,713
12,931	97,879	7,321
-	-	184,705
-	1,240,000	-
<u>898,554</u>	<u>4,066,609</u>	<u>913,835</u>
1,625,000	1,729,280	-
104,929	270,024	44,694
-	-	552,087
-	46,445,000	-
<u>1,729,929</u>	<u>48,444,304</u>	<u>596,781</u>
<u>2,628,483</u>	<u>52,510,913</u>	<u>1,510,616</u>
6,509,605	44,780,703	3,270,478
-	3,066,769	-
1,911,731	16,472,060	148,174
-	4,651,477	-
4,736,045	12,931,446	4,794,915
<u>\$ 13,157,381</u>	<u>\$ 81,902,455</u>	<u>\$ 8,213,567</u>

City of Pittsburg
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2008

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
OPERATING REVENUES:			
Charges for services	\$ 14,445,798	\$ 3,215,434	\$ 1,099,723
Meter fees	11,937	-	-
Other Fees	995,238	-	-
Rent and concessions	-	-	52,824
Gas and oil sales	-	-	571,510
Other operating revenues	327,261	89,631	8,903
Total operating revenues	15,780,234	3,305,065	1,732,960
OPERATING EXPENSES:			
Salaries and wages	1,956,549	458,526	407,290
Department supplies	5,872,127	39,065	603,571
Rentals	12,242	886	63
Utilities	841,834	2,184	146,150
Maintenance and operations	826,303	266,189	267,621
Depreciation and amortization	960,142	446,925	438,370
Insurance premiums	-	-	-
Insurance deductible	-	-	-
Fringe benefits	993,823	282,923	265,707
Other operating expenses	612,552	99,564	8,214
Total operating expenses	12,075,572	1,596,262	2,136,986
OPERATING INCOME (LOSS)	3,704,662	1,708,803	(404,026)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	1,468,660	250,268	-
Capital Contributions	2,194,131	221,727	-
Interest and fiscal charges	(2,240,651)	(376,048)	24,371
Gain (loss) on disposal of assets	-	-	-
Total nonoperating revenues (expenses)	1,422,140	95,947	24,371
INCOME (LOSS) BEFORE OPERATING TRANSFERS	5,126,802	1,804,750	(379,655)
OPERATING TRANSFERS:			
Transfers in (Note 5C)	1,162,306	-	-
Transfers out (Note 5C)	(11,263,552)	(542,631)	(83,137)
Total operating transfers	(10,101,246)	(542,631)	(83,137)
Change in net assets	(4,974,444)	1,262,119	(462,792)
NET ASSETS:			
Beginning of year, as restated	46,289,062	12,520,811	14,110,318
End of year	\$ 41,314,618	\$ 13,782,930	\$ 13,647,526

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 6,592,576	\$ 25,353,531	\$ 7,102,758
-	11,937	-
2,891	998,129	-
403,742	456,566	-
74,173	645,683	-
296,231	722,026	193,271
<u>7,369,613</u>	<u>28,187,872</u>	<u>7,296,029</u>
959,972	3,782,337	748,616
2,395,533	8,910,296	1,235,772
25,518	38,709	28,843
53,529	1,043,697	327,061
2,814,399	4,174,512	1,261,458
423,120	2,268,557	580,995
-	-	354,818
-	-	283,527
503,041	2,045,494	2,709,939
255,190	975,520	27,926
<u>7,430,302</u>	<u>23,239,122</u>	<u>7,558,955</u>
<u>(60,689)</u>	<u>4,948,750</u>	<u>(262,926)</u>
242,296	1,961,224	138,984
-	2,415,858	-
-	(2,592,328)	-
-	-	36,067
<u>242,296</u>	<u>1,784,754</u>	<u>175,051</u>
<u>181,607</u>	<u>6,733,504</u>	<u>(87,875)</u>
155,000	1,317,306	-
<u>(201,056)</u>	<u>(12,090,376)</u>	<u>(391,059)</u>
<u>(46,056)</u>	<u>(10,773,070)</u>	<u>(391,059)</u>
135,551	(4,039,566)	(478,934)
<u>13,021,830</u>	<u>85,942,021</u>	<u>8,692,501</u>
<u>\$ 13,157,381</u>	<u>\$ 81,902,455</u>	<u>\$ 8,213,567</u>

City of Pittsburg
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2008

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 16,593,266	\$ 3,916,828	\$ 1,735,990
Cash payments to suppliers of goods and services	(7,580,260)	(520,036)	(925,121)
Cash payments to employees for services	(3,021,670)	(750,654)	(680,247)
Other operating revenues	(285,291)	(9,933)	689
Net cash provided (used) by operating activities	5,706,044	2,636,205	131,311
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	1,162,306	-	-
Transfers out	(11,263,552)	(542,631)	(83,137)
Interfund payments	-	100,000	-
Net cash provided (used) by noncapital financing activities	(10,101,246)	(442,631)	(83,137)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from long-term debt	-	-	-
Principal paid on long-term debt	(450,000)	(545,000)	-
Interest and fiscal charges paid on long-term debt	(2,240,651)	(376,048)	-
Proceeds from sale of capital assets	-	-	-
Acquisition of capital assets	-	(857,219)	-
Net cash provided (used) by capital and related financing activities	(2,690,651)	(1,778,267)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	-	250,268	-
Net cash provided (used) by investing activities	-	250,268	-
Net increase (decrease) in cash and cash equivalents	(7,085,853)	665,575	48,174
CASH AND CASH EQUIVALENTS:			
Beginning of year	30,844,395	4,966,138	543,870
End of year	<u>\$ 23,758,542</u>	<u>\$ 5,631,713</u>	<u>\$ 592,044</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 3,704,662	\$ 1,708,803	\$ (404,026)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	960,142	446,925	438,370
Changes in operating assets and liabilities:			
Accounts receivable	1,159,278	701,738	8,960
Loans receivable	-	-	-
Inventory	(41,039)	-	-
Prepaid items	(350)	(344)	(750)
Accounts payable	13,285	(211,712)	36,861
Salaries payable	(65,495)	(13,907)	(11,693)
Taxes payable	-	-	28,623
Refundable deposits	(18,635)	-	3,723
Due to other agencies	-	-	26,800
Compensated absences	(5,803)	4,702	4,443
Insurance claims payable	-	-	-
Total adjustments	<u>2,001,382</u>	<u>927,402</u>	<u>535,337</u>
Net cash provided (used) by operating activities	\$ 5,706,044	\$ 2,636,205	\$ 131,311
NON-CASH TRANSACTIONS			
Capital Contributions	<u>\$ 2,194,131</u>	<u>\$ 221,727</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 7,382,120	\$ 29,628,204	\$ 7,164,067
(5,162,153)	(14,187,570)	(3,499,185)
(1,587,361)	(6,039,932)	(3,249,901)
41,041	(253,494)	165,263
<u>673,647</u>	<u>9,147,207</u>	<u>580,244</u>
155,000	1,317,306	-
(201,056)	(12,090,376)	(391,059)
-	100,000	-
<u>(46,056)</u>	<u>(10,673,070)</u>	<u>(391,059)</u>
-	-	-
-	(995,000)	-
-	(2,616,699)	-
-	-	36,067
9,983	(847,236)	(615,987)
<u>9,983</u>	<u>(4,458,935)</u>	<u>(579,920)</u>
241,517	491,785	138,983
<u>241,517</u>	<u>491,785</u>	<u>138,983</u>
879,091	(5,493,013)	(251,752)
5,452,489	41,806,892	5,787,014
<u>\$ 6,331,580</u>	<u>\$ 36,313,879</u>	<u>\$ 5,535,262</u>
<u>\$ (60,689)</u>	<u>\$ 4,948,750</u>	<u>\$ (262,926)</u>
423,120	2,268,557	580,995
150,097	2,020,073	61,310
(125,000)	(125,000)	820
2,802	(38,237)	(3,354)
10,257	8,813	(34,772)
117,853	(43,713)	159,094
(16,486)	(107,581)	(17,592)
(4,086)	24,537	-
37,413	22,501	-
121,228	148,028	-
17,138	20,480	9,299
-	-	87,370
<u>734,336</u>	<u>4,198,457</u>	<u>843,170</u>
<u>\$ 673,647</u>	<u>\$ 9,147,207</u>	<u>\$ 580,244</u>
<u>\$ -</u>	<u>\$ 2,415,858</u>	<u>\$ -</u>

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



FIDUCIARY FUND FINANCIAL STATEMENTS

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

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 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
Statement of Net Assets
Fiduciary Funds
June 30, 2008

	Agency Funds
	<u> </u>
ASSETS	
Cash and investments	\$ 3,686,555
Cash and investments held by fiscal agent	8,044,165
Assessment receivable	2,285,146
Interest receivable	41,975
	<u> </u>
Total assets	\$ 14,057,841
	<u><u> </u></u>
LIABILITIES	
Accounts payable	\$ 1,146,817
Deferred assessments	2,280,146
Due to other parties	4,605,317
Due to bondholders	6,020,561
	<u> </u>
Total liabilities	\$ 14,052,841
	<u><u> </u></u>

City of Pittsburg
Notes to Basic Financial Statements
For the year ended June 30, 2008

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

Redevelopment Agency of the City of Pittsburg

The Redevelopment Agency (Agency) was established in November 1981 pursuant to the State of California Health and Safety Codes, Section 33000, entitled "Community Redevelopment Law." Its purpose is to prepare and carry out plans for the improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City.

Community Access

Community Access (Formerly known as the Housing & Community Programs) was established to account for Federal funds for low income housing under both certificate and voucher programs. Community Access is reported in the special revenue fund of the City. No separate financial report is issued by Community Access.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity, Continued

Public Infrastructure Financing Authority

The Public Infrastructure Financing Authority (Authority) was established by a Joint Exercise of Powers Agreement dated December 5, 1994, by and among the City and the Agency, and is qualified to issue bonds under the Mello-Roos Local Bond Pooling Act of 1985. The Authority was formed to finance the acquisition of certain public improvements and refinance prior outstanding special assessment district debt with City commitment. The Authority is currently inactive; therefore, no separate financial report is issued.

Pittsburg Power Company

The Pittsburg Power Company (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 Island Energy enterprise fund of the City. No separate financial report is issued by the Company.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB Statement No. 14. 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 Agency, Community Access, Authority, and Company and 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 the Agency, Community Access, Authority, and Company are reported as separate funds in the special revenue, debt service, and capital projects funds. The following specific criteria are used in determining that the 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 Agency to use for redevelopment purposes and to the Authority and Community Access for operational purposes. Property tax and other revenues of the entities are used to repay the loans to the City.

Detailed financial statements are available for the Agency from the City's Finance Department.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Assets and a Statement of Activities and Changes in Net Assets. 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 liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. 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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets 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 interfund activities have been eliminated:

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, Continued

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989 to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

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 between fund balances as presented in these statements to the net assets 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 description 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.

Low-Moderate Income Housing I Special Revenue Fund – This fund accounts for the allocation of the costs of low/moderate income housing programs qualified for the Housing Set-Aside efforts owed to the Agency.

Low-Moderate Income Housing II Special Revenue Fund – This fund accounts for the receipts of the mandated 20% set-aside of tax increment revenue in the Los Medanos II and III Areas and expenses related to the low/moderate income housing programs.

Redevelopment Agency Special Revenue Fund – This fund accounts for the tax increment revenue received and expenditures to carry out general operation within project areas.

Redevelopment Agency Budget Stabilization Special Revenue Fund – This fund accounts for the resources that have been set aside for any unforeseen future expenditure and/or revenue decline impacts by the Redevelopment Agency Special Revenue Fund.

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

Redevelopment Agency Debt Service Fund – This fund accounts for the accumulation of resources for payment of principal, interest and related costs of the Agency's long-term debt.

Redevelopment Agency Capital Projects Fund – This fund accounts for the funds used to carry out all the operations for capital improvement projects within the Redevelopment Areas, using the tax increments to pay for the project costs.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, 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 assets. 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 taxes, 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.

Reconciliation of the Fund financial statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

Proprietary Fund Financial Statements

Proprietary Fund financial statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Net Assets, 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 and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Net Assets presents increases (revenues) and decreases (expenses) in total net assets. 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 funds 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, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, Continued

The following are descriptions of the major enterprise funds:

Water Utility Fund - This fund accounts for the revenues and expenditures 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 expenditures 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.

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 benefit costs to various departments.

The following are descriptions of the Fiduciary Funds:

Fiduciary fund financial statements include a Statement of Net Assets. The City's fiduciary funds represent 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.

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 Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Use of Restricted/Unrestricted Net Assets

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

D. 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 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.

E. 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.

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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 of Contra Costa (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 County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid.

G. Interfund Balances/Internal Balances

Advances to and advances from other funds represent interfund 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.”

H. Capital Assets

Capital assets, which include land, buildings, improvements, 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. Donated assets are valued at their estimated fair value on the date donated.

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets, Continued

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 |

GASB Statement No. 34 requires the inclusion of infrastructure capital assets in local governments' basic financial statements. Consequently, 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.

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.

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred.

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

J. 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. Issuance costs are reported as deferred charges.

Fund Financial Statements

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

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.

K. Deferred/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.

Fund Financial Statements

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. *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 hourly 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.

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 Assets.

M. *Net Assets and Fund Equity*

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Assets - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted Net Assets - This amount is all net assets that do not meet the definition of "invested in capital assets, net of related debt" or "restricted net assets."

Fund Financial Statements

Reservations and designations of fund balances of governmental funds and unrestricted net assets of proprietary funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund equity be segregated or identify the portion of the fund equity not available for future expenditures.

Reservations and designations used by the City are as follows:

Reserved for Supplies represents assets set aside as inventory and not available to be used to meet expenditures in the current period.

Reserved for Capital Projects represents funds reserved for capital and improvement projects.

Reserved for Special Projects represents funds received from various State and Federal award programs which have been set aside to fulfill the requirements of the award and special projects.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets and Fund Equity, Continued

Fund Financial Statements, Continued

Reserved for Debt Service represents amounts accumulated in accordance with a bond indenture or similar covenant.

Reserved for Prepaid Items represent funds that have already been expended and are not available as a resource to meet expenditures of the current year.

Reserved for Advances represents funds that are to be received from other funds on a long-term basis.

Designated for Loans - CFD represents funds designated for loans from the General Fund to the Community Facilities District until special CFD tax receipts of the CFD are adequate to cover the increasing demands for park maintenance services within this Community Facilities District (CFD).

Designated for Capital Projects represents funds designated for capital, improvement projects and various projects in the Redevelopment Project area.

N. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

O. New Pronouncements

In 2008, the City adopted new accounting standards in order to conform to the following GASB Statements:

- GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* - This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. In addition, this Statement establishes accounting and financial reporting standards that apply to all intra-entity transfers of assets and future revenues.
- GASB Statement No. 50, *Pension Disclosures - An amendment of GASB Statements No. 25 and 27* - This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (RSI).

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

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.

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 the City’s fiscal agent as required under its debt issues; the City normally invests in LAIF that is administered by the State.

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.

	<u>Government-Wide Statement of Net Assets</u>				
	<u>Governmental</u>	<u>Business-Type</u>		<u>Fiduciary</u>	
	<u>Activities</u>	<u>Activities</u>	<u>Total</u>	<u>Funds</u>	<u>Total</u>
Cash and investments	<u>\$ 101,388,097</u>	<u>\$ 23,934,429</u>	<u>\$ 125,322,526</u>	<u>\$ 3,686,555</u>	<u>\$ 129,009,081</u>
Restricted cash and investments	<u>\$ 169,634,297</u>	<u>\$ 12,379,450</u>	<u>\$ 182,013,747</u>	<u>\$ 8,044,165</u>	<u>\$ 190,057,912</u>
Total cash and investments					<u>\$ 319,066,993</u>

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, Continued
For the year ended June 30, 2008

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum per Issuer
U.S. Treasury Obligations	5 Years	None	None	None
Federal Agency Obligations	5 Years	None	50%	15%
Bankers Acceptances	180 days	A1	40%	15%
Commercial Paper	270 days	A1	25%	10%
Negotiable Certificates of Deposits	5 Years	Aa/AA	30%	15%
Certificates of Deposits	1 Year	"A"	30%	15%
Repurchase Agreements	90 Days	"A"	15%	15%
Medium-Term Notes	5 Years	"A"	30%	15%
Money Market Fund	N/A	3 highest ratings	20%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$40 Million	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 reported a loss of \$4,100.

The City's investments with LAIF, a State of California external investment pool, at June 30, 2008, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

Structured Notes - debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or state maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities - generally mortgage-backed securities which entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralize Mortgage Obligations) or credit card receivables.

As of June 30, 2008, the City had \$82,359,156 invested in LAIF, which had invested 14.72% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.466% in the previous year. The LAIF fair value factor of 0.999950219 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.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 2 - CASH AND INVESTMENTS (Continued)

D. Investments Authorized by Debt Agreements

The City 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 City fails to meet its 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
U.S. Treasury Obligations	N/A	None
U.S. Agencies	N/A	AAA
Bankers Acceptances	360 days	A-1/A-1+
Commercial Paper	270 days	A-1+
Money Market Fund	N/A	AAAm
State of California Obligations	N/A	A
Municipal Obligations	N/A	AAA
Pre-refunded Municipal Obligations	N/A	AAA
Certificates of Deposits	N/A	None
Guaranteed Investment Agreements	N/A	None
Repurchase Agreements	30 days	A
Local Agency Investment Fund (LAIF)	N/A	None
California Asset Management Program (CAMP)	N/A	None

E. 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	Fair Value	Investment Maturities (in years)		
		1 year or less	1-5 years	Over 5 years
Cash in banks and on hand	\$ 34,551,231	\$ 34,551,231	\$ -	\$ -
Securities of U.S. Government	5,663,702	5,663,702	-	-
Money Market	35,373,810	35,373,810	-	-
Local Agency Investments Funds	82,359,156	82,359,156	-	-
Guaranteed Investment Agreements	124,119,094	3,716,910	98,434,152	21,968,032
Certificate of Deposit	37,000,000	37,000,000	-	-
Total	\$ 319,066,993	\$ 198,664,809	\$ 98,434,152	\$ 21,968,032

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. Interest Rate Risk, Continued

At June 30, 2008, these investments matured in an average of 212 days.

Money Market Funds are available for withdrawal on demand and at June 30, 2008 matured in an average of 14 days.

F. 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, 2008 for each investment type as provided by Standard and Poor's investment rating system.

	<u>Credit Quality Ratings</u>	<u>Fair Value</u>
	<u>At Year End</u>	
Cash in banks and on hand	-	\$ 34,551,231
Certificate of Deposit	Not Rated	37,000,000
Securities of U.S. Government Agencies	AAA	5,663,702
Local Agency Investment Funds	Not Rated	82,359,156
Guaranteed Investment Contracts	Not Rated	124,119,094
Money Market Funds	AAA	35,373,810
		<u>\$ 319,066,993</u>

G. Concentration of Credit Risk

Significant investments in the securities of any individual issuers, other than U. S. Treasury securities, mutual funds and external investment pools are set forth below:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
Royal Bank of Canada	Guaranteed Investment Agreements	\$ 98,434,152
MBIA INS. Corp. Financial	Guaranteed Investment Agreements	14,491,608
	Total Guaranteed Investment Agreements	<u>\$ 112,925,760</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 3-NOTES AND LOANS RECEIVABLE

As of June 30, 2008, loans and notes receivable consisted of the following:

Description	Balance June 30, 2008
Governmental Funds:	
HUD Community Development Block Grant	\$ 181,836
Rehabilitation and construction loan	24,175,514
Steadfast Marina Heights L.P.	1,400,000
Fairfield Belmont, L.P. Loan	4,876,523
Mercy Housing California Loan	4,978,300
Low income families Loan	577,600
Pacific Community Loan	487,915
Palm Plaza Group, LLC and Palm Plaza Development	1,674,696
Resources for Community Dev. Loan	748,538
Domus Development LLC Loan	152,819
Eden Housing Inc. Loan	25,140
Mariner Walk Loan	255,000
Vista Del Mar Loans	300,000
Total governmental funds	<u>39,833,881</u>
Enterprise Fund:	
Pittsburg Power	125,000
Internal Service Fund:	
Information Systems loans	29,831
Total loans receivable	<u><u>\$ 39,988,712</u></u>

A. HUD Community Development Block Grant Loans

The HUD CDBG Special Revenue fund had a loans receivable balance as of June 30, 2008, which was made up of \$181,836 in CDBG entitlement loans.

B. Rehabilitation and Construction Loans

Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by HUD. 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 was \$1,795,486 as of June 30, 2008.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 3-NOTES AND LOANS RECEIVABLE (Continued)

B. Rehabilitation and Construction Loans, Continued

The various rehabilitation and construction loans of \$22,380,028 include deferred and accrued interest of \$135,392 as of June 30, 2008. These loans have been made to individual homeowners, businesses and developers within the Redevelopment 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:

- In 2005, a loan agreement was entered into with the Mt. Diablo Unified School District (District) in the amount of \$6,147,209 for capital improvements. The funding was provided with the 2003A Bond proceeds that typically would be passed through to the District. 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, 2008 was \$5,681,925.
- In Fiscal Year 2005-2006, a Development and Disposition Agreement was entered into 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 will be 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. The Developer will repay the loan by making monthly payments of \$10,168 starting November 15, 2008 plus a Public Safety Annual Fee of \$395 per dwelling unit, with an increase of 5% every year commencing on October 15, 2008. The balance outstanding as of June 30, 2008 was \$8,800,000.
- The remaining loans receivable of \$7,898,103 as of June 30, 2008 represent a number of small business and property owner rehabilitation and construction loans to eliminate blight by assisting improvements and rehabilitation of properties that are currently vacant or underutilized.

C. Other Loans

During fiscal year 2004-2005, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan 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 the lesser of interest of 7% per year or the amount of Agency Receipts and provides for the Agency to receive 30% of the projects residual receipts annually. The outstanding balance as of June 30, 2008 was \$1,400,000.

During fiscal year 2004-2005, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan 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 of interest of 1% per year or the amount of Agency Receipts and provides for the Agency to receive 20% of the projects residual receipts annually. The outstanding balance as of June 30, 2008 was \$4,876,523.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 3-NOTES AND LOANS RECEIVABLE (Continued)

C. Other Loans, Continued

During fiscal year 2005-2006, the Redevelopment Agency/Low Moderate Income Housing II Special Revenue Fund agreed to loan 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 up to an additional \$3,900,000 and \$4,081,290 of the loan was disbursed to the Developer. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. As of June 30, 2008, a total balance of \$4,978,300 existed comprised of principal of \$4,952,827 and accrued interest of \$25,473.

During fiscal year 2006-2007 and 2007-2008, the Redevelopment Agency/ Low Moderate Income Housing II Special Revenue Fund agreed to loan 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. The outstanding balance as of June 30, 2008 was \$577,600.

During fiscal year 2006-2007, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$467,919 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 projects residual receipts annually. As of June 30, 2008, a total balance of \$487,955 existed comprised of principal of \$467,919 and accrued interest of \$19,996.

During fiscal year 2006-2007, the 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 purchase and renovation of residential units located within the Redevelopment Project Area. The outstanding balance and accrued interest as of June 30, 2008 was \$728,000 and \$1,213 (total of \$729,213) for Palm Plaza Group, LLC and \$940,000 and \$5,483 (total of \$945,483) for Palm Plaza Development, respectively.

During fiscal year 2006-2007, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$6,105,848 to Resources for Community Development for the development of 71 rental dwellings and a community center. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the projects residual receipts annually. As of June 30, 2008, a total balance of \$748,538 existed comprised of principal of \$745,118 and accrued interest of \$3420.

During fiscal year 2007-2008, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$250,000 to Domus Development LLC for the feasibility study of a senior affordable housing development and \$200,000 to Eden Housing, Inc. for the feasibility study of a 54 unit multi-family affordable housing development. Both loans bear interest of 3% per year. The outstanding balance and accrued interest as of June 30, 2008 was \$152,069 and \$750 (total of \$152,819) for Domus Development LLC, and \$24,971 and \$169 (total of \$25,140) for Eden Housing, Inc., respectively.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 3-NOTES AND LOANS RECEIVABLE (Continued)

C. Other Loans, Continued

In 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. The loan with the Resale Restriction Agreement for forty five years from the purchase date becomes due a principal plus contingent interest at the time the borrower decide to sell the property. The contingent interest percentage amount is equal to one-half of the percentage calculated by dividing the principal amount by the total purchase price of the property paid by the borrower at the time of purchase. The balance outstanding as of June 30, 2008 was \$255,000 and \$300,000 for the property owners.

D. Delta Discover Cruises Loan

In fiscal year 2007-08 the Pittsburgh Power Company issued a \$125,000 loan to Delta Discover Cruises LLC to help establish a dinner cruise business operating from the Pittsburgh Marina as a destination business to attract people to old town and provide an amenity for Pittsburgh residents. Terms of the loan are 4% for five years with the first 18-months accruing interest only. The first monthly installment will begin September 20, 2009 and continue until March 20, 2013.

E. Information Systems Loans

The loans receivable in the Information Systems Internal Service Fund are for the City's employee home computer purchase loans; the outstanding receivable balance as of June 30, 2008 was \$29,831. Amounts not to exceed \$2,000; In consideration of the City financing the purchase of personal computer hardware and software by the Employee, the Employee promises to pay to the order of the City the amount not to exceed \$2,000, payable in bi-weekly payroll deductions, beginning the month of purchase. Employee authorizes the City to deduct from his/her bi-weekly payroll check such an amount as may be necessary to repay the entire borrowed amount within eighteen (18) months from the purchase date.

NOTE 4-DEFERRED 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, 2008, unearned revenues in the Government-Wide Financial Statements consisted of unearned developer, donations, and grant revenues of \$1,557,184 in Governmental Activities and \$429,233 in Business-Type Activities, and unearned service revenues of \$304,774 in Governmental Activities.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 4-DEFERRED REVENUE, Continued

B. Fund Financial Statements

At June 30, 2008, the following deferred revenues 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					Enterprise	Total
	General Fund	Low/Moderate	Redevelopment	Redevelopment	Non-Major	Non-Major	
		Income	Agency Special	Agency Debt		Enterprise	
	Housing II	Revenue	Service	Funds	Funds		
Unearned developer/donation revenue	\$ 1,408,737	\$ -	\$ -	\$ -	\$ 168,447	\$ 429,233	\$ 2,006,417
Housing loans receivable	-	1,132,600	436,966	-	2,213,603	-	3,783,169
Construction loan receivable	-	14,343,931	21,353,627	-	-	-	35,697,558
Unearned service revenue	250,867	-	-	53,907	-	-	304,774
Total	\$ 1,659,604	\$ 15,476,531	\$ 21,790,593	\$ 53,907	\$ 2,382,050	\$ 429,233	\$ 41,791,918

NOTE 5-INTERFUND TRANSACTIONS

A. Current Interfund Balances

In the normal course of business, transactions occur between funds which give rise to interfund balances. These balances are normally repaid as they arise. The purpose for each of these interfund balances is to eliminate negative cash balances.

Current interfund balances are as follows:

	DUE TO FUND:	DUE FROM FUND	AMOUNT
Non-Major Governmental Funds:			
Special revenue funds:			
Park maintenance CFD 2007-1			\$ 150,000
		General Fund	\$ 150,000

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 5-INTERFUND TRANSACTIONS (Continued)

B. Interfund Advances

At June 30, 2008, 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:		
Low and Moderate Income Housing Special Revenue Fund	To Redevelopment Agency Special Revenue Fund	\$ 8,100,000
TOTAL GOVERNMENTAL FUNDS		<u>8,100,000</u>
PROPRIETARY FUNDS:		
Sewer Utility Enterprise Fund	To Water Utility Fund	104,280
Non-Major Enterprise Funds:	To Non-Major Enterprise Funds:	
Golf Course	Pittsburg Power	375,000
Island Energy	Pittsburg Power	1,250,000
TOTAL PROPRIETARY FUNDS		<u>1,729,280</u>
	TOTAL ADVANCES	<u>\$ 9,829,280</u>

At June 30, 2008, the Low/Moderate Income Housing I Special Revenue Fund had an advance outstanding of \$8,100,000 from the Redevelopment Agency Special Revenue Fund for the allocation of costs of low/moderate income housing program qualified for the Housing Set Aside efforts owed to the Agency. As required, the Agency has adopted a plan to eliminate the deferred amount.

During fiscal year 2003/2004 the Sewer Utility Enterprise Fund advanced \$525,000 to the Water Utility Enterprise Fund for repairs and capital improvements to the Hillview Reservoir Storm Drain. The advance is to be repaid over five years with interest at the LAIF rate. At June 30, 2008, the balance of the advance was \$104,280.

During fiscal year 2002/2003 the Pittsburg Power Enterprise Fund advanced \$375,000 to the Golf Course Enterprise Fund for the replacement and improvements of golf carts. The advance is to be repaid within ten years provided the money is available in the Golf Fund.

B. Interfund Advances, Continued

Throughout the years, the Pittsburg Power Enterprise Fund advanced monies to the Island Energy Enterprise Fund as follows:

- \$300,000 during fiscal year 2003/2004 to establish a reserve fund for the operating activities on Mare Island. The advance is to be repaid in future years when the net assets in the Island Energy have reached a level to replace the amount transferred from the Pittsburg Power Fund.
- \$650,000 during fiscal year 2004/2005 to meet the capital requirements for the new gas and electric meters for new residential units on Mare Island. The advance is to be repaid in future years when the net assets in the Island Energy have reached a level to replace the amount transferred from the Pittsburg Power Fund.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 5-INTERFUND TRANSACTIONS (Continued)

During fiscal year 2004/2005 the Pittsburgh Power Enterprise Fund advanced \$200,000 to the Island Energy Enterprise Fund to meet the capital requirements for the Development Refund Account for the new residential units on Mare Island. The advance is to be repaid when the development is completed.

During fiscal year 2005/2006 the Pittsburgh Power Enterprise Fund advanced \$100,000 to the Island Energy Enterprise Fund to enable the delivery of high quality and responsive services to all its customers and to maintain sound operations. The advance is to be repaid in future years when the net assets in the Island Energy Fund have reached a level to replace the amount transferred from the Pittsburgh Power Fund.

C. Interfund Transfers

At June 30, 2008, the City had the following interfund transfers:

- A. Transfers to the General Fund were to fund general operations and administrative services.
- B. Transfers to the Low/Moderate Housing II Special Revenue Fund were to fund various affordable housing projects.
- C. Transfers to the Redevelopment Agency Special Revenue Fund were to fund capital improvement projects.
- D. Transfers to Redevelopment Budget Stabilization Fund to set aside funds for budget contingencies.
- E. Transfers to the Redevelopment Agency Debt Service fund were to fund debt service payments.
- F. Transfers to the Redevelopment Agency Capital Projects fund were to fund redevelopment capital improvement projects
- G. Transfers to the Pension Obligation Bond Fund to fund unfunded pension liability from Internal Service Employee Fringe Benefits Fund.
- H. Transfers to the Water Utility Enterprise Fund were to support general operations and administrative services.
- I. Transfers to the Non-Major Enterprise Funds were to support general operations and administrative services.
- J. Transfers to the Non-Major Governmental Funds were to support general operations and administrative services.
- K. Transfers to Water Utility Enterprise Fund were to fund capital improvements projects.
- L. Transfers to Capital Improvement Fund were to fund capital projects.

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 5-INTERFUND TRANSACTIONS (Continued)

C. Interfund Transfers, Continued

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT</u>	
GOVERNMENTAL FUNDS:			
Redevelopment Special Revenue Fund		\$ 3,000,000	
Non-Major Governmental Funds		1,811,932	
Water Utility		475,926	
Sewer Utility		480,926	
Marina		83,137	
Non-Major Enterprise Funds		201,056	
Internal Service Funds		180,000	
	To General Fund	6,232,977	A
Redevelopment Debt Service Fund	To Low/Moderate Housing II Special Revenue Fund	5,352,433	B
Redevelopment Debt Service Fund	To Redevelopment Special Revenue Fund	667,532	C
Redevelopment Special Revenue Fund	To Redevelopment Budget Stabilization Special Revenue Fund	10,000,000	D
Low/Moderate Housing II Special Revenue Fund		2,102,500	
Redevelopment Special Revenue Fund	To Redevelopment Debt Service Fund	21,527,750	E
Redevelopment Special Revenue Fund		8,777,590	
Redevelopment Debt Service Fund		23,878,172	
Water Utility		10,787,626	
Low/Moderate Housing II Special Revenue Fund		1,334,847	
Non-Major Governmental Funds	To Redevelopment Capital Projects Fund	48,672,033	F
General Fund		1,373,500	J
Internal Service Funds		211,059	G
Redevelopment Debt Service Fund		13,303	L
Non-Major Governmental Funds	To Non-Major Governmental Fund	2,083,925	C
TOTAL GOVERNMENTAL FUNDS		94,536,650	
PROPRIETARY FUNDS			
General Fund		63,600	H
Redevelopment Debt Service Fund		1,037,000	K
Sewer Utility		61,706	H
	To Water Utility	1,162,306	
Redevelopment Debt Service Fund		20,000	
General Fund	To Golf Course	135,000	
	To Non-Major Enterprise Funds	155,000	I
TOTAL PROPRIETARY FUNDS		1,317,306	
	TOTAL TRANSFERS	\$ 95,853,956	

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 6-DEFERRED CHARGES

As of June 30, 2008, deferred charges for the Government-Wide Financial Statements consisted of the following:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
Governmental Activities:				
Bond issuance costs	\$ 5,885,888	\$ -	\$ (323,531)	\$ 5,562,357

The amortization expense was \$323,531 for the year ended June 30, 2008.

NOTE 7-CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2008, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 54,008,636	\$ 325,000	\$ 54,333,636
Construction in progress	93,753,073	7,267,201	101,020,274
Total non-depreciable assets	147,761,709	7,592,201	155,353,910
Depreciable assets:			
Buildings and improvements	51,680,756	19,931,625	71,612,381
Machinery and equipment	9,383,403	2,177,898	11,561,301
Infrastructure	214,291,750	99,438,493	313,730,243
	275,355,909	121,548,016	396,903,925
Less accumulated depreciation:			
Buildings and improvements	14,247,857	5,925,761	20,173,618
Machinery and equipment	4,978,124	1,391,694	6,369,818
Infrastructure	88,181,803	28,982,059	117,163,862
Total accumulated depreciation	107,407,784	36,299,514	143,707,298
Total depreciable assets	167,948,125	85,248,502	253,196,627
Total capital assets	\$ 315,709,834	\$ 92,840,703	\$ 408,550,537

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 7-CAPITAL ASSETS (Continued)

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2007	Additions	Retirements	Reclassifications	Prior Period Adjustments	Balance June 30, 2008
Non-depreciable assets:						
Land	\$ 53,751,984	\$ 4,796,263	\$ (4,572,463)	\$ -	\$ 32,852	\$ 54,008,636
Construction in progress	63,574,891	38,558,707	(432,326)	(4,978,783)	(2,969,416)	93,753,073
Total non-depreciable assets	117,326,875	43,354,970	(5,004,789)	(4,978,783)	(2,936,564)	147,761,709
Depreciable assets:						
Building and improvements	50,478,906	274,205	-	927,645	-	51,680,756
Machinery and equipment	8,421,145	1,367,108	(404,850)	-	-	9,383,403
Infrastructure	209,126,289	1,114,323	-	4,051,138	-	214,291,750
Total depreciable assets	268,026,340	2,755,636	(404,850)	4,978,783	-	275,355,909
Less accumulated depreciation:						
Building and improvements	(13,144,284)	(1,300,944)	197,371	-	-	(14,247,857)
Machinery and equipment	(4,266,826)	(912,939)	195,991	-	5,650	(4,978,124)
Infrastructure	(82,343,021)	(5,838,782)	-	-	-	(88,181,803)
Total accumulated depreciation	(99,754,131)	(8,052,665)	393,362	-	5,650	(107,407,784)
Total depreciable assets, net	168,272,209	(5,297,029)	(11,488)	4,978,783	5,650	167,948,125
Total capital assets	\$ 285,599,084	\$ 38,057,941	\$ (5,016,277)	\$ -	\$ (2,930,914)	\$ 315,709,834

Governmental activities depreciation expense for capital assets for the year ended June 30, 2008 is as follows:

General government	\$ 915,224
City Manager and City Clerk	17,000
Human Resources	3,439
Finance and services	68,417
Community development and services	11,607
Public Safety	137,395
Public works	6,899,583
Total depreciation expense	\$ 8,052,665

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 7-CAPITAL ASSETS (Continued)

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2007	Additions	Retirements	Reclassifications	Prior Period Adjustments	Balance June 30, 2008
Non-depreciable assets:						
Land	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ 325,000
Construction in progress	9,135,839	4,948,417	-	(5,948,336)	(868,719)	7,267,201
Total non-depreciable assets	9,460,839	4,948,417	-	(5,948,336)	(868,719)	7,592,201
Depreciable assets:						
Building and improvements	19,883,837	47,788	-	-	-	19,931,625
Machinery and equipment	2,140,084	46,951	(37,502)	-	28,365	2,177,898
Infrastructure	93,490,157	-	-	5,948,336	-	99,438,493
Total depreciable assets	115,514,078	94,739	(37,502)	5,948,336	28,365	121,548,016
Less accumulated depreciation:						
Building and improvements	(5,427,346)	(495,997)	-	(2,418)	-	(5,925,761)
Machinery and equipment	(1,301,068)	(109,355)	35,695	-	(16,966)	(1,391,694)
Infrastructure	(27,278,429)	(1,706,048)	-	2,418	-	(28,982,059)
Total accumulated depreciation	(34,006,843)	(2,311,400)	35,695	-	(16,966)	(36,299,514)
Total depreciable assets, net	81,507,235	(2,216,661)	(1,807)	5,948,336	11,399	85,248,502
Total capital assets	\$ 90,968,074	\$ 2,731,756	\$ (1,807)	\$ -	\$ (857,320)	\$ 92,840,703

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2008 are as follows:

Water Utility	\$ 968,736
Sewer Utility	446,924
Marina	438,370
Golf Course	127,013
Island Energy	330,357
Total depreciation expense	\$ 2,311,400

B. Fund Financial Statements

The Governmental Fund Financial Statements do not present General Government Capital Assets; consequently, they are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

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.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG TERM DEBT

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2008:

Description	Original Issue Amount	Beginning Balance July 1, 2007	Additions	Retirements	Ending Balance June 30, 2008	Amount Due Within One Year
Tax Allocation Bonds						
1999 RDA Bonds	\$ 30,106,357	\$ 29,796,357	\$ -	\$ (60,000)	\$ 29,736,357	\$ 65,000
2002A RDA Refunding Bonds	59,970,000	39,275,000	-	(4,495,000)	34,780,000	4,675,000
2003A RDA Bonds	88,375,000	87,795,000	-	(1,655,000)	86,140,000	1,695,000
2004A RDA Housing Set Aside Bonds	18,270,000	17,720,000	-	(295,000)	17,425,000	305,000
2004B RDA Subordinated Refunding Bonds	10,720,000	10,720,000	-	-	10,720,000	1,990,000
2004A RDA Subordinated Bonds	117,615,000	117,615,000	-	-	117,615,000	-
2006A RDA Housing Set Aside Bonds	11,020,000	11,020,000	-	(360,000)	10,660,000	165,000
2006A RDA Subordinated Bonds	75,300,000	75,300,000	-	-	75,300,000	-
2006B RDA Subordinated Bonds	36,840,000	36,840,000	-	-	36,840,000	-
2006C RDA Subordinated Refunding Bonds	46,660,000	46,660,000	-	(685,000)	45,975,000	140,000
Total Tax Allocation Bonds		472,741,357	-	(7,550,000)	465,191,357	9,035,000
2006 Pension Obligation Bonds	39,566,056	39,566,056	-	(125,000)	39,441,056	175,000
2006 CCCERA Pension Obligation Note	2,505,433	-	2,505,433	(93,720)	2,411,713	101,030
Unamortized Premium		5,747,169	-	(442,090)	5,305,079	442,090
Deferred amount on refunding on 2006C RDA		(4,183,894)	-	149,425	(4,034,469)	(149,425)
Total Governmental Activities		\$ 513,870,688	\$ 2,505,433	\$ (8,061,385)	\$ 508,314,736	\$ 9,603,695

1999 Redevelopment Agency Tax Allocation Bonds

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2008 amounted to \$29,736,357. 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 \$108,886,614. For the current year, principal and interest paid and RDA property tax increment revenues were \$583,748 and \$44,896,071, respectively.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

1999 Redevelopment Agency Tax Allocation Bonds, Continued

The annual debt service requirements to mature the 1999 RDA Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 65,000	\$ 520,653	\$ 585,653
2010	580,000	504,383	1,084,383
2011	600,000	474,438	1,074,438
2012	630,000	442,600	1,072,600
2013	660,000	408,243	1,068,243
2014-2018	5,190,000	1,354,060	6,544,060
2019-2023	8,270,883	20,930,584	29,201,467
2024-2028	9,262,073	35,338,781	44,600,854
2029-2031	4,478,401	19,176,516	23,654,917
Total	<u>\$ 29,736,357</u>	<u>\$ 79,150,257</u>	<u>\$ 108,886,614</u>

2002 Series A Redevelopment Agency Tax Allocation Refunding Bonds

2002 Series A Redevelopment Agency Tax Allocation Refunding Bonds (2002 RDA Bonds) outstanding at June 30, 2008 amounted to \$34,780,000. The 2002A RDA Bonds bear interest at rates between 2.00% and 5.25% with interest payments made semi-annually on February 1 and August 1. The 2002A RDA Bonds mature annually from 2002 to 2015 on August 1 in amounts ranging from \$3,690,000 to \$4,980,000. Proceeds from the 2002A RDA Bonds were used to refund \$58,460,000 of the Agency's 1992 Los Medanos Community Development Project, Tax Allocation Refunding Bonds and to pay costs of issuance incurred in connection with the issuance, sales and delivery of Series 2002A. 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 \$42,233,550. For the current year, principal and interest paid and RDA property tax increment revenues were \$6,335,025 and \$44,896,071, respectively.

The annual debt service requirements to mature the 2002 RDA Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 4,675,000	\$ 1,650,781	\$ 6,325,781
2010	3,690,000	1,459,188	5,149,188
2011	3,875,000	1,270,063	5,145,063
2012	4,065,000	1,071,563	5,136,563
2013	4,270,000	857,850	5,127,850
2014-2016	14,205,000	1,144,106	15,349,106
Total	<u>\$ 34,780,000</u>	<u>\$ 7,453,550</u>	<u>\$ 42,233,550</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2003 Series A Redevelopment Agency Tax Allocation Bonds

2003 Series A Redevelopment Agency Tax Allocation Bonds (2003A RDA Bonds) outstanding at June 30, 2008 amounted to \$86,140,000. The 2003A RDA Bonds bear interest at rates between 2.00% and 5.00% with interest payments made semi-annually on February 1 and August 1. The 2003A RDA Bonds mature annually from 2004 to 2021 on August 1 in amounts ranging from \$5,000 to \$8,815,000. Proceeds from the 2003A RDA Bonds were used to fund redevelopment activities of benefit to the Agency's Los Medanos Redevelopment Project, to refund all of the Agency's outstanding Series 1993A Tax Allocation Refunding Bonds (\$36,760,000), to fund a reserve account, to fund capitalized interest on a portion of the Series 2003A Bonds, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of the Series 2003A Bonds. The Bonds were issued at a premium of \$7,515,529 which is to be amortized over the life of the bond using straight-line method with an annual amortization of \$442,090. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 24% from these revenues. The total principal and interest remaining to be paid on the bonds is \$132,451,350. For the current year, principal and interest paid and RDA property tax increment revenues were \$5,862,763 and \$44,896,071, respectively.

The annual debt service requirements to mature the 2003A RDA Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 1,695,000	\$ 4,165,888	\$ 5,860,888
2010	2,410,000	4,096,500	6,506,500
2011	2,515,000	3,985,425	6,500,425
2012	2,645,000	3,856,425	6,501,425
2013	2,780,000	3,720,800	6,500,800
2014-2018	25,570,000	15,854,500	41,424,500
2019-2023	30,270,000	7,544,906	37,814,906
2024-2028	12,870,000	2,828,150	15,698,150
2029-2030	5,385,000	258,756	5,643,756
Total	<u>\$ 86,140,000</u>	<u>\$ 46,311,350</u>	<u>\$ 132,451,350</u>

2004 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds

2004 Series A Housing Set Aside Tax Allocation Bonds Series (2004 A RDA bonds) outstanding at June 30, 2008 amounted to \$17,425,000. The Bonds bear interest rates from 3.750%-5.620% with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2005 through August 1, 2035. The Bonds were issued to fund the low and moderate income housing within the Agency's Los Medanos Community Development Project Area, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2004A bonds. Annual principal and interest payments secured by the mandated 20% set-aside of RDA property tax increment revenues in the Los Medanos II and III Areas are expected to require less than 37% from these revenues. The total principal and interest remaining to be paid on the bonds is \$33,733,900. For the current year, principal and interest paid and RDA set-aside property tax increment revenues were \$1,235,821 and \$3,315,231, respectively.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2004 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds, Continued

The annual debt service requirements to mature the 2004A RDA Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 305,000	\$ 929,571	\$ 1,234,571
2010	315,000	916,923	1,231,923
2011	330,000	902,733	1,232,733
2012	345,000	887,883	1,232,883
2013	360,000	871,509	1,231,509
2014-2018	2,090,000	4,063,442	6,153,442
2019-2023	2,695,000	3,437,770	6,132,770
2024-2028	3,515,000	2,599,428	6,114,428
2029-2033	4,595,000	1,481,163	6,076,163
2034-2036	2,875,000	218,478	3,093,478
Total	<u>\$ 17,425,000</u>	<u>\$ 16,308,900</u>	<u>\$ 33,733,900</u>

2004 Series B Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

2004 Series B Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2004B RDA Bonds) outstanding at June 30, 2008 amounted to \$10,720,000. The Bonds bear interest rates from 3.810%-4.430% with interest payments made semiannually on March 1 and September 1 each year commencing March 1, 2005 through September 1 2011. Proceeds from the 2004B RDA bonds were used to refund, on an advance basis, a portion of the Agency's outstanding Series 1996 Subordinate Tax Allocation bonds (\$20,000,000), to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2004B bonds. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 8% from these revenues. The total principal and interest remaining to be paid on the bonds is \$11,756,978. For the current year, principal and interest paid and RDA property tax increment revenues were \$448,811 and \$44,896,071, respectively.

The annual debt service requirements to mature the 2004B STARB Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 1,990,000	\$ 410,901	\$ 2,400,901
2010	2,065,000	330,866	2,395,866
2011	3,260,000	219,791	3,479,791
2012	3,405,000	75,421	3,480,421
Total	<u>\$ 10,720,000</u>	<u>\$ 1,036,978</u>	<u>\$ 11,756,978</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds (2004A RDA Bonds) outstanding at June 30, 2008 amounted to \$117,615,000. Principal payments are due annually on September 1, commencing in 2012. Proceeds from the 2004A Bonds were to be used to fund redevelopment activities of benefit to the Agency's Los Medanos Redevelopment Project, to refund, on an advance basis, a portion of the Agency's outstanding Series 1996 Subordinate Tax Allocation bonds (\$20,000,000), to fund capitalized interest on a portion of the 2004A RDA Bonds through September 2007, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the 2004A RDA Bonds. A portion of the proceeds from the 2004A RDA Bonds was placed in an irrevocable trust to provide for all future debt service payments on the defeased 1996 Bonds. As of June 30, 2008, \$20,000,000 of principal remained outstanding on the defeased 1996 bonds. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 19% from these revenues. The total principal and interest remaining to be paid on the bonds is \$184,124,812. For the current year, total interest paid and RDA property tax increment revenues were \$4,323,619 and \$44,896,071, respectively.

The 2004A Bonds were issued as variable rate bonds, with interest calculated daily. The rate fluctuates according to market conditions. In order to protect against the potential of rising interest rates associated with the 2004A Bonds, the City entered into a pay-fixed, receivable-variable interest rate swap. The terms, fair value and credit risk of the swap agreement are disclosed in Interest Rate Swap Agreements section.

The annual debt service requirements to mature the 2004A STAB Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 4,174,156	\$ 4,174,156
2010	-	4,174,156	4,174,156
2011	-	4,174,156	4,174,156
2012	-	4,174,156	4,174,156
2013	3,890,000	4,070,614	7,960,614
2014-2018	21,685,000	18,120,351	39,805,351
2019-2023	25,360,000	13,889,899	39,249,899
2024-2028	26,805,000	9,164,982	35,969,982
2029-2033	28,515,000	4,126,910	32,641,910
2034-2036	11,360,000	440,431	11,800,431
Total	<u>\$ 117,615,000</u>	<u>\$ 66,509,812</u>	<u>\$ 184,124,812</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (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, 2008 amounted to \$10,660,000. On November 30, 2006, the Agency issued \$11,020,000 of Series 2006A Bonds bearing interest rates between 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 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, are secured by the mandated 20% set-aside of RDA property tax increment revenues in the Los Medanos II and III Areas. 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 \$20,933,384. For the current year, principal and interest paid and RDA set-aside property tax increment revenues were \$1,006,501 and \$3,315,231, respectively.

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 165,000	\$ 557,354	\$ 722,354
2010	170,000	548,786	718,786
2011	180,000	539,835	719,835
2012	190,000	530,372	720,372
2013	200,000	520,398	720,398
2014-2018	1,150,000	2,435,368	3,585,368
2019-2023	1,480,000	2,095,810	3,575,810
2024-2028	1,910,000	1,649,066	3,559,066
2029-2033	2,485,000	1,068,175	3,553,175
2034-2037	2,730,000	328,220	3,058,220
Total	<u>\$ 10,660,000</u>	<u>\$ 10,273,384</u>	<u>\$ 20,933,384</u>

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds (2006A STAB Bonds) outstanding at June 30, 2008 amounted to \$75,300,000. On December 7, 2006, the Agency issued \$75,300,000 of Series 2006A Bonds bearing auction rate bond interest rate to finance certain public capital improvements within the Los Medanos Community Development Project, to fund capitalized interest on the 2006A STAB Bonds through September 1, 2009, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2006A STAB Bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing September 1, 2007 through September 1, 2036, are secured by the RDA property tax increment revenues. Annual principal and interest payments are expected to require less than 18% from these revenues. The total principal and interest remaining to be paid on the bonds is \$129,428,327. For the current year, total interest paid and RDA property tax increment revenues were \$3,177,284 and \$44,896,071, respectively.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds, Continued

The 2006A Bonds were issued as auction rate bonds, with interest calculated daily. The rate fluctuates according to market conditions. In order to protect against the potential of rising interest rates associated with the 2006A Bonds, the Agency entered into a pay-fixed, receive-variable interest rate swap. The terms, fair value and credit risk of the swap agreement are disclosed in Interest Rate Swap Agreements section.

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 2,750,709	\$ 2,750,709
2010	-	2,750,709	2,750,709
2011	-	2,750,709	2,750,709
2012	-	2,750,709	2,750,709
2013	-	2,750,709	2,750,709
2014-2018	-	13,753,545	13,753,545
2019-2023	9,850,000	13,291,136	23,141,136
2024-2028	29,225,000	8,989,881	38,214,881
2029-2033	25,000,000	3,564,110	28,564,110
2034-2037	11,225,000	776,110	12,001,110
Total	<u>\$ 75,300,000</u>	<u>\$ 54,128,327</u>	<u>\$ 129,428,327</u>

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds (2006B STAB Bonds) outstanding at June 30, 2008 amounted to \$36,840,000. On November 29, 2006, the Agency issued \$36,840,000 of Series 2006B Bonds bearing interest rates between 5.12-5.22% to finance certain public capital improvements within the Los Medanos Community Development Project, to fund capitalized interest on the 2006B Bonds through September 1, 2009, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2006B Bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2007 through September 1, 2020, are secured by the RDA property tax increment revenues. Annual principal and interest payments are expected to require less than 11% from these revenues. The total principal and interest remaining to be paid on the bonds is \$53,616,319. For the current year, total interest paid and RDA property tax increment revenues were \$1,902,796 and \$44,896,071, respectively.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds, Continued

The annual debt service requirements to mature the Series 2006B Bonds outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ -	\$ 1,902,796	\$ 1,902,796
2010	-	1,902,796	1,902,796
2011	-	1,902,796	1,902,796
2012	1,280,000	1,870,060	3,150,060
2013	2,130,000	1,782,849	3,912,849
2014-2018	19,250,000	6,278,152	25,528,152
2019-2021	14,180,000	1,136,870	15,316,870
Total	<u>\$ 36,840,000</u>	<u>\$ 16,776,319</u>	<u>\$ 53,616,319</u>

2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2006C STAB Bonds) outstanding at June 30, 2008 amounted to \$45,975,000. On November 29, 2006, the Agency issued \$46,660,000 of Series 2006C Bonds bearing interest rates between 3.50-4.50% to refund, on an advance basis, the Agency's outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 1993B, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006C bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2007 through September 1, 2034, are secured by the RDA property tax increment revenues. Annual principal and interest payments are expected to require less than 25% from these revenues. The total principal and interest remaining to be paid on the bonds is \$93,463,624. For the current year, total interest paid and RDA property tax increment revenues were \$2,683,158 and \$44,896,071, respectively.

Net proceeds of \$44,179,521 from the 2006C bonds were deposited in irrevocable escrow fund to be held by an escrow agent to provide for all future debt service payments on the defeased 1993B Bonds. The refunding of the 1993B Bonds resulted in a \$4,383,362 decrease of future aggregate debt service and an economic gain of \$3,675,212. The 1993B bonds are considered to be defeased and the liabilities for those bonds have been removed. As of June 30, 2008 \$39,885,000 of principal remained outstanding on the defeased 1993B bonds.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds, Continued

The annual debt service requirements to mature the Series 2006C Bonds outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 140,000	\$ 1,981,658	\$ 2,121,658
2010	145,000	1,975,958	2,120,958
2011	-	1,973,058	1,973,058
2012	150,000	1,969,683	2,119,683
2013	155,000	1,963,208	2,118,208
2014-2018	875,000	9,715,631	10,590,631
2019-2023	1,060,000	9,524,786	10,584,786
2024-2028	1,300,000	9,285,179	10,585,179
2029-2033	20,660,000	8,157,188	28,817,188
2034-2035	21,490,000	942,275	22,432,275
Total	45,975,000	<u>\$ 47,488,624</u>	<u>\$ 93,463,624</u>
Deferred amount on refunding	<u>(4,034,469)</u>		
Total	<u>\$ 41,940,531</u>		

Series 2006 Pension Obligation Bonds

On June 15, 2006, the City issued \$39,566,056 of Series 2006 Taxable Pension Obligations Bonds bearing interest rates between 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 revenues. Annual principal and interest payments on the bonds are expected to require less than 3% percent of city-wide revenues. The total principal and interest remaining to be paid on the bonds is \$93,290,295. For the current year, principal and interest paid were \$1,739,517 and city-wide revenues were \$144,988,772.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

Series 2006 Pension Obligation Bonds, Continued

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 175,000	\$ 1,607,287	\$ 1,782,287
2010	240,000	1,597,165	1,837,165
2011	300,000	1,583,283	1,883,283
2012	375,000	1,565,931	1,940,931
2013	450,000	1,544,241	1,994,241
2014-2018	5,623,496	10,490,050	16,113,546
2019-2023	6,625,618	12,278,938	18,904,556
2024-2028	6,514,513	13,116,603	19,631,116
2029-2033	11,177,429	9,351,638	20,529,067
2034-2035	7,960,000	714,103	8,674,103
Total	\$ 39,441,056	\$ 53,849,239	\$ 93,290,295

2006 CCCERA Pension Obligation Note

An additional unfunded accrued pension liability with Contra Costa County Employees' Retirement Association (CCCERA) as of December 31, 2006 was \$2,505,433. The City has selected to amortize its payment over 15 years with an interest rate of 7.8% per annum, resulting in 15 annual payment of \$289,144. The next triennial experience update is scheduled for December 31, 2009. The note is payable from any form of revenues. Annual principal and interest payments on the note are expected to require less than 1% percent of city-wide revenues. The total principal and interest remaining to be paid on the note is \$4,048,014. For the current year, principal and interest paid were \$291,059 and net revenues were \$144,988,772.

The annual debt service requirements to mature the 2006 CCCERA Pension Obligation note outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 101,030	\$ 188,114	\$ 289,144
2010	108,911	180,233	289,144
2011	117,406	171,738	289,144
2012	126,563	162,581	289,144
2013	136,435	152,709	289,144
2014-2018	859,409	586,311	1,445,720
2019-2022	961,959	194,615	1,156,574
Total	\$ 2,411,713	\$ 1,636,301	\$ 4,048,014

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements

The 2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds, the 2005 City of Pittsburgh Water Revenue Bonds and the 2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds were issued as variable rate bonds, with interest calculated daily. The rate fluctuates according to market conditions. In order to protect against the potential of rising interest rates associated with the Bonds, the City and the Agency entered into a pay-fixed, receive-variable interest rate swap. The terms, fair value and credit risk of the swap agreement are disclosed below.

Terms. The terms, including the counterparty credit ratings of the outstanding swap, as of June 30, 2008 are included below. The City's and Agency's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds.

Associated Bonds	2004A RDA Tax Allocation Bonds	2005 Water Revenue Bonds	2006A RDA Tax Allocation Bonds
City Pays	3.5490%	3.6150%	3.6530%
City Receives	63% of 1-month USD-LIBOR +0.35%	63% of 1-month USD-LIBOR +0.30%	63% of 1-month USD-LIBOR +0.30%
Maturity Date	9/1/2035	5/25/2035	8/25/2036
Initial Notional	\$117,615,000	\$38,850,000	\$73,300,000
Bank Counterparty	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services
Credit Ratings by			
Moody's/Fitch/S&P	Aa3/AA-/A+	Aa3/AA-/A+	Aa3/AA-/A+
Total Value	(\$3,023,009.13)	(\$910,406.77)	(\$2,765,639.80)

On December 16, 2004, the Agency elected to enter into a 63% of 1-month LIBOR plus 35 basis points (0.35%) floating-to-fixed interest rate swap to hedge the issuance of \$117,615,000 of variable-rate Series A 2004 Bonds. The combination of variable rate bonds and a floating-to-fixed swap creates a synthetic fixed-rate debt for the Agency. The transaction allowed the Agency to create a synthetic fixed rate on the Bonds, protecting the Agency against increases in short-term interest rates.

On December 15, 2005, the City elected to enter into a 63% of 1-month LIBOR plus 30 basis points (0.30%) floating-to-fixed interest rate swap to hedge the issuance of \$38,850,000 of variable-rate Series 2005 Water Bonds. The combination of variable rate bonds and a floating-to-fixed swap creates a synthetic fixed-rate debt for the City. The transaction allowed the City to create a synthetic fixed rate on the Bonds, protecting the City against increases in short-term interest rates.

On November 10, 2006, the Agency elected to enter into a 63% of 1-month LIBOR plus 30 basis points (0.30%) floating-to-fixed interest rate swap to hedge the issuance of \$73,300,000 of variable-rate Series A 2006 Variable Rate Bonds. The combination of variable rate bonds and a floating-to-fixed swap creates a synthetic fixed-rate debt for the Agency. The transaction allowed the Agency to create a synthetic fixed rate on the Bonds, protecting the Agency against increases in short-term interest rates.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements, Continued

Fair value. The Agency's swap had a negative fair value as of June 30, 2008 of \$3,023,009 and \$2,765,640 for 2004A and 2006A RDA Tax Allocation Bonds, respectively, while the City's swap had a negative fair value of \$910,407 for 2005 Water Revenue Bonds. This fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

Credit risk. As of June 30, 2008, the Agency and City were not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, if interest rates rise and the fair value of the swap were to become positive, the Agency and City would be exposed to credit risk in the amount of the fair value on the swap. The swap counterparty is Piper Jaffray Financial Products, Inc. who is guaranteed by Morgan Stanley Capital Services, Inc. (MSCS). The guarantor for the counterparty is rated Aa3/A+/AA- by Moody's, Standard & Poor's and Fitch, respectively. The Agency and City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated at a time when the swap has a positive fair value.

The swap agreement contains a collateral agreement with MSCS which guarantees Piper Jaffray. The swap requires collateralization of the fair value of the swap should the MSCS credit rating fall below the applicable thresholds.

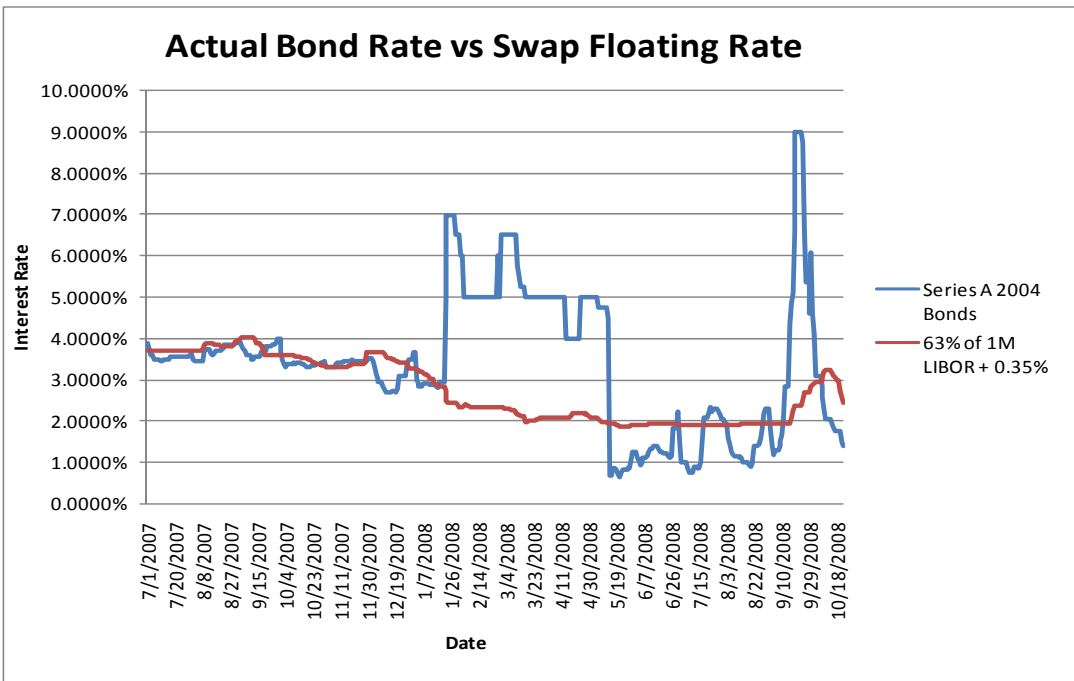
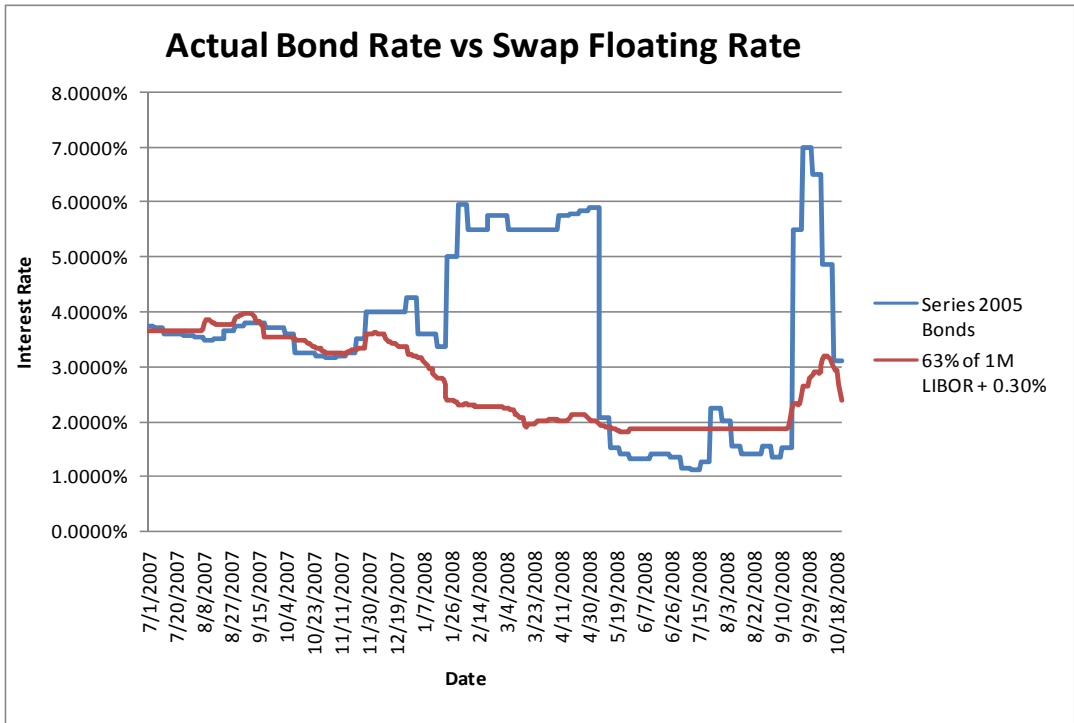
Basis risk. Basis risk is the risk that the interest rate paid by the Agency and City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The Agency and City bears basis risk on its swap. The Swap has basis risk since the Agency and City receives a percentage of LIBOR to offset the actual variable bond rate the Agency and City pays on its bonds. The Agency and City are exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Agency and City pay on the bonds. Depending on the magnitude and duration of any basis risk shortfall, the expected cost of the basis risk may vary.

The financial credit crisis triggered by the sub-prime mortgage crisis, which began in 2007, resulted in a lack of liquidity for the Agency's Series A 2004 and 2006 Bonds, and the City's 2005 Water Revenue Bonds leading to rate dislocation and unanticipated increase in interest rate expense. The graph is a comparison of the actual variable bond rates and the daily percentage of the LIBOR rates. Prior to December of 2007, the basis difference was relatively small; the basis difference has increased since December of 2007.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

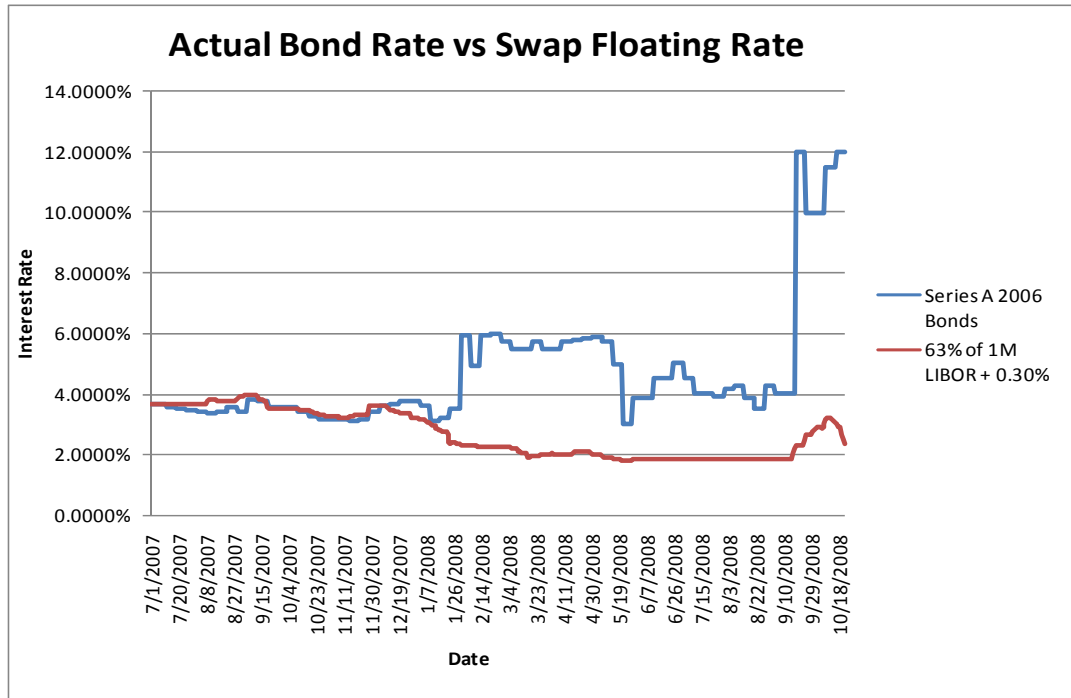
Interest Rate Swap Agreements, Continued



City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements, Continued



Tax risk. Tax risk is a specific type of basis risk. Tax risk is a permanent mismatch between the interest rate paid on the Agency’s and City’s underlying variable-rate bonds and the rate received on the swap caused by a reduction or elimination in the benefits of the tax exemption for municipal bonds, e.g. a tax cut that results in an increase in the ratio of tax-exempt to taxable yields. The Agency and City is receiving 63% of 1-month LIBOR (a taxable index) plus 35 and 30 basis points respectively on the swap and would experience a shortfall relative to the rate paid on its bonds if marginal income tax rates decrease relative to expected levels, thus increasing the overall cost of its synthetic fixed rate debt.

Termination risk. The Agency, City or the counterparty may terminate any of the swaps if the other party fails to perform under the terms of the respective contracts. If any of the swaps are terminated, the associated variable-rate bonds would no longer be hedged to a fixed rate. If at the time of termination the swap has a negative fair value, the Agency would be liable to the counterparty for a payment equal to the swap’s fair value.

Capital Lease for Governmental Activities

On February 14, 2007, the City entered into a five year tax-exempt lease agreement for a total principal cost of \$956,492 with Key Government Finance, Inc. for acquisition of a telephone voice over internet protocol (VOIP) system from CISCO Systems, Inc. and a maintenance agreement with AMS.NET to replace an aging and outdated City telephone system. The Citywide VOIP system and the maintenance service were valued at \$666,292 and \$290,201, respectively upon agreement execution.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

Capital Lease for Governmental Activities, Continued

Interest on the outstanding principal is 4.425%; monthly payments of principal and interest are made every month commencing March 30, 2007 through March 30, 2012. The outstanding balance at June 30, 2008 was \$736,792.

The annual debt service requirements to mature the Capital Lease outstanding at June 30, 2008 were as follows:

Year Ending June 30,	Principal	Maintenance Fee	Total	Interest
2009	\$ 126,665	\$ 58,040	\$ 184,705	\$ 28,884
2010	135,005	58,040	193,045	20,544
2011	143,723	58,040	201,763	11,827
2012	113,749	43,530	157,279	2,914
Total	\$ 519,143	\$ 217,650	\$ 736,792	\$ 64,169

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2008:

Description	Original Issue Amount	Beginning Balance July 1, 2007	Additions	Retirements	Ending Balance June 30, 2008	Amount Due Within One Year
Revenue Bonds						
2004 Waste Water Revenue Bonds	\$ 11,950,000	\$ 10,285,000	\$ -	\$ (545,000)	\$ 9,740,000	\$ 555,000
2005 Water Revenue Bonds	38,850,000	38,025,000	-	(38,025,000)	-	-
2008 Water Revenue Refunding Bonds	38,395,000	-	38,395,000	(450,000)	37,945,000	685,000
Total Revenue Bonds		48,310,000	38,395,000	(39,020,000)	47,685,000	1,240,000
Capital Leases		14,689	-	(14,689)	-	-
Total Business-Type Activities		\$ 48,324,689	\$ 38,395,000	\$ (39,034,689)	\$ 47,685,000	\$ 1,240,000

2004 Wastewater Revenue Bonds

2004 Wastewater Revenue Bonds (2004 Wastewater Bonds) outstanding at June 30, 2008 amounted to \$9,740,000. In March 2004 the City of Pittsburgh Financing Authority (Authority) issued \$11,950,000 of Wastewater Revenue Refunding Bonds Series 2004. The Bonds bear interest rates between 2.00%-4.25% with interest payment made semi-annually on June 1 and December 1 commencing June 1, 2004 through June 1, 2022. The Bonds are payable solely from Net Wastewater Revenues. Annual principal and interest payments on the bonds are expected to require less than 24% percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$12,843,425. For the current year, principal and interest paid were \$912,978 and wastewater net revenues were \$3,769,187. The Bonds were issued to refund the \$11,545,000 outstanding balance of the 1994 Wastewater Revenue Refunding Bonds. Proceeds from the 2004 Bonds were placed in an irrevocable trust to provide for all future debt service payments on the defeased 1996 Bonds. Accordingly, the trust account assets and liability for the defeased 1994 Bonds are not included in the City's basic financial statements. The defeased 1994 Bonds were called on June 1, 2004.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2004 Wastewater Revenue Bonds, Continued

The annual debt service requirements to mature the 2004 Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 555,000	\$ 357,078	\$ 912,078
2010	570,000	343,203	913,203
2011	590,000	328,953	918,953
2012	605,000	311,253	916,253
2013	620,000	291,590	911,590
2014-2018	3,480,000	1,113,140	4,593,140
2019-2022	3,320,000	358,208	3,678,208
Total	\$ 9,740,000	\$ 3,103,425	\$ 12,843,425

2005 Water Revenue Bonds

In May 8, 2008, 2005 Water Revenue Bonds were fully refunded in the amount of \$38,025,000 on a current basis using 2008 Water Revenue Refunding Bonds. Proceeds from the 2005 Bonds were to be used to refund, on an advance basis, the City of Pittsburgh Public Financing Authority Series 1997 Water Revenue Bonds (\$13,430,000), to fund certain repairs, renovations, extensions, betterments and improvements to the Water System, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the 2005 Bonds. Certain direct obligations of the United States of America were purchased and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded Bonds. As a result, the Refunded Bonds were considered to be defeased and the liability for those obligations was removed along with trust assets from the City's financial statement.

2008 Water Revenue Refunding Bonds

On May 8, 2008, the City issued \$38,395,000 of Series 2008 Water Revenue Refunding Bonds with multi-model interest modes, to refund, on a current basis, 2005 Water Revenue Bonds, to fund a debt service reserve account with respect to the 2008 Bonds and to pay certain costs of issuance of the 2008 Bonds. The bonds are authorized to be issued in a Weekly Interest Rate Period, a Daily Interest Rate Period, a Long-Term Interest Rate Period, an Index Interest Period or an Auction Rate Bond Interest Rate Period. A portion of the proceeds from the 2008 Bonds was placed in an irrevocable trust to provide for all future debt service payments on the defeased 2005 Bonds. As of June 30, 2008, \$37,945,000 of principal remained outstanding on the defeased 2005 Bonds. The Bonds are payable solely from Water System revenues. Annual principal and interest payments on the bonds are expected to require less than 13% percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$60,271,421. For the current year, principal and interest paid were \$490,504 and Water System revenues were \$17,253,962.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 8-LONG-TERM DEBT (Continued)

2008 Water Revenue Refunding Bonds, Continued

In connection with the issuance of the 2005 Water Revenue Bonds, the City entered into a pay-fixed, receive-variable interest rate swap agreement for the purpose of protecting against the potential of rising interest rates associated with the 2005 Water Revenue Bonds. The 2005 Swap agreement is remained with 2008 Water Revenue Refunding Bonds and the terms, fair value and credit risk are disclosed in the Interest Rate Swap Agreements section of the notes.

The annual debt service requirements to mature the 2008 Bonds outstanding at June 30, 2008, were as follows:

Year Ending June 30,	Principal	Interest	Total
2009	\$ 685,000	\$ 1,371,712	\$ 2,056,712
2010	835,000	1,346,949	2,181,949
2011	910,000	1,316,764	2,226,764
2012	935,000	1,283,867	2,218,867
2013	960,000	1,250,067	2,210,067
2014-2018	5,440,000	5,698,505	11,138,505
2019-2023	6,575,000	4,636,238	11,211,238
2024-2028	7,850,000	3,357,431	11,207,431
2029-2033	9,450,000	1,830,094	11,280,094
2034-2036	4,305,000	234,794	4,539,794
Total	\$ 37,945,000	\$ 22,326,421	\$ 60,271,421

Compensated Absences

Compensated absences at June 30, 2008 are presented as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 2,223,356	\$ 347,423	\$ 2,570,779
Additions	997,385	380,586	1,377,971
Payments	(880,069)	(360,107)	(1,240,176)
Ending Balance	<u>\$ 2,340,672</u>	<u>\$ 367,902</u>	<u>\$ 2,708,574</u>
Due within One Year	<u>\$ 408,231</u>	<u>\$ 97,879</u>	<u>\$ 506,110</u>

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated primarily by the General Fund when the amount becomes current.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 9-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, 2008, was as follows:

Description	Beginning	Additions	Retirements	Ending Balance
	Balance			June 30, 2008
	July 1, 2008			
1998 Marina Walk A.D. Bonds	\$ 1,570,000	\$ -	\$ (40,000)	\$ 1,530,000
1998 Pittsburgh IFA Bonds	10,135,000	-	(410,000)	9,725,000
2001-01 San Marco A.D. Bonds	7,020,000	-	(130,000)	6,890,000
2001-02 Oak Hills South A.D. Bonds	2,575,000	-	(50,000)	2,525,000
2001-03 Century Plaza Bonds	4,180,000	-	(80,000)	4,100,000
2005 Vista Del Mar CFD Bonds	12,115,000	-	(230,000)	11,885,000
Total	\$ 37,595,000	\$ -	\$ (940,000)	\$ 36,655,000

1998 Marina Walk Assessment District Bonds - 1998 Marina Walk Assessment District Bonds (Marina Walk Bonds) outstanding at June 30, 2008, amounted to \$1,530,000. The Marina Walk Bonds bear interest rates between 4.25% and 5.40% with interest payments made semi-annually on March 2 and September 2. The Marina Walk Bonds mature annually from 2000 to 2028 on September 2 in amounts ranging from \$30,000 to \$120,000. Proceeds from the Marina Walk Bonds were used to finance the construction and acquisition of certain public improvements specifically benefiting properties located within the boundaries of the Marina Walk Assessment District.

1998 Pittsburgh Infrastructure Financing Authority Bonds - 1998 Pittsburgh Infrastructure Financing Authority Bonds (1998 PIFA Bonds) consist of two series with principal outstanding at June 30, 2008, amounting in total to \$9,725,000. The 1998 PIFA Bonds bear interest rates between 4.00% and 5.85% with interest payments made semi-annually on March 2 and September 2. The 1998 PIFA Bonds mature annually from 1999 to 2024 on September 2 in amounts ranging from \$105,000 to \$435,000. Proceeds from the 1998 PIFA Bonds were used to acquire \$12,000,000 principal amount of the Pittsburgh Limited Obligation Refunding Bonds, Reassessment District No. 1998-1 which were issued to refund the New York Landing and Oakhill Water Facilities Assessment District Bonds and the 1995 and 1994 Pittsburgh Infrastructure Financing Authority Bonds.

2001-01 San Marco Assessment District Bonds - 2001-01 Limited Obligation Improvement Assessment District Bonds (San Marco Bonds) outstanding at June 30, 2008, amounted to \$6,890,000. The San Marco Bonds bear interest rates between 4.00% and 5.90% with interest payments made semi-annually on March 2 and September 2. The San Marco Bonds are to be paid from annual assessment installments. Proceeds from the San Marco Bonds were used to finance the construction and acquisition of certain public improvements within the assessment district.

2001-02 Oak Hills South Assessment District Bonds - 2001-02 Limited Obligation Improvement Assessment District Bonds (Oak Hills South Bonds) outstanding at June 30, 2008, amounted to \$2,525,000. The Oak Hills South Bonds bear interest rates between 4.00% and 5.20% with interest payments made semi-annually on March 2 and September 2. The Oak Hills South Bonds are to be paid from annual assessment installments. Proceeds from the Oak Hills South Bonds were used to finance the construction and acquisition of certain public improvements within the City's assessment district No. 2001-02.

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 9-SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT
(Continued)

2001-03 Century Plaza Assessment District Bonds - 2001-03 Limited Obligation Improvement Assessment District Bonds (Century Plaza Bonds) outstanding at June 30, 2008, amounted to \$4,100,000. 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.

2005 Vista Del Mar Assessment District Bonds - In October 2005, \$12,115,000 of 2005 Community Facilities District Bonds (Vista Del Mar) were issued. The balance outstanding at June 30, 2008 was \$11,885,000. The Vista Del Mar Bonds bear interest rates between 3.00% and 5.00% with interest payments made annual on 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. Proceeds from the Vista Del Mar Bonds will be used to finance certain public infrastructure improvements within the City's Community Facilities District No. 2005-2.

NOTE 10-FUND EQUITY

A. Fund Reserves and Designations

In the Governmental Funds, fund balances at June 30, 2008, have been reserved or designated for the following purposes:

	Special Revenue					Debt Service		Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	RDA Budget Stabilization	Housing Authority (Section 8)	Redevelopment Agency		
Fund Balances:									
Reserved:									
Supplies	\$ 38,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,444
Capital projects	-	-	-	-	-	-	131,963,053	14,785,852	146,748,905
Special projects	-	-	-	632,917	-	2,580,307	-	3,598,504	6,811,728
Debt service	-	-	-	-	-	-	36,986,269	66,252	37,052,521
Prepaid items	15,455	-	-	-	-	-	-	-	15,455
Advances	4,868	-	-	8,100,000	-	-	-	-	8,104,868
Unreserved, designated:									
Loans - CFD	150,000	-	-	-	-	-	-	-	150,000
Capital projects	-	-	-	-	-	-	-	-	-
Unreserved, undesignated, reported in:									
General fund	10,793,012	-	-	-	-	-	-	-	10,793,012
Special Revenue funds	-	(8,100,000)	1,809,674	31,955,453	10,000,000	-	-	2,749,518	38,414,645
Total fund balances	\$ 11,001,779	\$ (8,100,000)	\$ 1,809,674	\$ 40,688,370	\$ 10,000,000	\$ 2,580,307	\$ 168,949,322	\$ 21,200,126	\$ 248,129,578

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 10-FUND EQUITY

B. Deficit Fund Balance/Net Assets

At June 30, 2008, the Low and Moderate Income Housing I Special Revenue Fund had a deficit fund balance of \$8,100,000. The deficit will be reduced with future years' incremental tax revenues.

At June 30, 2008, the Park Maintenance CFD 2007-1 Special Revenue Fund had a deficit fund balance of \$72,751. The deficit will be reduced with future years' assessment revenues.

NOTE 11-EXPENDITURES IN EXCESS OF APPROPRIATION

The following funds had departmental expenditures in excess of budget. Sufficient revenues were available to fund these expenditures:

Fund/Department	Appropriations	Expenditures	Excess
Special Revenue Fund:			
Housing Authority (Section 8)	\$ 10,711,696	\$ 10,719,393	\$ 7,697
San Marco CFD 2004-1	7,500	9,197	1,697
Park Maintenance CFD 2007-1	46,598	46,619	21

NOTE 12-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 the Municipal Pooling Authority (MPA). The City is not insured for liability occurrences over \$25,000,000 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 an 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.

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 12-RISK MANAGEMENT (Continued)

C. Estimated Reserves for Claims, Continued

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 July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2006	\$ 234,038	\$ 119,161	\$ (160,356)	\$ 192,843
2007	192,843	82,390	(106,890)	168,343
2008	168,343	95,645	(8,275)	255,713

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	\$ 5,000	\$ 1,000,000,000
Boiler and Machinery	5,000	100,000,000
All Vehicles (Physical Damage)	2,000	250,000
Police Vehicles (Physical Damage)	3,000	250,000
Workers' Compensation	None	145,000,000
Liability	25,000	25,000,000

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.

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.

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 13-DEFINED BENEFIT PENSION PLAN

A. CALPERS Safety and Miscellaneous Plans

All qualified permanent and probationary employees are eligible to participate in pension plans offered by the California Public Employees' Retirement System (CALPERS).

Plan Description - The miscellaneous employees of the City are part of an agent multiple-employer defined benefit pension plan. The safety employees are part of a cost-sharing multiple-employer defined benefit plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

Funding Policy - The Plan's provisions and benefits in effect at June 30, 2008, are summarized as follows:

	Miscellaneous	Safety
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as % of annual salary	1.426-2.418%	3.00%
Required employee contribution rate	7%	9%
Required employer contribution rate	9.708%	20.444%

The Plans are funded by contributions from both the City and its employees. However, certain labor contracts require the City to also pay employee contributions. See the Required Supplementary Information for the Schedule of Funding Progress.

Annual Pension Cost - For 2007-2008, the City's annual pension cost of \$4,660,140 for CALPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 3.25% to 14.45% for miscellaneous employees and from 3.25% to 13.15% for safety employees depending on age, service, and type of employment, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2004, was 30 years for miscellaneous and safety employees for prior and current service unfunded liability.

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 13-DEFINED BENEFIT PENSION PLAN (Continued)

A. CALPERS Safety and Miscellaneous Plans, Continued

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2006	\$ 6,091,721	100%	\$ -
6/30/2007	4,567,333	100%	-
6/30/2008	4,660,140	100%	-

On June 15, 2006, the City, issued \$39,566,056 of Series 2006 Taxable Pension Obligation Bonds to prepay the City's unfunded CALPERS accrued actuarial liability of \$25,977,758 as determined in certified actuarial calculations as of June 2004.

As required by new State law, effective July 1, 2005, the City's Safety Plan was terminated, and the employees in the plan were required by CALPERS to join a new State-wide pool. One of the conditions of entry was that the City true-up any unfunded liabilities or overfunded assets in the former Plan, either by paying cash or by increasing or decreasing its future contribution rates through a Side Fund offered by CALPERS. The City satisfied its Safety Plan's unfunded liability of \$11,341,333 agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next twenty years.

B. Funding Status as of the Most Recent Actuarial Date

The City contributes to the California Public Employees' Retirement System (CalPERS), as an agent multiple - employer public employee defined benefit pension plan. The amounts reflected herein represent the City's portion as reported by CalPERS.

Miscellaneous Plan

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Liability (B-A)	Funded Ratio (A/B)	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll (C/E)
6/30/2007	\$ 37,534,336	\$ 36,869,328	\$ (665,008)	101.8%	\$ 13,588,991	(4.9)%

*Latest information available.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 13-DEFINED BENEFIT PENSION PLAN (Continued)

B. Funding Status as of the Most Recent Actuarial Date, Continued

Safety Plan

The City retirement plan for safety employees is a part of the CalPERS risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's safety employees is no longer available nor disclosed. As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the most recent funding progress is not required.

C. Contra Costa County Employees' Retirement Association

Prior to June 30, 2001, the City's retirement plan was with Contra Costa County Employees' Retirement Association (CCCERA).

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 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's accrued liability and allocated assets was determined to be \$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's 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.

In January 2006 the City received correspondence dated January 3, 2006 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).

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 13-DEFINED BENEFIT PENSION PLAN (Continued)

C. Contra Costa County Employees' Retirement Association, Continued

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 was 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. The next triennial experience update is scheduled for December 31, 2009.

NOTE 14-OTHER POST-EMPLOYMENT BENEFITS

The City provided health care benefits for 100 retired employees on a pay-as-you-go basis with the City paying a portion of the costs. All active health care plan participants and their spouses may become eligible upon retirement for these benefits if they reach the normal retirement age while working for the City. The City's post-employment expenditures for the fiscal year 2008 amounted to \$591,268 including \$122,998 for 25 retirees not on a pay-as-you-go basis.

NOTE 15-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, 2008, 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, Continued
For the year ended June 30, 2008

NOTE 15-COMMITMENTS AND CONTINGENCIES, Continued

C. Pass-Through Agreements

The Agency has agreements with the County, College District, Education Office, Fire District, Flood Control District, County Library District, East Bay Regional Parks District, Mosquito Abatement District, Antioch Unified School District and Pittsburgh Unified School District which requires it to pass through a portion of its property tax increment to these agencies. The Community Redevelopment Law Reform Act of 1993, also known as AB 1290, requires the Agency to also pass through tax increments to other taxing agencies not engaged in agreements with the Agency. The tax increment passed through to all agencies amounted to \$8,186,499 for fiscal year 2007-2008.

NOTE 16-PRIOR PERIOD ADJUSTMENT

A. Government-Wide Financial Statements:

During the fiscal year 2008 the City recorded prior period adjustments to correct accounting errors.

	Net Assets, as Previously Reported	Prior Period Adjustments		Net Assets, as Restated
		Capital Assets	Sales Taxes	
Governmental Activities	\$ 90,373,729	\$ (2,930,914)	\$ 832,166	\$ 88,274,981
Business Activities	\$ 86,799,341	\$ (857,320)	\$ -	\$ 85,942,021

Governmental activities were adjusted due to correction of errors in the recording of capital assets and to reflect sales tax revenues that were earned in Fiscal Year 2007 due to a change in accounting from cash basis to accrual basis.

Business activities were adjusted due to correction of errors in the recording of capital assets.

B. Fund Financial Statements:

	Net Assets, as Previously Reported	Prior Period Adjustments		Net Assets, as Restated
		Sales Tax Revenue	Capital Assets	
Governmental Fund				
General Fund	\$ 10,059,367	\$ 832,166	\$ -	\$ 10,891,533
Enterprise Fund				
Water	\$ 46,352,877	-	(63,815)	\$ 46,289,062
Marina	\$ 14,915,222	-	(804,904)	\$ 14,110,318
Golf Course	\$ 965,327	-	28,365	\$ 993,692
Island Energy	\$ 6,910,717	-	(16,966)	\$ 6,893,751

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2008

NOTE 16-PRIOR PERIOD ADJUSTMENT, Continued

General Fund Sales Tax Revenue was adjusted to reflect revenues that were earned in Fiscal Year 2007 due to a change in accounting from cash basis to accrual basis.

Water Fund, Marina Fund, Golf Course Fund and Island Energy Fund were adjusted due to correction of errors in the recording of capital assets.

NOTE 17-SUBSEQUENT EVENT

Upheaval in the credit markets due to the sub-prime mortgage crisis has resulted in higher interest rates on the Redevelopment Agency Series 2006A variable-rate Tax Allocation Bonds and correspondingly higher interest costs to the City. In order to reduce and stabilize the interest costs and eliminate any further exposure to credit market volatility, the City issued 2008A Subordinate Tax Allocation Bonds of \$61,660,856 with maturity date of September 1, 2029 to refund its Series 2006A variable-rate bonds with 6.77% fixed-rate bonds on November 6, 2008.

NOTE 18-REISSUING OF THE 2008 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Certain errors in the Management's Discussion and Analysis and the Statistical Section of the City's previously issued 2008 Comprehensive Annual Financial Report (CAFR) were discovered by the management of the City. In addition, certain errors relating to how the City classified its transfers in and out and capital contributions revenue in its previously issued 2008 CAFR were also discovered. Accordingly, the City's CAFR has been reissued to correct the errors.

**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Pittsburg
Required Supplementary Information
For the year ended June 30, 2008

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. The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds and capital projects funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions. The debt service and agency funds are not budgeted.
4. Budgets for the General, special revenue (except for the Low/Moderate Income Housing I Special Revenue Fund, Budget Stabilization Special Revenue Fund, and the Vista Del Mar CFD 2005-2 Special Revenue Fund) and capital projects funds are adopted on a basis consistent with GAAP.
5. 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, 2008, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
6. 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.
7. Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year.
8. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

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.

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2008

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules

The following are the budget comparison schedules for all major Governmental Funds.

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 3,785,000	\$ 4,165,000	\$ 3,571,600	\$ (593,400)
Sales taxes	8,300,000	7,580,000	7,295,549	(284,451)
Franchise taxes	2,221,200	2,221,200	2,340,661	119,461
Other taxes	1,254,000	1,204,000	1,244,781	40,781
Intergovernmental revenues	6,120,107	6,023,607	5,870,319	(153,288)
Permits, licenses and fees	1,135,850	935,850	620,035	(315,815)
Fines and forfeitures	761,520	725,120	879,653	154,533
Service fees	2,114,610	1,614,610	2,705,680	1,091,070
Use of money and property	655,000	655,000	751,666	96,666
Other revenues	2,627,713	2,683,213	831,781	(1,851,432)
Total revenues	28,975,000	27,807,600	26,111,725	(1,695,875)
EXPENDITURES:				
Current:				
General Government	3,308,802	2,465,432	2,459,941	5,491
City Council	90,168	82,972	81,937	1,035
City Manager and City Clerk	542,390	709,042	705,722	3,320
City Attorney	426,960	426,960	750,263	(323,303)
Human resources	898,572	889,094	868,342	20,752
Finance and services	2,094,839	2,211,472	2,161,286	50,186
Community development and services	6,237,530	5,993,333	5,771,565	221,768
Public safety	17,653,447	17,845,128	17,605,084	240,044
Public works - administration	185,673	155,204	132,418	22,786
Public works - streets	1,875,388	1,932,353	1,930,849	1,504
Public works - parks	219,547	160,274	134,949	25,325
Total expenditures	33,533,316	32,871,264	32,602,356	268,908
REVENUES OVER (UNDER) EXPENDITURES	(4,558,316)	(5,063,664)	(6,490,631)	(1,426,967)
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	1,940,000	1,940,000
Transfers in	6,005,429	6,147,282	6,232,977	85,695
Transfers out	(1,443,600)	(1,572,100)	(1,572,100)	-
Total other financing sources (uses)	4,561,829	4,575,182	6,600,877	2,025,695
Net change in fund balance	\$ 3,513	\$ (488,482)	110,246	\$ 598,728
FUND BALANCE:				
Beginning of year			10,891,533	
End of year			<u>\$ 11,001,779</u>	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2008

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Low and Moderate Income Housing II Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,150,000	\$ 3,150,000	\$ 3,315,231	\$ 165,231
Service Fees	12,000	12,000	7,500	(4,500)
Use of money and property	60,000	60,000	160,995	100,995
Other revenues	-	-	15,228	15,228
Total revenues	<u>3,222,000</u>	<u>3,222,000</u>	<u>3,498,954</u>	<u>276,954</u>
EXPENDITURES:				
Current:				
General Government	25,000	25,000	29,372	(4,372)
Community development and services	50,000	18,121,234	6,530,542	11,590,692
Total expenditures	<u>75,000</u>	<u>18,146,234</u>	<u>6,559,914</u>	<u>11,586,320</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,147,000</u>	<u>(14,924,234)</u>	<u>(3,060,960)</u>	<u>11,863,274</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	15,592,704	5,352,433	(10,240,271)
Transfers out	(2,172,603)	(3,507,448)	(3,437,347)	70,101
Total other financing sources (uses)	<u>(2,172,603)</u>	<u>12,085,256</u>	<u>1,915,086</u>	<u>(10,170,170)</u>
Net change in fund balance	<u>\$ 974,397</u>	<u>\$ (2,838,978)</u>	<u>(1,145,874)</u>	<u>\$ 1,693,104</u>
FUND BALANCE:				
Beginning of year			<u>2,955,548</u>	
End of year			<u>\$ 1,809,674</u>	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2008

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Redevelopment Agency Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 43,575,000	\$ 43,575,000	\$ 44,896,071	\$ 1,321,071
Intergovernmental revenues	-	-	27,061	27,061
Service fees	75,000	75,000	633	(74,367)
Use of money and property	500,000	500,000	1,216,491	716,491
Other revenues	-	10,000	722,703	712,703
Total revenues	44,150,000	44,160,000	46,862,959	2,702,959
EXPENDITURES:				
Current:				
General Government	12,700,765	12,546,008	11,496,220	1,049,788
Community development and services	9,208,552	20,307,795	9,311,257	10,996,538
Capital outlay and improvements	2,527,000	3,404,989	2,860,159	544,830
Total expenditures	24,436,317	36,258,792	23,667,636	12,591,156
REVENUES OVER (UNDER) EXPENDITURES	19,713,683	7,901,208	23,195,323	15,294,115
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	700,000	-	(700,000)
Transfers in	3,100,000	3,380,064	667,532	(2,712,532)
Transfers out	(34,575,691)	(44,575,691)	(38,202,841)	6,372,850
Transfer out to the City	(3,000,000)	(3,000,000)	(3,000,000)	-
Total other financing sources (uses)	(34,475,691)	(43,495,627)	(40,535,309)	2,960,318
Net change in fund balance	\$ (14,762,008)	\$ (35,594,419)	(17,339,986)	\$ 18,254,433
FUND BALANCE:				
Beginning of year			58,028,356	
End of year			<u>\$ 40,688,370</u>	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2008

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Housing Authority (Section 8) Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 10,576,753	\$ 10,576,753	\$ 10,153,414	\$ (423,339)
Use of money and property	50,000	50,000	113,950	63,950
Other revenues	5,000	5,000	21,507	16,507
Total revenues	<u>10,631,753</u>	<u>10,631,753</u>	<u>10,288,871</u>	<u>(342,882)</u>
EXPENDITURES:				
Current:				
General government	892,163	915,163	889,483	25,680
Community development and services	9,796,533	9,796,533	9,829,910	(33,377)
Total expenditures	<u>10,688,696</u>	<u>10,711,696</u>	<u>10,719,393</u>	<u>(7,697)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(56,943)</u>	<u>(79,943)</u>	<u>(430,522)</u>	<u>(350,579)</u>
Net change in fund balance	<u>\$ (56,943)</u>	<u>\$ (79,943)</u>	<u>(430,522)</u>	<u>\$ (350,579)</u>
FUND BALANCE:				
Beginning of year			<u>3,010,829</u>	
End of year			<u>\$ 2,580,307</u>	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2008

2. DEFINED PENSION PLAN

The Miscellaneous Plan's actuarial value (which differs from market value) and funding progress over the past three years is set forth below at their actuarial valuation date of June 30:

Miscellaneous Plan:

Actuarial Valuation Date*	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (Overfunded) Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll (C/E)
6/30/2005	\$ 13,819,588	\$ 30,202,944	\$ 16,383,356	45.8%	\$ 12,070,970	135.7%
6/30/2006	33,291,126	33,318,378	27,252	99.9%	12,338,518	0.2%
6/30/2007	37,534,336	36,869,328	(665,008)	101.8%	13,588,991	(4.9)%

*Latest information available.

Safety Plan:

The City retirement plan for safety employees is a part of the CalPERS risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's safety employees is no longer available nor disclosed. . As part of a cost-sharing multiple-employer defined benefit plan, disclosure of the most recent funding progress is not required.

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



SUPPLEMENTARY INFORMATION

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Redevelopment Agency Capital Project Fund - Major Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ 5,094,629	\$ 3,896,467	\$ (1,198,162)
Other revenues	-	-	30,485	30,485
Total revenues	-	5,094,629	3,926,952	(1,167,677)
EXPENDITURES:				
Current:				
Community development and services	-	7,506,172	6,056,444	1,449,728
Capital outlay and improvements	-	142,949,440	46,917,541	96,031,899
Total expenditures	-	150,455,612	52,973,985	97,481,627
REVENUES OVER (UNDER) EXPENDITURES	-	(145,360,983)	(49,047,033)	96,313,950
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	375,000	375,000
Transfers in	-	130,894,937	48,672,033	(82,222,904)
Total other financing sources (uses)	-	130,894,937	49,047,033	(81,847,904)
Net change in fund balance	\$ -	\$ (14,466,046)	-	\$ 14,466,046
FUND BALANCE:				
Beginning of year			-	
End of year			\$ -	

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

Budget Stabilization Fund - This fund was established for the purpose of financing future contingencies and/or General Fund shortfall.

Economic Development Fund - This fund was established to account for the six million dollars of proceeds from the sale of a power plant to CalPine that was set-aside to be used for economic development activities in the City of Pittsburg.

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 C 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 and 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 and Landscape Oak Hill 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.

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 receive revenues from assessments levied on the properties located on the hillside areas for its operation costs.

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.

NON-MAJOR

GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, CONTINUED:

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

Veterans Affairs Supportive Housing Fund - This fund was established to account for the rental assistance vouchers to assist homeless veterans and link the housing agency with a Veterans Administration Medical Center to provide supportive services and case management to eligible homeless veterans.

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

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.

DEBT SERVICE FUNDS:

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.

Prop 1B Local Street & Road Improvement Fund - This fund was established to account for the State support to improve local transportation projects, to relieve congestion, improve air quality, and enhance the safety and security of the transportation system.

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

Capital Improvement 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.

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

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.

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2008

	Special Revenue					
	Budget Stabilization	Economic Development	Small Cities Grant	Gas Tax	Measure C Tax Fund	Lighting & Landscape
ASSETS						
Cash and investments	\$ 2,664,649	\$ 2,666,931	\$ 459,721	\$ 126,582	\$ 781,855	\$ 203,535
Restricted cash and investments	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	372,669	711,918	12
Interest	-	-	2,731	2,783	7,095	-
Loans/ notes	-	-	1,795,486	-	-	-
Prepaid items	-	-	487	-	-	-
Total assets	\$ 2,664,649	\$ 2,666,931	\$ 2,258,425	\$ 502,034	\$ 1,500,868	\$ 203,547
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 106,660	\$ 54,470	\$ 418,054	\$ 7,567	\$ 81,348
Interest payable	-	-	-	-	-	-
Salaries payable	-	-	1,095	-	-	8,228
Refundable deposits	-	-	-	-	-	-
Loans payable - current	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	1,795,486	-	-	-
Total liabilities	-	106,660	1,851,051	418,054	7,567	89,576
Fund Balances:						
Reserved	2,664,649	2,560,271	407,374	83,980	1,493,301	113,971
Unreserved, undesignated, reported in:						
Special revenue funds	-	-	-	-	-	-
Total unreserved, undesignated	-	-	-	-	-	-
Total fund balances (deficit)	2,664,649	2,560,271	407,374	83,980	1,493,301	113,971
Total liabilities and fund balances	\$ 2,664,649	\$ 2,666,931	\$ 2,258,425	\$ 502,034	\$ 1,500,868	\$ 203,547

Special Revenue

Lighting & Landscaping Oak Hill	Miscellaneous Grants	Assets Seizure	Local Law Enforcement Block Grant	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	Veterans Affairs Supportive Housing
\$ 119,222	\$ 92,661	\$ 215,944	\$ 89,677	\$ 985,609	\$ 165,254	\$ (75,747)	\$ 62,709
-	-	-	-	-	-	-	-
-	182,875	-	6,500	-	40,564	429,208	-
632	519	1,155	499	5,109	231	-	153
-	-	-	-	-	-	181,836	-
-	-	-	-	-	-	-	-
<u>\$ 119,854</u>	<u>\$ 276,055</u>	<u>\$ 217,099</u>	<u>\$ 96,676</u>	<u>\$ 990,718</u>	<u>\$ 206,049</u>	<u>\$ 535,297</u>	<u>\$ 62,862</u>
\$ 7,329	\$ 172,311	\$ 6,091	\$ 8,992	\$ 4,583	\$ 439	\$ 34,645	\$ -
-	-	-	-	-	-	-	-
91	-	-	-	-	1,606	481	-
-	10,700	126,139	-	1,455	-	-	-
-	-	-	-	-	-	181,836	-
-	12,281	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	80,763	-	87,684	-	-	298,724	-
<u>7,420</u>	<u>276,055</u>	<u>132,230</u>	<u>96,676</u>	<u>6,038</u>	<u>2,045</u>	<u>515,686</u>	<u>-</u>
112,434	-	84,869	-	984,680	204,004	19,611	62,862
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>112,434</u>	<u>-</u>	<u>84,869</u>	<u>-</u>	<u>984,680</u>	<u>204,004</u>	<u>19,611</u>	<u>62,862</u>
<u>\$ 119,854</u>	<u>\$ 276,055</u>	<u>\$ 217,099</u>	<u>\$ 96,676</u>	<u>\$ 990,718</u>	<u>\$ 206,049</u>	<u>\$ 535,297</u>	<u>\$ 62,862</u>

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds, Continued
June 30, 2008

	Special Revenue (Continued)					Debt
	San Marco	Solid	Vista Del Mar	Public Safety	Park	Service
	CFD 2004-01	Waste	CFD 2005-2	CFD 2005-1	Maintenance CFD 2007-1	Pension Obligations
ASSETS						
Cash and investments	\$ 11,556	\$ 265,695	\$ 7,804	\$ 22,695	\$ 71,307	\$ 4,937
Restricted cash and investments	-	-	-	-	-	992,571
Receivables:						
Accounts	-	87,406	-	-	6,868	-
Interest	438	-	56	480	453	1,124
Loans/ notes	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 11,994	\$ 353,101	\$ 7,860	\$ 23,175	\$ 78,628	\$ 998,632
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 780	\$ 69,537	\$ 1,628	\$ 560	\$ 1,262	\$ 122
Interest payable	-	-	-	-	-	932,258
Salaries payable	-	220	-	-	117	-
Refundable deposits	-	-	(368)	-	-	-
Loans payable - current	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-
Due to other funds	-	-	-	-	150,000	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	780	69,757	1,260	560	151,379	932,380
Fund Balances:						
Reserved	11,214	283,344	6,600	22,615	(72,751)	66,252
Unreserved, reported in:						
Special revenue funds	-	-	-	-	-	-
Total unreserved, designated	-	-	-	-	-	-
Total fund balances (deficit)	11,214	283,344	6,600	22,615	(72,751)	66,252
Total liabilities and fund balances	\$ 11,994	\$ 353,101	\$ 7,860	\$ 23,175	\$ 78,628	\$ 998,632

Capital Projects

Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local Street Road Impr	Kirker Creek Drainage Fees	Capital Improvement	Traffic Mitigation	Park Dedication	Total Non-Major Governmental Funds
\$ 405,986	\$ 865,467	\$ 1,014,007	\$ 1,378,667	\$ 756,069	\$ 3,767,544	\$ 4,184,029	\$ 21,314,365
-	-	-	-	9,783	-	-	1,002,354
-	-	-	-	-	-	-	1,838,020
10,771	4,478	3,359	7,134	-	21,929	31,190	102,319
-	-	-	-	-	-	-	1,977,322
-	-	-	-	-	-	-	487
<u>\$ 416,757</u>	<u>\$ 869,945</u>	<u>\$ 1,017,366</u>	<u>\$ 1,385,801</u>	<u>\$ 765,852</u>	<u>\$ 3,789,473</u>	<u>\$ 4,215,219</u>	<u>\$ 26,234,867</u>
\$ -	\$ -	\$ -	\$ -	\$ 57,361	\$ 143,295	\$ 1,309	\$ 1,178,343
-	-	-	-	-	-	-	932,258
-	-	-	-	-	-	-	11,838
-	-	-	-	48,209	-	-	186,135
-	-	-	-	-	-	-	181,836
-	-	-	-	-	-	-	12,281
-	-	-	-	-	-	-	150,000
119,393	-	-	-	-	-	-	2,382,050
<u>119,393</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,570</u>	<u>143,295</u>	<u>1,309</u>	<u>5,034,741</u>
297,364	869,945	1,017,366	1,385,801	660,282	3,646,178	4,213,910	21,200,126
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>297,364</u>	<u>869,945</u>	<u>1,017,366</u>	<u>1,385,801</u>	<u>660,282</u>	<u>3,646,178</u>	<u>4,213,910</u>	<u>21,200,126</u>
<u>\$ 416,757</u>	<u>\$ 869,945</u>	<u>\$ 1,017,366</u>	<u>\$ 1,385,801</u>	<u>\$ 765,852</u>	<u>\$ 3,789,473</u>	<u>\$ 4,215,219</u>	<u>\$ 26,234,867</u>

(Concluded)

City of Pittsburg
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2008

	Special Revenue					
	Budget Stabilization	Economic Development	Small Cities Grant	Gas Tax	Measure C Tax Fund	Lighting & Landscape
REVENUES:						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 1,127,603	\$ 711,918	\$ -
Licenses, permits and fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	2,599,439
Service fees	-	-	-	-	-	-
Use of money and property	-	-	67,183	26,104	50,172	-
Other revenues	-	-	388,431	-	55,430	922
Total revenues	-	-	455,614	1,153,707	817,520	2,600,361
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	33,182
Community development and services	-	-	659,635	-	102,990	-
Public safety	-	-	-	-	-	-
Public works - CIPs	-	-	-	439,934	-	3,842,582
General non-departmental	-	392,150	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	392,150	659,635	439,934	102,990	3,875,764
REVENUES OVER (UNDER)						
EXPENDITURES	-	(392,150)	(204,021)	713,773	714,530	(1,275,403)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	47,971	-	-	1,373,500
Transfers out	-	-	-	(1,175,000)	(733,739)	-
Total other financing sources (uses)	-	-	47,971	(1,175,000)	(733,739)	1,373,500
Net change in fund balances	-	(392,150)	(156,050)	(461,227)	(19,209)	98,097
FUND BALANCES:						
Beginning of year	2,664,649	2,952,421	563,424	545,207	1,512,510	15,874
End of year	\$ 2,664,649	\$ 2,560,271	\$ 407,374	\$ 83,980	\$ 1,493,301	\$ 113,971

Special Revenue							
Lighting & Landscape Oak Hill	Miscellaneous Grants	Assets Seizure	Local Law Enforcement Block Grant	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	HUD Veterans Affairs Supportive Housing
\$ -	\$ 366,602	\$ -	\$ 67,616	\$ 343,987	\$ 806,168	\$ 671,517	\$ 62,680
-	-	-	-	-	-	-	-
33,959	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,764	4,014	9,738	3,693	33,479	2,424	-	182
-	-	28,312	-	-	19,167	50	-
37,723	370,616	38,050	71,309	377,466	827,759	671,567	62,862
-	-	-	-	2,378	-	-	-
-	10,691	-	26,822	106,161	-	485,192	-
-	359,925	106,564	44,488	-	25,277	-	-
43,499	-	-	-	-	479,737	-	-
-	-	-	-	-	239,671	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
43,499	370,616	106,564	71,310	108,539	744,685	485,192	-
(5,776)	-	(68,514)	(1)	268,927	83,074	186,375	62,862
-	-	-	-	-	-	-	-
-	-	-	-	(25,500)	(83,482)	(185,921)	-
-	-	-	-	(25,500)	(83,482)	(185,921)	-
(5,776)	-	(68,514)	(1)	243,427	(408)	454	62,862
118,210	-	153,383	1	741,253	204,412	19,157	-
\$ 112,434	\$ -	\$ 84,869	\$ -	\$ 984,680	\$ 204,004	\$ 19,611	\$ 62,862

(Continued)

City of Pittsburg
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds, Continued
For the year ended June 30, 2008

	Special Revenue (Continued)					Debt
	San Marco	Solid	Vista Del Mar	Public Safety	Park	Service
	CFD 2004-01	Waste	CFD 2005-2	CFD 2005-1	Maintenance CFD 2007-1	Pension Obligations
REVENUES:						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-
Special assessments	60,571	-	13,920	79,759	1,739	-
Service fees	-	362,457	-	-	-	1,734,016
Use of money and property	3,046	4,201	152	2,842	4,291	30,594
Other revenues	-	-	-	-	6,868	-
Total revenues	63,617	366,658	14,072	82,601	12,898	1,764,610
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Community development and services	9,197	185,413	2,648	9,356	-	-
Public safety	-	-	-	-	-	-
Public works - CIPs	-	-	-	-	38,053	-
General non-departmental	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	8,566	2,038,489
Total expenditures	9,197	185,413	2,648	9,356	46,619	2,038,489
REVENUES OVER (UNDER)						
EXPENDITURES	54,420	181,245	11,424	73,245	(33,721)	(273,879)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	211,059
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	211,059
Net change in fund balances	54,420	181,245	11,424	73,245	(33,721)	(62,820)
FUND BALANCES:						
Beginning of year	(43,206)	102,099	(4,824)	(50,630)	(39,030)	129,072
End of year	\$ 11,214	\$ 283,344	\$ 6,600	\$ 22,615	\$ (72,751)	\$ 66,252

Capital Projects

Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local Street Road Improvement	Kirker Creek Drainage Fees	Capital Improvement	Traffic Mitigation	Park Dedication	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 1,013,376	\$ -	\$ -	\$ -	\$ -	\$ 5,171,467
69,980	-	-	78,676	-	579,258	742,560	1,470,474
-	-	-	-	-	-	-	2,789,387
-	-	-	-	-	-	-	2,096,473
83,226	35,661	3,990	53,554	-	169,649	222,424	814,383
-	-	-	-	80,105	159,481	-	738,766
153,206	35,661	1,017,366	132,230	80,105	908,388	964,984	13,080,950
-	-	-	-	-	-	-	35,560
-	-	-	-	-	-	-	1,598,105
-	-	-	-	-	-	-	536,254
-	-	-	-	520,535	1,112,030	213,974	6,690,344
-	18,077	-	-	-	-	-	649,898
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	2,047,055
-	18,077	-	-	520,535	1,112,030	213,974	11,557,216
153,206	17,584	1,017,366	132,230	(440,430)	(203,642)	751,010	1,523,734
-	-	-	-	440,430	10,965	-	2,083,925
(1,705,600)	-	-	-	-	(492,126)	(1,790,425)	(6,191,793)
(1,705,600)	-	-	-	440,430	(481,161)	(1,790,425)	(4,107,868)
(1,552,394)	17,584	1,017,366	132,230	-	(684,803)	(1,039,415)	(2,584,134)
1,849,758	852,361	-	1,253,571	660,282	4,330,981	5,253,325	23,784,260
\$ 297,364	\$ 869,945	\$ 1,017,366	\$ 1,385,801	\$ 660,282	\$ 3,646,178	\$ 4,213,910	\$ 21,200,126

(Concluded)

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



City of Pittsburg

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

Budget Stabilization Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers in	\$ 135,000	\$ -	\$ -	\$ -
Total other financing sources (uses)	<u>135,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ (135,000)</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
 FUND BALANCE:				
Beginning of year			<u>2,664,649</u>	
End of year			<u>\$ 2,664,649</u>	

City of Pittsburgh

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

Economic Development Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General non-departmental	\$ 780,000	\$ 780,000	\$ 392,150	\$ 387,850
Total expenditures	780,000	780,000	392,150	387,850
Net change in fund balance	\$ (780,000)	\$ (780,000)	(392,150)	\$ 387,850
FUND BALANCE:				
Beginning of year			2,952,421	
End of year			\$ 2,560,271	

City of Pittsburg

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

Small Cities Grants Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 105,000	\$ 105,000	\$ 67,183	\$ (37,817)
Other revenues	710,000	710,000	388,431	(321,569)
Total revenues	815,000	815,000	455,614	(359,386)
EXPENDITURES:				
Current:				
Community development and services	983,449	983,449	659,635	323,814
Total expenditures	983,449	983,449	659,635	323,814
REVENUES OVER (UNDER) EXPENDITURES	(168,449)	(168,449)	(204,021)	(35,572)
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	47,971	(52,029)
Total other financing sources (uses)	100,000	100,000	47,971	(52,029)
Net change in fund balance	\$ (68,449)	\$ (68,449)	(156,050)	\$ (87,601)
FUND BALANCE:				
Beginning of year			563,424	
End of year			\$ 407,374	

City of Pittsburg

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

Gas Tax Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 15,500	\$ 15,500	\$ 26,104	\$ 10,604
Intergovernmental	1,153,400	1,153,400	1,127,603	(25,797)
Total revenues	1,168,900	1,168,900	1,153,707	(15,193)
EXPENDITURES:				
Current:				
Public Works	50,000	522,547	439,934	82,613
Total expenditures	50,000	522,547	439,934	82,613
REVENUES OVER (UNDER) EXPENDITURES	1,118,900	646,353	713,773	67,420
OTHER FINANCING SOURCES (USES):				
Transfers in	-	20,750	-	(20,750)
Transfers out	(1,175,000)	(1,175,000)	(1,175,000)	-
Total other financing sources (uses)	(1,175,000)	(1,154,250)	(1,175,000)	-
Net change in fund balance	\$ (56,100)	\$ (507,897)	(461,227)	\$ 46,670
FUND BALANCE:				
Beginning of year			545,207	
End of year			<u>\$ 83,980</u>	

City of Pittsburgh

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

Measure C Tax Fund Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 15,000	\$ 15,000	\$ 50,172	\$ 35,172
Intergovernmental	695,000	695,000	767,348	72,348
Total revenues	710,000	710,000	817,520	107,520
EXPENDITURES:				
Current:				
Community development and services	30,000	135,000	102,990	32,010
Total expenditures	30,000	135,000	102,990	32,010
REVENUES OVER (UNDER) EXPENDITURES	680,000	575,000	714,530	139,530
OTHER FINANCING SOURCES (USES):				
Transfers out	(250,000)	(763,049)	(733,739)	29,310
Total other financing sources (uses)	(250,000)	(763,049)	(733,739)	29,310
Net change in fund balance	\$ 430,000	\$ (188,049)	(19,209)	\$ 168,840
FUND BALANCE:				
Beginning of year			1,512,510	
End of year			\$ 1,493,301	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Lighting & Landscape Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 2,609,806	\$ 2,609,806	\$ 2,599,439	\$ (10,367)
Other revenues	-	-	922	922
Total revenues	<u>2,609,806</u>	<u>2,609,806</u>	<u>2,600,361</u>	<u>(9,445)</u>
EXPENDITURES:				
Current:				
General government	40,200	40,200	33,182	7,018
Public works	3,735,703	3,939,203	3,842,582	96,621
Total expenditures	<u>3,775,903</u>	<u>3,979,403</u>	<u>3,875,764</u>	<u>103,639</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,166,097)</u>	<u>(1,369,597)</u>	<u>(1,275,403)</u>	<u>94,194</u>
OTHER FINANCING SOURCES (USES):				
Operating transfers in	1,170,000	1,373,500	1,373,500	-
Total other financing sources (uses)	<u>1,170,000</u>	<u>1,373,500</u>	<u>1,373,500</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,903</u>	<u>\$ 3,903</u>	<u>98,097</u>	<u>\$ 94,194</u>
FUND BALANCE:				
Beginning of year			<u>15,874</u>	
End of year			<u>\$ 113,971</u>	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Lighting & Landscape Oak Hill Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 33,960	\$ 33,960	\$ 33,959	\$ (1)
Use of money and property	2,700	2,700	3,764	1,064
Total revenues	36,660	36,660	37,723	1,063
EXPENDITURES:				
Current:				
Public works	49,451	49,451	43,499	5,952
Total expenditures	49,451	49,451	43,499	5,952
REVENUES OVER (UNDER) EXPENDITURES	(12,791)	(12,791)	(5,776)	7,015
Net change in fund balance	\$ (12,791)	\$ (12,791)	(5,776)	\$ 7,015
FUND BALANCE:				
Beginning of year			118,210	
End of year			\$ 112,434	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Miscellaneous Grants Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 4,014	\$ 4,014
Intergovernmental	-	409,653	366,602	(43,051)
Total revenues	-	409,653	370,616	(39,037)
EXPENDITURES:				
Current:				
Community development and services	-	12,270	10,691	1,579
Public Safety	-	405,675	359,925	45,750
Total expenditures	-	417,945	370,616	47,329
Net change in fund balance	\$ -	\$ (8,292)	-	\$ 8,292
FUND BALANCE:				
Beginning of year			-	
End of year			\$ -	

City of Pittsburg

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

Asset Seizure Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 4,500	\$ 4,500	\$ 9,738	\$ 5,238
Other revenues	-	-	28,312	28,312
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>38,050</u>	<u>33,550</u>
EXPENDITURES:				
Current:				
Public Safety	-	153,382	106,564	46,818
Total expenditures	<u>-</u>	<u>153,382</u>	<u>106,564</u>	<u>46,818</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,500</u>	<u>(148,882)</u>	<u>(68,514)</u>	<u>80,368</u>
Net change in fund balance	<u>\$ 4,500</u>	<u>\$ (148,882)</u>	<u>(68,514)</u>	<u>\$ 80,368</u>
FUND BALANCE:				
Beginning of year			<u>153,383</u>	
End of year			<u>\$ 84,869</u>	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Local Law Enforcement Block Grant Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 3,693	\$ 3,693
Intergovernmental	-	141,165	67,616	(73,549)
Total revenues	-	141,165	71,309	(69,856)
EXPENDITURES:				
Current:				
Community development and services	-	117,857	26,822	91,035
Public safety	-	32,866	44,488	(11,622)
Total expenditures	-	150,723	71,310	79,413
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,558)</u>	(1)	<u>\$ 9,557</u>
FUND BALANCE:				
Beginning of year			<u>1</u>	
End of year			<u>\$ -</u>	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Southwest Pittsburg GHAD II Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 235,000	\$ 235,000	\$ 343,987	\$ 108,987
Use of money and property	15,000	15,000	33,479	18,479
Total revenues	250,000	250,000	377,466	127,466
EXPENDITURES:				
Current:				
General government	2,800	2,800	2,378	422
Community development and services	180,000	180,000	106,161	73,839
Total expenditures	182,800	182,800	108,539	74,261
REVENUES OVER (UNDER) EXPENDITURES	67,200	67,200	268,927	201,727
OTHER FINANCING SOURCES (USES):				
Transfers out	(25,500)	(25,500)	(25,500)	-
Total other financing sources (uses)	(25,500)	(25,500)	(25,500)	-
Net change in fund balance	\$ 41,700	\$ 41,700	243,427	\$ 201,727
FUND BALANCE:				
Beginning of year			741,253	
End of year			\$ 984,680	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Storm Water Utility (NPDES) Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 805,000	\$ 805,000	\$ 806,168	\$ 1,168
Use of money and property	3,200	3,200	2,424	(776)
Other revenues	-	-	19,167	19,167
Total revenues	808,200	808,200	827,759	19,559
EXPENDITURES:				
Current:				
Public safety	32,445	32,445	25,277	7,168
Public works	552,594	552,594	479,737	72,857
General non-departmental	214,000	214,000	239,671	(25,671)
Total expenditures	799,039	799,039	744,685	54,354
REVENUES OVER (UNDER) EXPENDITURES	9,161	9,161	83,074	73,913
OTHER FINANCING SOURCES (USES):				
Transfers out	(83,482)	(83,482)	(83,482)	-
Total other financing sources (uses)	(83,482)	(83,482)	(83,482)	-
Net change in fund balance	\$ (74,321)	\$ (74,321)	(408)	\$ 73,913
FUND BALANCE:				
Beginning of year			204,412	
End of year			\$ 204,004	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual HUD Community Development Block Grant Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 692,878	\$ 733,257	\$ 671,567	\$ (61,690)
Total revenues	<u>692,878</u>	<u>733,257</u>	<u>671,567</u>	<u>(61,690)</u>
EXPENDITURES:				
Current:				
Community development and services	454,381	494,760	485,192	9,568
Total expenditures	<u>454,381</u>	<u>494,760</u>	<u>485,192</u>	<u>9,568</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>238,497</u>	<u>238,497</u>	<u>186,375</u>	<u>(52,122)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(237,950)	(237,950)	(185,921)	52,029
Total other financing sources (uses)	<u>(237,950)</u>	<u>(237,950)</u>	<u>(185,921)</u>	<u>52,029</u>
Net change in fund balance	<u>\$ 547</u>	<u>\$ 547</u>	454	<u>\$ (93)</u>
FUND BALANCE:				
Beginning of year			19,157	
End of year			<u>\$ 19,611</u>	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual HUD Veterans Affairs Supportive Housing Special Revenue Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 182	\$ 182
Intergovernmental	-	376,081	62,680	(313,401)
Total revenues	-	376,081	62,862	(313,219)
EXPENDITURES:				
Current:				
Community development and services	-	376,081	-	376,081
Total expenditures	-	376,081	-	376,081
REVENUES OVER (UNDER) EXPENDITURES	-	-	62,862	62,862
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ -	\$ -	62,862	\$ 62,862
FUND BALANCE:				
Beginning of year			-	
End of year			\$ 62,862	

City of Pittsburg

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

San Marco CFD 2004-1 Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 58,000	\$ 58,000	\$ 60,571	\$ 2,571
Use of money and property	300	300	3,046	2,746
Total revenues	58,300	58,300	63,617	5,317
EXPENDITURES:				
Current:				
General non-departmental	7,500	7,500	-	7,500
Total expenditures	7,500	7,500	-	7,500
Net change in fund balance	\$ 50,800	\$ 50,800	63,617	\$ 12,817
FUND BALANCE:				
Beginning of year			(43,206)	
End of year			\$ 20,411	

City of Pittsburg

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

Solid Waste Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 300,000	\$ 300,000	\$ 362,457	\$ 62,457
Use of money and property	-	-	4,201	4,201
Total revenues	<u>300,000</u>	<u>300,000</u>	<u>366,658</u>	<u>66,658</u>
EXPENDITURES:				
Public Works	199,553	199,553	185,413	14,140
Total expenditures	<u>199,553</u>	<u>199,553</u>	<u>185,413</u>	<u>14,140</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>100,447</u>	<u>100,447</u>	<u>181,245</u>	<u>80,798</u>
Net change in fund balance	<u>\$ 100,447</u>	<u>\$ 100,447</u>	<u>181,245</u>	<u>\$ 80,798</u>
FUND BALANCE:				
Beginning of year			<u>102,099</u>	
End of year			<u>\$ 283,344</u>	

City of Pittsburg

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

Vista Del Mar CFD 2005-2 Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 12,400	\$ 12,400	\$ 13,920	\$ 1,520
Use of money and property	-	-	152	152
Total revenues	12,400	12,400	14,072	1,672
EXPENDITURES:				
Current:				
General non-departmental	6,000	6,000	2,648	3,352
Total expenditures	6,000	6,000	2,648	3,352
REVENUES OVER (UNDER) EXPENDITURES	6,400	6,400	11,424	5,024
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	\$ 6,400	\$ 6,400	11,424	\$ 5,024
FUND BALANCE:				
Beginning of year			(4,824)	
End of year			<u>\$ 6,600</u>	

City of Pittsburg

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

Public Safety CFD 2005-1 Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 77,000	\$ 77,000	\$ 79,759	\$ 2,759
Use of money and property	-	-	2,842	2,842
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>82,601</u>	<u>5,601</u>
EXPENDITURES:				
Current:				
General non-departmental	10,500	10,500	9,356	1,144
Total expenditures	<u>10,500</u>	<u>10,500</u>	<u>9,356</u>	<u>1,144</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>66,500</u>	<u>66,500</u>	<u>73,245</u>	<u>6,745</u>
Net change in fund balance	<u>\$ 66,500</u>	<u>\$ 66,500</u>	<u>73,245</u>	<u>\$ 6,745</u>
FUND BALANCE:				
Beginning of year			(50,630)	
End of year			<u>\$ 22,615</u>	

City of Pittsburg

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

Park Maintenance CFD 2007-1 Special Revenue Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special Assessments	\$ 1,800	\$ 1,800	\$ 1,739	\$ (61)
Other Revenues	-	-	6,868	6,868
Use of money and property	-	-	4,291	4,291
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>12,898</u>	<u>11,098</u>
EXPENDITURES:				
Current:				
Public works - streets	46,598	46,598	38,053	8,545
Interest and Fiscal Charges	-	-	8,566	(8,566)
Total expenditures	<u>46,598</u>	<u>46,598</u>	<u>46,619</u>	<u>(21)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(44,798)</u>	<u>(44,798)</u>	<u>(33,721)</u>	<u>11,077</u>
Net change in fund balance	<u>\$ (44,798)</u>	<u>\$ (44,798)</u>	<u>(33,721)</u>	<u>\$ 11,077</u>
FUND BALANCE:				
Beginning of year			<u>(39,030)</u>	
End of year			<u>\$ (72,751)</u>	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Pension Obligations Debt Service Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Service fees	\$ 1,735,000	\$ 1,735,000	\$ 1,734,016	\$ (984)
Use of money and property	22,017	22,017	30,594	8,577
Total revenues	<u>1,757,017</u>	<u>1,757,017</u>	<u>1,764,610</u>	<u>7,593</u>
EXPENDITURES:				
Debt Service:				
Interest and fiscal charges	1,757,017	2,048,076	2,038,489	9,587
Total expenditures	<u>1,757,017</u>	<u>2,048,076</u>	<u>2,038,489</u>	<u>9,587</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(291,059)</u>	<u>(273,879)</u>	<u>17,180</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	211,059	211,059	-
Total other financing sources (uses)	<u>-</u>	<u>211,059</u>	<u>211,059</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (80,000)</u>	<u>(62,820)</u>	<u>\$ 17,180</u>
FUND BALANCE:				
Beginning of year			<u>129,072</u>	
End of year			<u>\$ 66,252</u>	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Inclusionary Housing Capital Projects Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permit and fees	\$ 100,000	\$ 100,000	\$ 69,980	\$ (30,020)
Use of money and property	-	-	83,226	83,226
Total revenues	100,000	100,000	153,206	53,206
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,705,600)	(1,705,600)	-
Total other financing sources (uses)	-	(1,705,600)	(1,705,600)	-
Net change in fund balance	\$ 100,000	\$ (1,605,600)	(1,552,394)	\$ 53,206
FUND BALANCE:				
Beginning of year			1,849,758	
End of year			\$ 297,364	

City of Pittsburgh

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

Traffic Impact Fair Share Capital Projects Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Use of money and property	-	-	35,661	35,661
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>35,661</u>	<u>15,661</u>
EXPENDITURES:				
Current:				
General non-departmental	-	-	18,077	(18,077)
Total expenditures	<u>-</u>	<u>-</u>	<u>18,077</u>	<u>(18,077)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>20,000</u>	<u>20,000</u>	<u>17,584</u>	<u>(2,416)</u>
Net change in fund balance	<u>\$ 20,000</u>	<u>\$ 20,000</u>	17,584	<u>\$ (2,416)</u>
FUND BALANCE:				
Beginning of year			<u>852,361</u>	
End of year			<u>\$ 869,945</u>	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Prop 1B Local Street & Road Improvement Projects Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ 1,013,376	\$ 1,013,376	\$ -
Use of money and property	-	-	3,990	3,990
Total revenues	-	1,013,376	1,017,366	3,990
EXPENDITURES:				
Current:				
Public works - CIPs	-	1,013,376	-	1,013,376
Total expenditures	-	1,013,376	-	1,013,376
REVENUES OVER (UNDER) EXPENDITURES	-	-	1,017,366	1,017,366
Net change in fund balance	\$ -	\$ -	1,017,366	\$ 1,017,366
FUND BALANCE:				
Beginning of year			-	
End of year			\$ 1,017,366	

City of Pittsburgh

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

Kirker Creek Drainage Fees Capital Projects Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 17,000	\$ 17,000	\$ 78,676	\$ 61,676
Use of money and property	33,000	33,000	53,554	20,554
Total revenues	50,000	50,000	132,230	82,230
EXPENDITURES:				
Current:				
Public works	-	100,000	-	100,000
Total expenditures	-	100,000	-	100,000
REVENUES OVER (UNDER) EXPENDITURES	50,000	(50,000)	132,230	(17,770)
Net change in fund balance	\$ 50,000	\$ (50,000)	132,230	\$ 182,230
FUND BALANCE:				
Beginning of year			1,253,571	
End of year			\$ 1,385,801	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Improvement Capital Projects Fund For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Other revenues	\$ -	\$ 80,105	\$ 80,105	\$ -
Total revenues	-	80,105	80,105	-
EXPENDITURES:				
Current:				
Capital outlay and improvements	-	1,187,063	520,535	666,528
Total expenditures	-	1,187,063	520,535	666,528
REVENUES OVER (UNDER) EXPENDITURES	-	(1,106,958)	(440,430)	666,528
OTHER FINANCING SOURCES (USES):				
Transfers in	-	805,020	440,430	(364,590)
Total other financing sources (uses)	-	805,020	440,430	(364,590)
Net change in fund balance	\$ -	\$ (301,938)	-	\$ 301,938
FUND BALANCE:				
Beginning of year			660,282	
End of year			<u>\$ 660,282</u>	

City of Pittsburg

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

Traffic Mitigation Capital Projects Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits, and fees	\$ 885,000	\$ 485,000	\$ 579,258	\$ 94,258
Use of money and property	115,000	115,000	169,649	54,649
Other revenues	-	-	159,481	159,481
Total revenues	1,000,000	600,000	908,388	308,388
EXPENDITURES:				
Current:				
Public works - Streets	-	3,371,512	1,112,030	2,259,482
Total expenditures	-	3,371,512	1,112,030	2,259,482
REVENUES OVER (UNDER) EXPENDITURES	1,000,000	(2,771,512)	(203,642)	2,567,870
OTHER FINANCING SOURCES (USES):				
Transfers in	-	11,337	10,965	(372)
Transfers out	(50,000)	(741,649)	(492,126)	249,523
Total other financing sources (uses)	(50,000)	(730,312)	(481,161)	249,151
Net change in fund balance	\$ 1,050,000	\$ (2,041,200)	(684,803)	\$ 2,817,021
FUND BALANCE:				
Beginning of year			4,330,981	
End of year			\$ 3,646,178	

City of Pittsburg

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

Park Dedication Capital Projects Fund

For the year ended June 30, 2008

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits, and fees	\$ 1,900,000	\$ 100,000	\$ 742,560	\$ 642,560
Use of money and property	100,000	100,000	222,424	122,424
Total revenues	2,000,000	200,000	964,984	764,984
EXPENDITURES:				
Current:				
Public works - streets	-	908,916	213,974	694,942
Total expenditures	-	908,916	213,974	694,942
REVENUES OVER (UNDER) EXPENDITURES	2,000,000	(708,916)	751,010	1,459,926
OTHER FINANCING SOURCES (USES):				
Transfers out	(75,000)	(1,887,835)	(1,790,425)	97,410
Total other financing sources (uses)	(75,000)	(1,887,835)	(1,790,425)	97,410
Net change in fund balance	\$ 2,075,000	\$ (2,596,751)	(1,039,415)	\$ 1,557,336
FUND BALANCE:				
Beginning of year			5,253,325	
End of year			<u>\$ 4,213,910</u>	

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



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.

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

Island Energy Fund - This fund was established to account 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.

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.

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



City of Pittsburg
Statement of Net Assets
Non-Major Enterprise Funds
June 30, 2008

	Golf Course	Island Energy	Pittsburg Power	Total Non-Major Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	\$ 124,728	\$ 1,940,928	\$ 4,157,869	\$ 6,223,525
Restricted cash and investments	-	108,055	-	108,055
Receivables:				
Accounts	9,952	511,847	212,179	733,978
Interest	779	10,125	21,121	32,025
Loans	-	-	125,000	125,000
Advances to other funds	-	-	1,625,000	1,625,000
Inventory	53,676	-	-	53,676
Prepaid items and other assets	-	-	-	-
Total current assets	189,135	2,570,955	6,141,169	8,901,259
Noncurrent assets				
Capital assets:				
Depreciable assets, net	1,060,912	5,823,693	-	6,884,605
Total noncurrent assets	1,060,912	5,823,693	-	6,884,605
Total assets	1,250,047	8,394,648	6,141,169	15,785,864
LIABILITIES				
Current liabilities:				
Accounts payable	35,827	178,827	62,279	276,933
Salaries payable	3,184	4,137	865	8,186
Taxes Payable	10,641	63,666	-	74,307
Refundable deposits	5,937	91,027	-	96,964
Deferred Revenues	9,567	419,666	-	429,233
Compensated absences payable - due within one year	7,203	2,008	3,720	12,931
Capital leases - due within one year	-	-	-	-
Total current liabilities	72,359	759,331	66,864	898,554
Noncurrent liabilities:				
Advances from other funds	375,000	1,250,000	-	1,625,000
Compensated absences payable - due in more than one year	64,825	14,063	26,041	104,929
Total noncurrent liabilities	439,825	1,264,063	26,041	1,729,929
Total liabilities	512,184	2,023,394	92,905	2,628,483
NET ASSETS				
Invested in capital assets, net of related debt	685,912	5,823,693	-	6,509,605
Restricted for specific purposes	53,676	108,055	1,750,000	1,911,731
Unrestricted	(1,725)	439,506	4,298,264	4,736,045
Total net assets	\$ 737,863	\$ 6,371,254	\$ 6,048,264	\$ 13,157,381

City of Pittsburgh
Supplementary Statement of Net Assets
Non-Major Facility Reserves
June 30, 2008

	Water Fac Reserve WTP Expand	Water Fac Water Distribution	Water Fac Zone I/II Reservoir	Water Fac Reserve SE20" Trans	Water Fac Reserve SW Hills CIP
ASSETS					
Current assets:					
Cash and investments	\$ 989,727	\$ 94,553	\$ 703,647	\$ 549,798	\$ 308,085
Restricted cash and investments	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Interest	5,050	389	3,626	2,833	1,373
Advances to other funds	-	-	-	-	-
Inventory	-	-	-	-	-
Prepaid items and other assets	-	-	-	-	-
Total current assets	994,777	94,942	707,273	552,631	309,458
Noncurrent assets					
Capital assets:					
Depreciable assets, net	-	-	-	-	-
Total noncurrent assets	-	-	-	-	-
Total assets	994,777	94,942	707,273	552,631	309,458
LIABILITIES					
Current liabilities:					
Accounts payable	218,513	-	-	-	-
Salaries payable	-	-	-	-	-
Taxes Payable	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Deferred Revenues	-	-	-	-	-
Compensated absences payable - due within one year	-	-	-	-	-
Capital leases - due within one year	-	-	-	-	-
Total current liabilities	218,513	-	-	-	-
Noncurrent liabilities:					
Advances from other funds	-	-	-	-	-
Compensated absences payable - due in more than one year	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	-
Total liabilities	218,513	-	-	-	-
NET ASSETS					
Facility Reserves	776,264	94,942	707,273	552,631	309,458
Unrestricted	-	-	-	-	-
Total net assets	\$ 776,264	\$ 94,942	\$ 707,273	\$ 552,631	\$ 309,458

Water Fac Reserve SW Hills III Pipe	Water Rac Reserve SW Hills III Pump	Total Water Facility Reserves	Sewer Fac Reserve Coll Sys Cap	Sewer Fac Reserve Hwy 4 Trunk	Total Sewer Facility Reserves	Total Non-Major Facility Reserve Funds
\$ 1,508,632	\$ 51,833	\$ 4,206,275	\$ 632,408	\$ 12,795	\$ 645,203	\$ 4,851,478
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,777	245	21,293	3,291	66	3,357	24,650
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,516,409</u>	<u>52,078</u>	<u>4,227,568</u>	<u>635,699</u>	<u>12,861</u>	<u>648,560</u>	<u>4,876,128</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,516,409</u>	<u>52,078</u>	<u>4,227,568</u>	<u>635,699</u>	<u>12,861</u>	<u>648,560</u>	<u>4,876,128</u>
-	-	218,513	6,138	-	6,138	224,651
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	218,513	6,138	-	6,138	224,651
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	218,513	6,138	-	6,138	224,651
1,516,409	52,078	4,009,055	629,561	12,861	642,422	4,651,477
-	-	-	-	-	-	-
<u>\$ 1,516,409</u>	<u>\$ 52,078</u>	<u>\$ 4,009,055</u>	<u>\$ 629,561</u>	<u>\$ 12,861</u>	<u>\$ 642,422</u>	<u>\$ 4,651,477</u>

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2008



City of Pittsburg
Statement of Revenues and Expenditures
Non-Major Enterprise Funds
June 30, 2008

	Golf Course	Island Energy	Pittsburg Power	Total Non-Major Enterprise Funds
OPERATING REVENUES:				
Charges for services	\$ 693,276	\$ 3,751,320	\$ 2,147,980	\$ 6,592,576
Other Fees	2,891	-	-	2,891
Rent and concessions	403,742	-	-	403,742
Pro Shop Sales	74,173	-	-	74,173
Other operating revenues	42,488	201,348	52,395	296,231
Total operating revenues	1,216,570	3,952,668	2,200,375	7,369,613
OPERATING EXPENSES:				
Salaries and wages	546,053	276,182	137,737	959,972
Department supplies	218,042	1,985,500	191,991	2,395,533
Rentals	428	24,637	453	25,518
Utilities	31,390	22,139	-	53,529
Maintenance and operations	303,181	1,621,425	889,793	2,814,399
Depreciation and amortization	124,442	298,678	-	423,120
Fringe benefits	269,869	147,441	85,731	503,041
Other operating expenses	122,119	93,641	39,430	255,190
Total operating expenses	1,615,524	4,469,643	1,345,135	7,430,302
OPERATING INCOME (LOSS)	(398,954)	(516,975)	855,240	(60,689)
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	8,125	84,608	149,563	242,296
Gain (loss) on disposal of assets	-	-	-	-
Total nonoperating revenues (expenses)	8,125	84,608	149,563	242,296
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(390,829)	(432,367)	1,004,803	181,607
OPERATING TRANSFERS:				
Transfers in	135,000	-	20,000	155,000
Transfers out	-	(90,130)	(110,926)	(201,056)
Total operating transfers	135,000	(90,130)	(90,926)	(46,056)
Net income (loss)	(255,829)	(522,497)	913,877	135,551
NET ASSETS:				
Beginning of year, as restated	993,692	6,893,751	5,134,387	13,021,830
End of year	\$ 737,863	\$ 6,371,254	\$ 6,048,264	\$ 13,157,381

City of Pittsburgh
Supplemental Statement of Revenues and Expenditures
Non-Major Facility Reserve Funds
June 30, 2008

	Water Fac Reserve WTP Expand	Water Fac Water Distribution	Water Fac Zone I/II Reservoir	Water Fac Reserve SE20" Trans	Water Fac Reserve SW Hills CIP
OPERATING REVENUES:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Other Fees	-	-	-	-	-
Facility Reserve Fees	177,047	56,038	237,018	193,046	193,066
Other operating revenues	-	160	-	-	-
Total operating revenues	177,047	56,198	237,018	193,046	193,066
OPERATING EXPENSES:					
Salaries and wages	-	-	-	-	-
Department supplies	50	-	-	-	-
Rentals	-	-	-	-	-
Utilities	-	-	-	-	-
Maintenance and operations	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-
Fringe benefits	-	-	-	-	-
Other operating expenses	229,111	414,006	-	-	-
Total operating expenses	229,161	414,006	-	-	-
OPERATING INCOME (LOSS)	(52,114)	(357,808)	237,018	193,046	193,066
NONOPERATING REVENUES (EXPENSES):					
Investment earnings	35,541	2,161	22,405	17,620	6,108
Gain (loss) on disposal of assets	-	-	-	-	-
Total nonoperating revenues (expenses)	35,541	2,161	22,405	17,620	6,108
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(16,573)	(355,647)	259,423	210,666	199,174
OPERATING TRANSFERS:					
Transfers in	-	280,000	-	-	-
Transfers out	(14,517)	-	-	-	-
Total operating transfers	(14,517)	280,000	-	-	-
Net income (loss)	(31,090)	(75,647)	259,423	210,666	199,174
NET ASSETS:					
Beginning of year	807,354	170,589	447,850	341,965	110,284
End of year	\$ 776,264	\$ 94,942	\$ 707,273	\$ 552,631	\$ 309,458

Water Fac Reserve SW Hills III Pipe	Water Rac Reserve SW Hills III Pump	Total Water Facility Reserves	Sewer Fac Reserve Coll Sys Cap	Sewer Fac Reserve Hwy 4 Trunk	Total Sewer Facility	Grand Total Facility Reserve Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
35,308	19,874	911,397	210,132	10,300	220,432	1,131,829
-	-	160	-	-	-	160
35,308	19,874	911,557	210,132	10,300	220,432	1,131,989
-	-	-	-	-	-	-
-	-	50	-	-	-	50
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	643,117	29,949	-	29,949	673,066
-	-	643,167	29,949	-	29,949	673,116
35,308	19,874	268,390	180,183	10,300	190,483	458,873
60,447	1,411	145,693	20,803	356	21,159	166,852
-	-	-	-	-	-	-
60,447	1,411	145,693	20,803	356	21,159	166,852
95,755	21,285	414,083	200,986	10,656	211,642	625,725
-	-	280,000	-	-	-	280,000
-	-	(14,517)	-	-	-	(14,517)
-	-	265,483	-	-	-	265,483
95,755	21,285	679,566	200,986	10,656	211,642	891,208
1,420,654	30,793	3,329,489	428,575	2,205	430,780	3,760,269
\$ 1,516,409	\$ 52,078	\$ 4,009,055	\$ 629,561	\$ 12,861	\$ 642,422	\$ 4,651,477

City of Pittsburg
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2008

	Golf Course	Island Energy	Pittsburg Power	Total Non-Major Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,163,679	\$ 3,912,412	\$ 2,306,029	\$ 7,382,120
Cash payments to suppliers of goods and services	(535,930)	(3,534,456)	(1,091,767)	(5,162,153)
Cash payments to employees for services	(831,462)	(416,210)	(339,689)	(1,587,361)
Other operating revenue (expenses)	(79,631)	107,707	12,965	41,041
Net cash provided (used) by operating activities	(283,344)	69,453	887,538	673,647
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	135,000	-	20,000	155,000
Transfers out	-	(90,130)	(110,926)	(201,056)
Net cash provided (used) by noncapital financing activities	135,000	(90,130)	(90,926)	(46,056)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payment on capital lease	9,983	-	-	9,983
Net cash provided (used) by capital and related financing activities	9,983	-	-	9,983
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	7,346	84,608	149,563	241,517
Net cash provided (used) by investing activities	7,346	84,608	149,563	241,517
Net increase (decrease) in cash	(131,015)	63,931	946,175	879,091
CASH AND INVESTMENTS:				
Beginning of year	255,743	1,985,052	3,211,694	5,452,489
End of year	\$ 124,728	\$ 2,048,983	\$ 4,157,869	\$ 6,331,580
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (398,954)	\$ (516,975)	\$ 855,240	\$ (60,689)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	124,442	298,678	-	423,120
Changes in operating assets and liabilities:				
Accounts receivable	(2,921)	(5,031)	158,049	150,097
Loan receivable	-	-	(125,000)	(125,000)
Inventory	5,989	(3,187)	-	2,802
Prepaid items	-	10,257	-	10,257
Accounts payable	11,569	115,814	(9,530)	117,853
Salaries and wages payable	(18,039)	4,137	(2,584)	(16,486)
Taxes payable	(447)	(3,639)	-	(4,086)
Refundable deposits	(5,720)	43,133	-	37,413
Deferred Revenue	(1,762)	122,990	-	121,228
Compensated absences	2,499	3,276	11,363	17,138
Total adjustments	115,610	586,428	32,298	734,336
Net cash provided (used) by operating activities	\$ (283,344)	\$ 69,453	\$ 887,538	\$ 673,647

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.

City of Pittsburgh
Combining Statement of Net Assets
All Internal Service Funds
June 30, 2008

	Fleet Maintenance	Building Maintenance	Insurance	Information/ Communication Services	Fringe Benefits	Total
ASSETS						
Current assets:						
Cash and investments	\$ 913,669	\$ 852,467	\$ 1,306,011	\$ 264,337	\$ 2,198,778	\$ 5,535,262
Receivables:						
Accounts	-	-	19,380	-	14,097	33,477
Loans/Notes	-	-	-	29,831	-	29,831
Inventory	-	9,955	-	-	-	9,955
Prepaid items and other assets	-	-	766	217,651	66,696	285,113
Total current assets	913,669	862,422	1,326,157	511,819	2,279,571	5,893,638
Noncurrent assets:						
Capital assets:						
Depreciable assets, net	2,187,330	993,831	-	649,384	-	3,830,545
Total noncurrent assets	2,187,330	993,831	-	649,384	-	3,830,545
Total assets	3,100,999	1,856,253	1,326,157	1,161,203	2,279,571	9,724,183
LIABILITIES						
Current liabilities:						
Accounts payable	250,993	55,160	20,203	33,990	101,746	462,092
Salaries payable	1,311	1,276	-	361	1,056	4,004
Capital leases-due within one year	-	-	-	184,705	-	184,705
Claims payable	-	-	255,713	-	-	255,713
Compensated absences-due within one year	2,010	3,672	-	1,639	-	7,321
Total current liabilities	254,314	60,108	275,916	220,695	102,802	913,835
Noncurrent liabilities:						
Capital lease-due in more than one year	-	-	-	552,087	-	552,087
Compensated absences	14,068	25,708	-	4,918	-	44,694
Total noncurrent liabilities	14,068	25,708	-	557,005	-	596,781
Total liabilities	268,382	85,816	275,916	777,700	102,802	1,510,616
NET ASSETS						
Invested in capital assets, net of related debt	2,187,330	993,831	-	89,317	-	3,270,478
Restricted for specific purposes	-	9,955	766	70,757	66,696	148,174
Unrestricted	645,287	766,651	1,049,475	223,429	2,110,073	4,794,915
Total net assets	\$ 2,832,617	\$ 1,770,437	\$ 1,050,241	\$ 383,503	\$ 2,176,769	\$ 8,213,567

City of Pittsburgh
Combining Statement of Revenues, Expenses and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2008

	Fleet Maintenance	Building Maintenance	Insurance	Information/ Communication Services	Fringe Benefits	Total
OPERATING REVENUES:						
Charges for services	\$ 1,544,335	\$ 1,406,222	\$ 788,737	\$ 815,936	\$ 2,547,528	\$ 7,102,758
Other operating revenues	15,544	-	170,800	1,710	5,217	193,271
Total operating revenues	1,559,879	1,406,222	959,537	817,646	2,552,745	7,296,029
OPERATING EXPENSES:						
Salaries and wages	231,188	224,869	-	68,450	224,109	748,616
Department supplies	1,043,942	47,602	-	144,228	-	1,235,772
Rentals	27,679	1,005	-	159	-	28,843
Utilities	7,246	319,815	-	-	-	327,061
Maintenance and operations	144,179	570,116	-	547,163	-	1,261,458
Depreciation	282,063	212,939	-	85,993	-	580,995
Insurance premiums	-	-	354,818	-	-	354,818
Insurance deductible	-	-	283,527	-	-	283,527
Fringe benefits	135,700	152,722	-	32,218	2,389,299	2,709,939
Other operating expenses	-	-	1,628	-	26,298	27,926
Total operating expenses	1,871,997	1,529,068	639,973	878,211	2,639,706	7,558,955
OPERATING INCOME (LOSS)	(312,118)	(122,846)	319,564	(60,565)	(86,961)	(262,926)
NONOPERATING REVENUES:						
Gain (loss) on sale of assets	36,067	-	-	-	-	36,067
Interest expense	-	-	-	-	-	-
Investment income	-	-	43,328	-	95,656	138,984
Total nonoperating revenues	36,067	-	43,328	-	95,656	175,051
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(276,051)	(122,846)	362,892	(60,565)	8,695	(87,875)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(100,000)	-	(291,059)	(391,059)
Total other financing sources (uses)	-	-	(100,000)	-	(291,059)	(391,059)
Net income (loss)	(276,051)	(122,846)	262,892	(60,565)	(282,364)	(478,934)
NET ASSETS:						
Beginning of year	3,108,668	1,893,283	787,349	444,068	2,459,133	8,692,501
End of year	\$ 2,832,617	\$ 1,770,437	\$ 1,050,241	\$ 383,503	\$ 2,176,769	\$ 8,213,567

City of Pittsburgh
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2008

	Fleet Maintenance	Building Maintenance	Insurance	Information/ Communication Services	Fringe Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers/other funds	\$ 1,596,366	\$ 1,406,222	\$ 779,647	\$ 815,935	\$ 2,565,897	\$ 7,164,067
Cash payments to employees for services	(370,952)	(376,207)	-	(102,830)	(2,649,196)	(3,499,185)
Cash payments to suppliers for goods and services	(1,042,368)	(958,805)	(544,547)	(743,331)	39,150	(3,249,901)
Other operating revenues (expenses)	15,544	-	170,800	-	(21,081)	165,263
Net cash provided (used) by operating activities	198,590	71,210	405,900	(30,226)	(65,230)	580,244
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(100,000)	-	(291,059)	(391,059)
Net cash provided (used) by noncapital financing activities	-	-	(100,000)	-	(291,059)	(391,059)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Acquisition of capital assets	(465,797)	-	-	(150,190)	-	(615,987)
Proceeds from issuance of capital leases	-	-	-	-	-	-
Proceeds from sale of assets	36,067	-	-	-	-	36,067
Interest expense	-	-	-	-	-	-
Net cash provided (used) by capital financing activities	(429,730)	-	-	(150,190)	-	(579,920)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest revenue	-	-	43,328	-	95,655	138,983
Net cash provided (used) by investing activities	-	-	43,328	-	95,655	138,983
Net increase (decrease) in cash and cash equivalents	(231,140)	71,210	349,228	(180,416)	(260,634)	(251,752)
CASH AND CASH EQUIVALENTS:						
Beginning of year	1,144,809	781,257	956,783	444,753	2,459,412	5,787,014
End of year	\$ 913,669	\$ 852,467	\$ 1,306,011	\$ 264,337	\$ 2,198,778	\$ 5,535,262
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ (312,118)	\$ (122,846)	\$ 319,564	\$ (60,565)	\$ (86,961)	\$ (262,926)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	282,063	212,939	-	85,993	-	580,995
Changes in operating assets and liabilities:						
Accounts receivable	52,031	-	(9,090)	-	18,369	61,310
Loans receivable	-	-	-	820	-	820
Due from other funds	-	-	-	-	-	-
Inventory	-	(3,354)	-	-	-	(3,354)
Prepaid items	-	-	96	-	(34,868)	(34,772)
Accounts payable	180,678	(16,913)	7,960	(51,781)	39,150	159,094
Salaries and wages payable	(7,060)	(6,630)	-	(2,982)	(920)	(17,592)
Due to other funds	-	-	-	-	-	-
Compensated absences	2,996	8,014	-	(1,711)	-	9,299
Insurance claims payable	-	-	87,370	-	-	87,370
Total adjustments	510,708	194,056	86,336	30,339	21,731	843,170
Net cash provided (used) by operating activities	\$ 198,590	\$ 71,210	\$ 405,900	\$ (30,226)	\$ (65,230)	\$ 580,244

FIDUCIARY FUND FINANCIAL STATEMENTS

Agency Funds:

Assessment District Agency Fund accounts for the collection of property taxes and the payments to bondholders.

Environmental Impact Agency Fund accounts for the collection of builders' fees to be used for related environmental improvement projects.

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 CFD Bond 2005-2 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 Fiduciary Net Assets
Agency Funds
For the year ended June 30, 2008

	Beginning Balance July 1, 2007	Additions	Deletions	Ending Balance June 30, 2008
<u>Assessment Districts Fund</u>				
Assets:				
Cash and investments	\$ 2,371,587	\$ 2,438,163	\$ (2,151,275)	\$ 2,658,475
Cash and investments held by fiscal agent	2,674,516	2,229,477	(2,366,004)	2,537,989
Assessment receivable	2,288,567	8,310	(16,731)	2,280,146
Interest receivable	49,754	36,097	(50,144)	35,707
Total assets	\$ 7,384,424	\$ 4,712,047	\$ (4,584,154)	\$ 7,512,317
Liabilities:				
Accounts payable	\$ 47,912	\$ 187	\$ (19,421)	\$ 28,678
Deferred assessment	2,288,567	8,310	(16,731)	2,280,146
Due to bondholders	5,047,945	733,866	(578,318)	5,203,493
Total liabilities	\$ 7,384,424	\$ 742,363	\$ (614,470)	\$ 7,512,317
<u>Environmental Impact Fund</u>				
Assets:				
Cash and investments	\$ 88,462	\$ 39,903	\$ (119,789)	\$ 8,576
Total assets	\$ 88,462	\$ 39,903	\$ (119,789)	\$ 8,576
Liabilities:				
Accounts payable	\$ 66,553	\$ 64,646	\$ (123,179)	\$ 8,020
Due to other parties	21,909	38,828	(60,181)	556
Total liabilities	\$ 88,462	\$ 103,474	\$ (183,360)	\$ 8,576
<u>Other Impact Fees Fund</u>				
Assets:				
Cash and investments	\$ 788,975	\$ 6,510,443	\$ (6,279,914)	\$ 1,019,504
Total assets	\$ 788,975	\$ 6,510,443	\$ (6,279,914)	\$ 1,019,504
Liabilities:				
Accounts payable	\$ 787,402	\$ 6,509,433	\$ (6,778,021)	\$ 518,814
Due to other parties	1,573	4,818,209	(4,319,092)	500,690
Total liabilities	\$ 788,975	\$ 11,327,642	\$ (11,097,113)	\$ 1,019,504
<u>Vista Del Mar CFD Bond 2005</u>				
Assets:				
Cash and investments held by fiscal agent	\$ 6,798,195	\$ 3,049,765	\$ (4,341,784)	\$ 5,506,176
Accounts receivable	5,000	-	(5,000)	-
Interest receivable	28,059	6,413	(28,204)	6,268
Total assets	\$ 6,831,254	\$ 3,056,178	\$ (4,374,988)	\$ 5,512,444
Liabilities:				
Accounts payable	\$ 2,636	\$ 2,094,818	\$ (1,506,149)	\$ 591,305
Due to other parties	6,003,728	-	(1,899,657)	4,104,071
Due to bondholders	824,890	817,068	(824,890)	817,068
Total liabilities	\$ 6,831,254	\$ 2,911,886	\$ (4,230,696)	\$ 5,512,444
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$ 3,249,024	\$ 8,988,509	\$ (8,550,978)	\$ 3,686,555
Cash and investments held by fiscal agent	9,472,711	5,279,242	(6,707,788)	8,044,165
Accounts receivable	5,000	-	(5,000)	-
Assessment receivable	2,293,567	8,310	(16,731)	2,285,146
Interest receivable	77,813	42,510	(78,348)	41,975
Total assets	\$ 15,098,115	\$ 14,318,571	\$ (15,358,845)	\$ 14,057,841
Liabilities:				
Accounts payable	\$ 904,503	\$ 8,669,084	\$ (8,426,770)	\$ 1,146,817
Deferred assessment	2,288,567	8,310	(16,731)	2,280,146
Due to other parties	6,027,210	4,857,037	(6,278,930)	4,605,317
Due to bondholders	5,872,835	1,550,934	(1,403,208)	6,020,561
Total liabilities	\$ 15,093,115	\$ 15,085,365	\$ (16,125,639)	\$ 14,052,841

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 Governmental Accounting Standards Board (GASB) issued Statement Number 44, "Economic Condition Reporting; the Statistics Section" which is an amendment of National Council on Governmental Accounting's (NCGA) Statement One. This statement amends the portions of NCGA Statement One, Governmental Accounting and Financial Reporting Principles, that guide the preparation of the statistical section. The statistical section presents detailed information, typically in ten-year statements, and required supplementary information to assess the economic condition of the City. During the Fiscal Year 2005-2006, the City of Pittsburg implemented this statement and added new information and eliminated schedules previously required.

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.

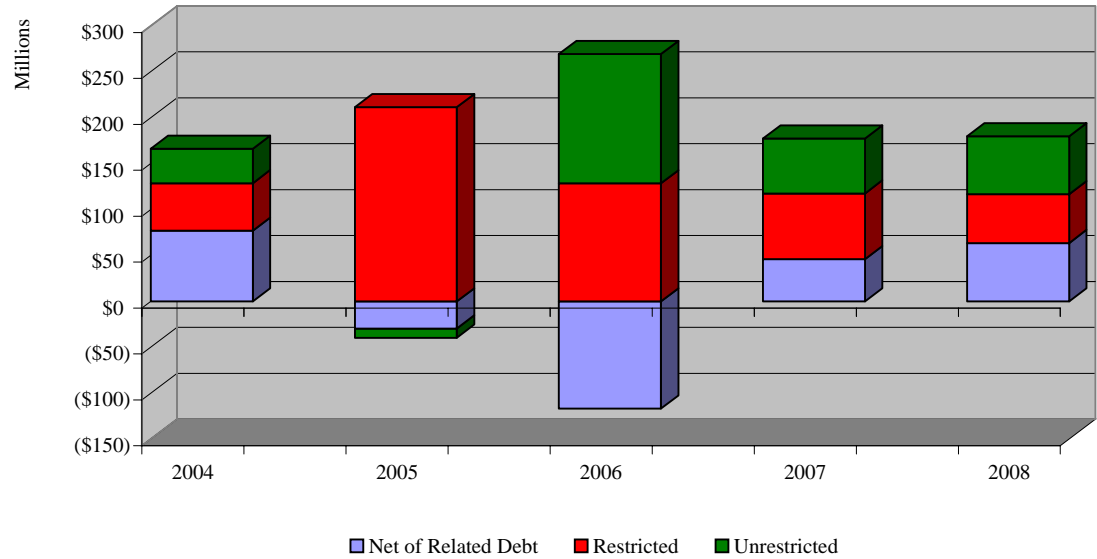
Demographic and Economic Information

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.

CITY OF PITTSBURG
Net Assets by Component
Last Five Fiscal Years
(accrual basis of accounting)



	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
Governmental activities					
Invested in Capital Assets,					
Net of related debt	\$20,196,804 *	(\$87,277,519) *	(\$153,333,826)	\$3,247,946	\$18,733,410
Restricted	48,370,563	207,720,167	124,840,230	58,131,686	28,890,295
Unrestricted	35,538,694	(21,780,919)	99,416,697	28,994,097	50,069,992
Total governmental activities net assets	\$104,106,061	\$98,661,729	\$70,923,101	\$90,373,729	\$97,693,697
Business-type activities					
Invested in Capital Assets,					
Net of related debt	\$56,818,181	\$57,789,865	\$36,566,114	\$42,643,385	\$44,780,703
Restricted	3,248,963	3,602,121	3,602,121	13,474,928	24,190,306
Unrestricted	1,932,189	11,652,926	41,341,654	30,681,028	12,931,446
Total business-type activities net assets	\$61,999,333	\$73,044,912	\$81,509,889	\$86,799,341	\$81,902,455
Primary government					
Invested in capital assets,					
net of related debt	\$77,014,985	(\$29,487,654)	(\$116,767,712)	\$45,891,331	\$63,514,113
Restricted	51,619,526	211,322,288	128,442,351	71,606,614	53,080,601
Unrestricted	37,470,883	(10,127,993)	140,758,351	59,675,125	63,001,438
Total primary government net assets	\$166,105,394	\$171,706,641	\$152,432,990	\$177,173,070	\$179,596,152

* Calculated NET Debt for Prior Years

CITY OF PITTSBURG
Changes in Net Assets
Last Five Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
Expenses					
Governmental Activities:					
General Government	\$14,572,665	\$18,599,651	\$60,157,154	\$14,254,413	\$21,504,808
Public Safety	14,875,512	14,929,141	15,997,395	16,949,031	19,147,330
Public Works	10,773,507	11,881,765	17,075,898	17,949,516	16,356,492
Community Development	17,704,319	18,278,033	16,451,856	25,815,463	31,332,797
Culture and Recreation	1,482,370	1,574,661	1,772,570	1,892,674	1,854,555
Interest on Long Term Debt	10,863,858	18,645,181	15,117,640	20,495,286	23,435,995
Total Governmental Activities Expenses	70,272,231	83,908,432	126,572,513	97,356,383	113,631,977
Business-Type Activities:					
Water	10,877,126	11,135,859	13,136,590	13,372,173	14,316,223
Wastewater	2,617,064	1,671,204	1,830,382	1,929,214	1,972,310
Marina	1,746,368	1,769,750	1,629,567	2,378,869	2,112,615
Other-Non-Major Enterprise Funds	5,108,785	5,743,737	6,466,498	6,663,142	7,430,302
Total Business-Type Activities Expenses	20,349,343	20,320,550	23,063,037	24,343,398	25,831,450
Total Primary Government Expenses	\$90,621,574	\$104,228,982	\$149,635,550	\$121,699,781	\$139,463,427
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government		\$7,099	\$786,511	\$8,362,348	\$114,718
Public Safety	\$2,728,211	271,996	198,240	633,513	750,286
Public Works	2,016,472	4,479,760	4,554,972	4,077,620	2,930,076
Community Development	554,698	2,149,874	4,106,077	90,302	4,318,365
Culture and Recreation	538,552	415,056	509,709	533,114	419,320
Operating Grants and Contributions	10,101,536	5,166,636	3,923,284	19,357,391	18,175,592
Capital Grants and Contributions	2,691,559	4,233,864	3,307,936	948,905	5,243,189
Total Government Activities Program Revenues	18,631,028	16,724,285	17,386,729	34,003,193	31,951,546
Business-Type Activities:					
Charges for Services:					
Water	11,323,819	11,720,046	15,614,242	15,974,805	15,780,234
Wastewater	2,615,766	2,602,071	3,668,052	3,864,420	3,305,065
Marina	1,182,012	1,299,827	1,318,081	1,653,350	1,732,960
Other-Non-Major Enterprise Funds	4,504,703	5,087,677	5,702,392	6,242,843	7,369,613
Operating Grants and Contributions					
Capital Grants and Contributions		4,734,916	3,619,190	197,903	331,649
Total Business-Type Activities Program Revenue	19,626,300	25,444,537	29,921,957	27,933,321	28,519,521
Total Primary Government Program Revenues	\$38,257,328	\$42,168,822	\$47,308,686	\$61,936,514	\$60,471,067
Net (Expense)/Revenue					
Governmental Activities	(\$51,641,203)	(\$67,184,147)	(\$109,185,784)	(\$63,353,190)	(\$81,680,431)
Business-Type Activities	(723,043)	5,123,987	6,858,920	3,589,923	2,688,071
Total Primary Government Net Expense	(\$52,364,246)	(\$62,060,160)	(\$102,326,864)	(\$59,763,267)	(\$78,992,360)

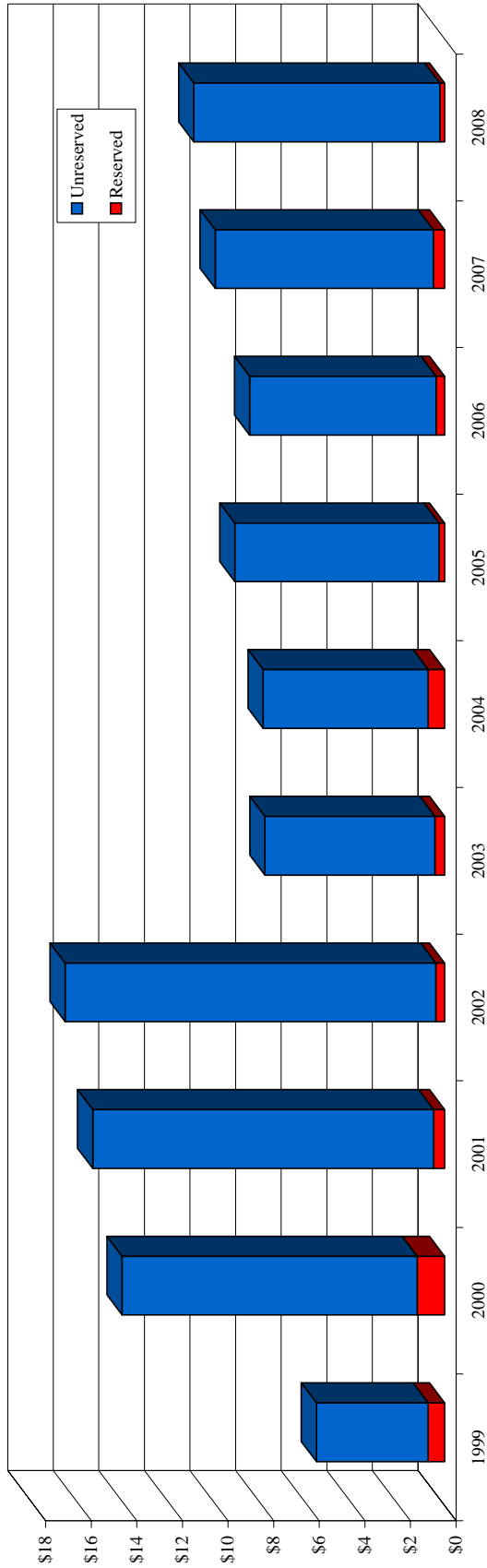
* PRE-GASB 34 Reporting

CITY OF PITTSBURG
Changes in Net Assets
(continued)
Last Five Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,				
	2004	2005	2006	2007	2008
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property Taxes	\$38,100,202	\$38,110,361	\$43,852,448	\$50,917,360	\$51,782,902
Sales Taxes	6,605,075	7,665,033	8,490,042	7,953,283	7,295,549
Motor Vehicle In-Lieu	2,707,765	677,815	4,376,374	6,042,275	4,871,681
Transient Occupancy Tax	125,541	144,920	152,204	149,393	172,734
Inter Governmental Revenues	23,541,748	20,523,145	21,371,198 *	0	0
Nonregulatory Franchise and Business	2,064,216	2,053,747	2,181,141	2,246,603	3,544,661
Interest Earnings	2,248,357	343,068	7,594,655	11,146,109	11,718,198
Other	4,289,084	37,700,721	11,393,786	2,134,499	940,352
Transfers	37,091,967	43,733,222	47,719,563	563,960	10,773,070
Total Government Activities	<u>116,773,955</u>	<u>150,952,032</u>	<u>147,131,412</u>	<u>81,153,482</u>	<u>91,099,147</u>
Business-Type Activities:					
Interest Earnings	312,016	381,267	1,047,319	2,263,490	1,961,224
Transfers	2,321,000	10,231,255	2,076,052	(563,960)	(8,688,861)
Total Business-Type Activities	<u>2,633,016</u>	<u>10,612,522</u>	<u>3,123,371</u>	<u>1,699,530</u>	<u>(6,727,637)</u>
Total Primary Government	<u>\$119,406,971</u>	<u>\$161,564,554</u>	<u>\$150,254,783</u>	<u>\$82,853,012</u>	<u>\$84,371,510</u>
Change in Net Assets					
Governmental Activities	\$65,132,752	\$83,767,885	\$37,945,628	\$17,800,292	\$9,418,716
Business-Type Activities	1,909,973	15,736,509	9,982,291	5,289,453	(4,039,566)
Total Primary Government	<u>\$67,042,725</u>	<u>\$99,504,394</u>	<u>\$47,927,919</u>	<u>\$23,089,745</u>	<u>\$5,379,150</u>

* Reclassified into Program Revenue & Other Taxes

CITY OF PITTSBURG
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	Fiscal Year Ended June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 720,434	\$ 1,202,411	\$ 482,218	\$ 382,331	\$ 426,978	\$ 722,510	\$ 245,280	\$ 372,186	\$ 492,681	\$ 208,767
Unreserved	4,900,111	12,944,439	14,950,790	16,264,525	7,456,583	7,235,268	8,952,718	8,183,807	9,566,686	10,793,012
Total General Fund	<u>5,620,545</u>	<u>14,146,850</u>	<u>15,433,008</u>	<u>16,646,856</u>	<u>7,883,561</u>	<u>7,957,778</u>	<u>9,197,998</u>	<u>8,555,993</u>	<u>10,059,367</u>	<u>11,001,779</u>
All Other Governmental Funds										
Reserved	\$ 26,650,557	\$ 30,361,438	\$ 23,287,001	\$ 33,890,596	\$ 34,513,856	\$ 62,362,398	\$ 150,732,011	\$ 138,881,219	\$ 236,888,018	\$ 203,272,346
Unreserved, designated					63,778,404	24,060,758	\$42,695,263	29,455,358	41,043,642	33,855,453
Unreserved, reported in:										
Special Revenue Funds	253,136	19,610,738	4,999,526	3,476,844	3,524,346	7,287,439	2,162,348	9,204,969	2,526,959	0
Capital Project Funds	(403,070)	(1,349,903)	20,774,255	16,314,171	4,964,337	6,393,824	931,032	10,007,934	0	0
Total all other governmental funds	<u>\$ 26,500,623</u>	<u>\$ 48,622,273</u>	<u>\$ 49,060,782</u>	<u>\$ 53,681,611</u>	<u>\$ 106,780,943</u>	<u>\$ 100,104,419</u>	<u>\$ 196,520,654</u>	<u>\$ 187,549,480</u>	<u>\$ 280,458,619</u>	<u>\$ 237,127,799</u>

* From Fiscal Year Ended June 2003, GASB 34: Fund Balances for ALL Other Governmental (Exclusive of General Fund)

(a) The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

CITY OF PITTSBURG
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
 {in thousands}

	Fiscal Year Ended June 30,				
	1999	2000	2001	2002	2003
Revenues					
Taxes	\$29,156	\$32,269	\$36,209	\$45,388	\$42,240
Licenses, permits and fees	1,400	2,036	3,374	1,361	4,506
Fines and forfeitures	99	194	169	165	395
Use of money and property	2,406	3,380	4,536	5,458	9,619
Intergovernmental revenues	8,926	9,605	11,167	12,884	20,570
Charges for services	2,805	2,566	3,087	3,062	3,339
Other	2,466	3,152	2,876	1,409	4,437
Total Revenues	47,258	53,202	61,418	69,727	85,106
Expenditures					
Current:					
General government	10,417	9,423	14,236	11,555	15,259
Public safety	8,920	9,535	10,769	12,057	14,672
Public works	4,490	4,593	5,313	5,384	5,682
Community development	9,829	9,585	10,737	13,937	23,858
Culture and recreation	751	1,051	1,314	1,408	1,181
Capital outlay	15,690	9,113	11,431	12,738	10,384
Debt service:					
Principal repayment	15,530	4,025	4,215	4,505	4,510
Interest and fiscal charges	10,759	10,171	10,758	12,159	11,806
Total Expenditures	76,386	57,496	68,773	73,743	87,352
Excess (deficiency) of revenues over (under) expenditures	(29,128)	(4,294)	(7,355)	(4,016)	(2,246)
Other Financing Sources (Uses)					
Transfers in	56,389	55,138	38,104	32,102	90,901
Transfers (out)	(56,025)	(48,802)	(35,185)	(31,795)	(93,154)
Capital Contributions					
Refunding tax allocation bonds			(60,913)		(36,495)
Payment to escrow Account					
Tax allocation bonds issued	14,700	30,106	62,730	7,500	88,375
Special assessment bonds issued					
Bond Issuance Costs	(676)	(1,547)			
Payments to refunded bond escrow					
Sale of capital assets	2,012	47	15	1,274	1,004
Total other financing sources (uses)	16,400	34,942	4,751	9,081	50,631
Net Change in fund balances	(\$12,728)	\$30,648	(\$2,604)	\$5,065	\$48,385
Debt service as a percentage of noncapital expenditures	(a)	(a)	(a)	(a)	21.2% (b)

NOTE:

(a) The City implemented GASB Statement 34 in fiscal year 2002. Therefore this calculation is included only for fiscal years subsequent to that date.

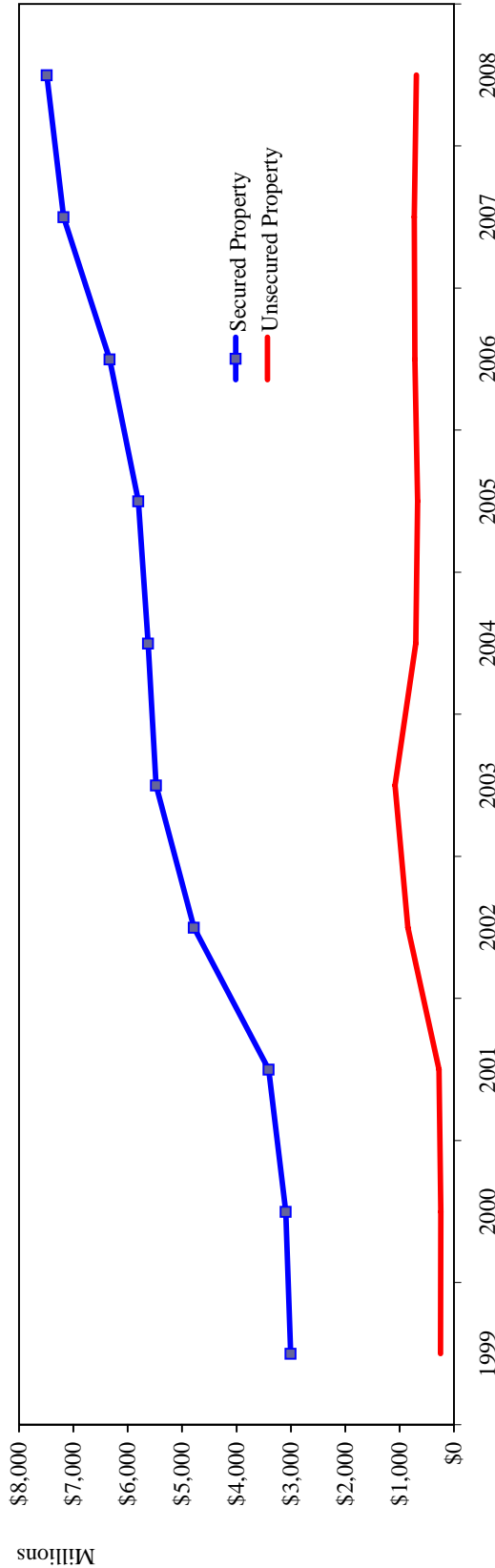
Fiscal Year Ended June 30,

2004	2005	2006	2007	2008
\$47,650	\$49,003	\$55,803	\$65,549	\$65,453
2,402	4,632	2,016	8,620	2,091
283	295	170	249	880
2,248	4,733	7,594	10,899	11,444
23,542	20,523	21,896	21,277	25,119
4,322	5,666	3,692	5,584	4,810
1,540	1,843	4,992	1,626	2,360
<u>81,987</u>	<u>86,695</u>	<u>96,163</u>	<u>113,804</u>	<u>112,157</u>
14,882	20,419	60,290	19,986	20,127
14,585	14,346	15,900	16,572	18,141
5,635	10,530	7,472	10,998	8,889
18,074	25,996	18,724	24,232	37,243
1,522	1,574	1,773	1,893	1,855
19,949	13,750	23,649	47,903	49,763
4,240	4,100	4,790	4,960	7,550
9,454	13,577	15,525	18,221	25,261
<u>88,341</u>	<u>104,292</u>	<u>148,123</u>	<u>144,765</u>	<u>168,829</u>
<u>(6,354)</u>	<u>(17,597)</u>	<u>(51,960)</u>	<u>(30,961)</u>	<u>(56,672)</u>
37,092	43,733	47,720	75,014	94,537
(38,556)	(52,248)	(51,305)	(74,999)	(83,373)
		3,208	(180)	(15)
	(21,166)		(44,218)	0
	146,605	39,566	169,820	0
	(3,936)			
		(248)	(4,171)	(13)
<u>1,215</u>	<u>2,264</u>	<u>3,193</u>	<u>4,109</u>	<u>2,315</u>
<u>(249)</u>	<u>115,252</u>	<u>42,134</u>	<u>125,375</u>	<u>13,451</u>
<u>(\$6,603)</u>	<u>\$97,655</u>	<u>(\$9,826)</u>	<u>\$94,414</u>	<u>(\$43,221)</u>
20.0% (b)	19.5% (b)	16.3% (b)	23.9% (b)	27.6%

* Intergovernmental Revenues Re-classified to Program Income & Other Taxes

(b) Debt Service Percentage Calculation Corrected for prior years and Current S/B NET of Capital Outlay

CITY OF PITTSBURG
Assessed and Estimated Actual
Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year	Total Before Exemptions			GRAND Total	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property					
1999	633,527,833	1,914,668,740	208,395,497	2,756,592,070	247,012,088	2,649,701,475	2,649,701,475	1%
2000	671,396,662	2,091,658,596	90,841,124	2,853,896,382	242,193,779	2,735,730,231	2,735,730,231	1%
2001	719,493,211	2,316,291,798	96,055,194	3,131,840,203	273,889,366	3,021,659,292	3,021,659,292	1%
2002	762,338,829	3,065,067,577	104,985,233	3,932,391,639	848,421,348	3,810,523,428	3,810,523,428	1%
2003	863,942,493	3,404,046,164	123,237,922	4,391,226,579	1,085,723,391	4,262,656,324	4,262,656,324	1%
2004	1,065,703,737	3,737,733,209	120,569,117	4,924,006,063	703,793,132	4,787,689,809	4,787,689,809	1%
2005	1,232,755,118	3,794,398,115	107,600,340	5,134,753,573	670,107,833	4,996,083,733	4,996,083,733	1%
2006	1,435,121,959	4,078,052,994	101,971,604	5,615,146,557	716,256,830	5,480,070,846	5,480,070,846	1%
2007	1,763,752,092	4,571,066,917	118,060,203	6,452,879,212	730,045,843	6,274,310,595	6,274,310,595	1%
2008	2,090,812,424	4,586,882,253	120,147,498	6,797,842,175	690,209,596	6,601,742,515	6,601,742,515	1%

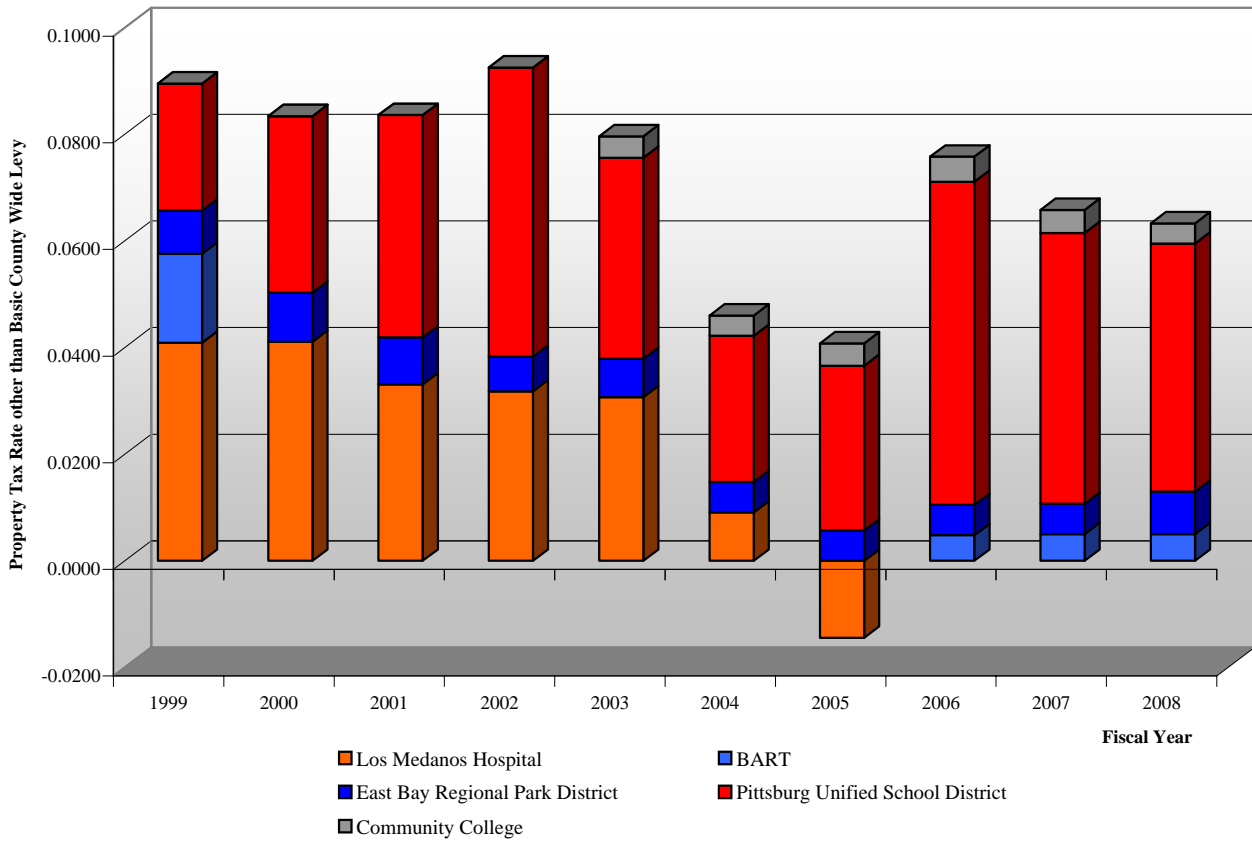
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

(a) 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.

(b) 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.

(1) Homeowners' Property Tax Relief

CITY OF PITTSBURG
Property Tax Rates
All Overlapping Governments
Last Ten Fiscal Years



Fiscal Year	Basic County Wide Levy	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
1999	1.0000	0.0409	0.0167	0.0081	0.0238	-	1.0895
2000	1.0000	0.0411	-	0.0092	0.0331	-	1.0834
2001	1.0000	0.0331	-	0.0088	0.0417	-	1.0836
2002	1.0000	0.0318	-	0.0065	0.0542	-	1.0925
2003	1.0000	0.0307	-	0.0072	0.0377	0.0040	1.0796
2004	1.0000	0.0091	-	0.0057	0.0274	0.0038	1.0460
2005	1.0000	-0.0144	-	0.0057	0.0309	0.0042	1.0264
2006	1.0000	0.0000	0.0048	0.0057	0.0606	0.0047	1.0758
2007	1.0000	0.0000	0.0050	0.0057	0.0508	0.0043	1.0658
2008	1.0000	0.0000	0.0076	0.0080	0.0465	0.0038	1.0633

Source: Contra Costa County Assessors Office & California Municipal Statistics

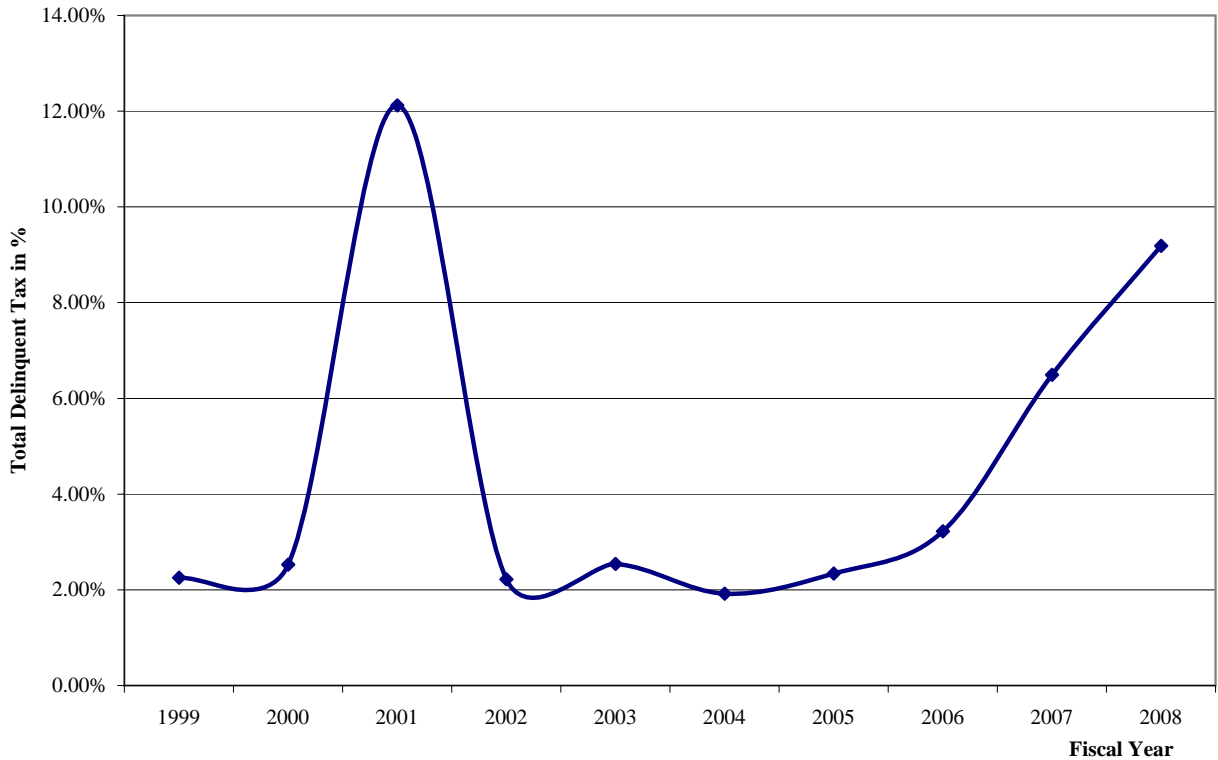
CITY OF PITTSBURG
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2007-08			1997-98		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Delta Energy Center LLC	\$405,100,000	1	6.78%			
USS - Posco Industries	289,685,053	2	4.85%	\$443,135,379	1	18.07%
Dow Chemical Company	107,651,363	3	1.80%	139,351,730	2	5.68%
Sierra Pacific Properties	52,516,266	5	0.88%	48,562,552	3	1.98%
Kirker Creek Limited Partnership	76,080,329	4	1.27%	22,191,500	8	0.91%
Century Plaza Corporation				43,978,074	4	1.79%
Albert D Seeno Construction Co.	19,205,743	10	0.32%	17,386,650	10	0.71%
Pittsburg Meridian Properties	23,821,450	9	0.40%			
Fund VIII Pr Pittsburg, LLC	28,683,267	6	0.48%			
Ora Vineyard 162 LLC	25,249,000		0.42%			
National Energy Constructors	25,788,345	7	0.43%	34,301,253	5	1.40%
GWF Power System Limited Partner	24,386,674	8	0.41%	32,466,670	6	1.32%
Meadow Creek Estates				23,991,280	7	0.98%
Union Carbide Industries Gases, Inc				20,270,937	9	0.83%
Subtotal	\$1,078,167,490		18.04%	\$825,636,025		33.67%
Total Net Assessed Valuation:						
Fiscal Year 2007-2008	\$5,978,078,219					
Fiscal Year 1997-1998	\$2,451,885,068					

The Format of this summary conforms to the standard GASB44 Implementation Guide which states that only ten of the largest payers should be stated.

Source: California Municipal Statistics, Inc & HdL Coren & Cone

CITY OF PITTSBURG
Property Tax Levies and Collections
Last Ten Fiscal Years



Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Delinquent @ June 30 (County)
1999	34,597,114	33,816,560	97.7439%	780,554	34,597,114	2.26%
2000	35,677,382	34,774,682	97.4698%	902,700	35,677,382	2.53%
2001	43,095,927	37,873,416	87.8817%	5,222,511	43,095,927	12.12%
2002	41,278,061	40,363,109	97.7834%	914,952	41,278,061	2.22%
2003	43,884,508	42,770,506	97.4615%	1,114,002	43,884,508	2.54%
2004	51,916,285	50,918,662	98.0784%	997,623	51,916,285	1.92%
2005	53,809,800	52,551,716	97.6620%	1,258,084	53,809,800	2.34%
2006	61,984,118	59,988,331	96.7802%	1,995,787	61,984,118	3.22%
2007	71,221,786	66,597,664	93.5074%	4,624,122	71,221,786	6.49%
2008	79,667,362	72,351,429	90.8169%	7,315,933	79,667,362	9.18%

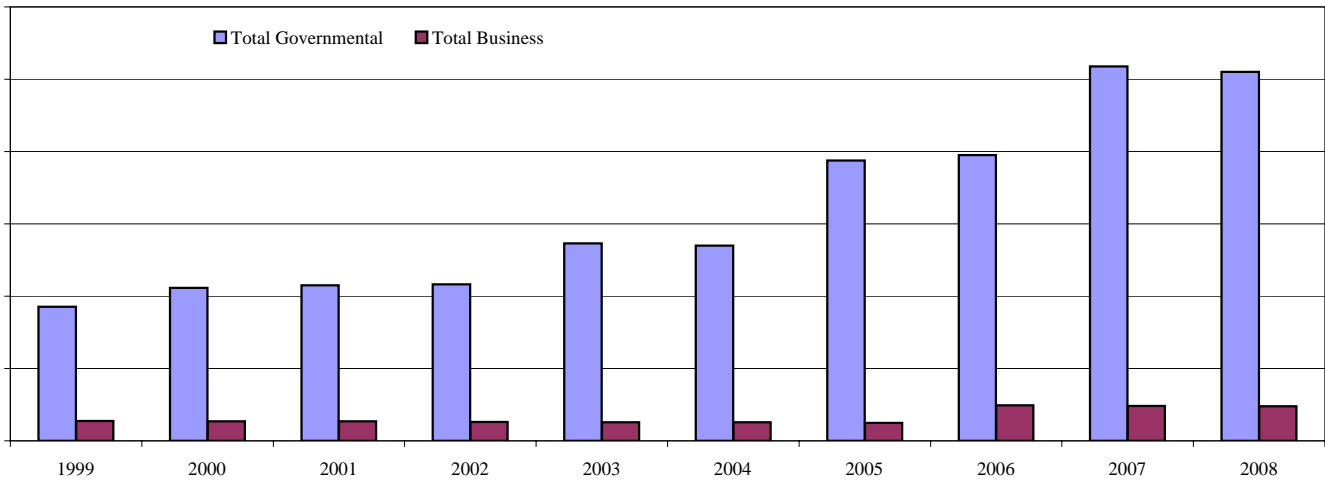
Source: City of Pittsburg Records

NOTE:

Current tax collections beginning in 1993 have been reduced by a mandatory tax reallocation imposed by the State of California

- (a) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.

CITY OF PITTSBURG
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Governmental Activities

Fiscal Year	Governmental Activities				Total
	Tax Allocation Bonds	Pass Through Obligations	Special Assessment Debt	Landfill Containment	
1999	165,145,000	803,741	19,450,000	N/A	185,398,741
2000	192,151,357	997,943	18,525,000	N/A	211,674,300
2001	188,891,357	1,247,280	25,070,000	N/A	215,208,637
2002	186,921,357	2,434,946	26,805,000	N/A	216,161,303
2003	241,812,819	3,199,939	27,950,000	N/A	272,962,758
2004	237,124,796	5,444,924	27,415,000	N/A	269,984,720
2005	352,556,357	8,206,902	26,795,000	N/A	387,558,259
2006	347,766,357	9,162,781	38,265,000	N/A	395,194,138
2007	472,741,357	7,232,732	37,595,000	N/A	517,569,089
2008	465,191,354	8,186,499	36,655,000	N/A	510,032,853

Business-Type Activities

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Water Revenue Bonds	Sewer Revenue Bonds	Total			
1999	14,655,000	12,850,000	27,505,000	212,903,741	9.39%	3,981
2000	14,655,000	12,550,000	27,205,000	238,879,300	9.09%	4,393
2001	14,655,000	12,230,000	26,885,000	242,093,637	8.75%	4,176
2002	14,370,000	11,895,000	26,265,000	242,426,303	8.74%	4,051
2003	14,070,000	11,545,000	25,615,000	298,577,758	10.48%	4,889
2004	13,760,000	11,845,000	25,605,000	295,589,720	9.76%	4,808
2005	13,430,000	11,335,000	24,765,000	412,323,259	12.09%	6,586
2006	38,475,000	10,815,000	49,290,000	444,484,138	12.72%	7,106
2007	38,025,000	10,285,000	48,310,000	565,879,089	15.36%	8,982
2008	37,945,000	9,740,000	47,685,000	557,717,853	16.62%	8,762

Note : Debt amounts exclude any premiums, discounts, or other amortization amounts.

Sources: City of Pittsburgh
State of California, Department of Finance (population)
U.S. Department of commerce, Bureau of the Census (income)

(a) See Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF PITTSBURG
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value of Property	Per Capita
	Assessment Bonds	Total		
1999	\$165,145,000	\$165,145,000	6.23%	3,087.98
2000	192,151,357	192,151,357	7.02%	3,533.30
2001	188,891,357	188,891,357	6.25%	3,258.10
2002	186,921,357	186,921,357	4.91%	3,123.53
2003	241,812,819	241,812,819	5.67%	3,959.80
2004	237,124,796	237,124,796	4.95%	3,856.88
2005	352,556,357	352,556,357	7.06%	5,631.44
2006	347,766,357	347,766,357	6.35%	5,560.08
2007	472,741,357	472,741,357	7.53%	7,503.35
2008	465,191,354	465,191,354	7.05%	7,308.35

CITY OF PITTSBURG
Computation of Direct and Overlapping Debt
June 30, 2008

2007-08 Assessed Valuation \$2,146,448,344
 (After deducting \$4,521,957,137 Redevelopment Incremental Valuation)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt Outstanding 6/30/2008	Percentage Applicable To City of Pittsburg	Amount Applicable To City of Pittsburg
Bay Area Rapid Transit District	\$467,320,000	0.505%	\$2,359,966
Contra Costa Community College District	184,890,000	1.556%	2,876,888
Mount Diablo Unified School District	217,935,000	1.288%	2,807,003
Mount Diablo Unified School District Communities Facilities Dist No. 1	67,005,000	1.281%	858,334
Pittsburg Unified School District	78,260,000	92.513%	72,400,674
City of Pittsburg Community Facilities District No. 2005-2	11,885,000	100%	11,885,000
City of Pittsburg 1915 Act Bonds	24,770,000	100%	24,770,000
East Bay Regional Park District	149,445,000	0.734%	1,096,926
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$1,201,510,000</u>		119,054,791

OVERLAPPING GENERAL FUND DEBT:

Contra Costa County General Fund Obligations	\$361,925,000	1.551%	5,613,457
Contra Costa County Pension Obligations	492,985,000	1.551%	7,646,197
Contra Costa County Board of Education Certificates of Participation	470,000	1.551%	7,290
Contra Costa Community College District Certificates of Participation	1,110,000	1.556%	17,272
Antioch Unified School District Certificates of Participation	23,485,000	0.606%	142,319
Mount Diablo Unified School District Certificates of Participation	5,890,000	1.288%	75,863
Pittsburg Unified School District Certificates of Participation	11,440,000	92.513%	10,583,487
City of Pittsburg Pension Obligation Bonds	39,566,056	100%	39,566,056
Contra Costa Fire Protection District Pension Obligations	126,150,000	3.435%	4,333,253
TOTAL OVERLAPPING GENERAL FUND DEBT	<u>\$1,063,021,056</u>		<u>\$67,985,194</u>

GROSS COMBINED TOTAL DEBT (1) **\$187,039,985**

(1) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

RATIOS TO 2007-08 ASSESSED VALUATION:

Total Overlapping and Tax Assessment Debt 1.79%

RATIOS TO ADJUSTED ASSESSED VALUATION:

Combined Direct Debt (\$39,566,056) 1.84%

Combined Total Debt 8.71%

Source: California Municipal Statistics, Inc.

CITY OF PITTSBURG
Computation of Legal Bonded Debt Margin
June 30, 2008

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$2,146,448,344</u> (1)
(1) Net of \$4,521,957,137 Redevelopment Incremental Valuation	

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$80,491,813</u>
---	---------------------

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$0
Less Tax Allocation Bonds and Sales Tax Revenue Bonds, Certificate of Participation not subject to limit	<u>0</u>
Amount of debt subject to limit	<u>0</u>

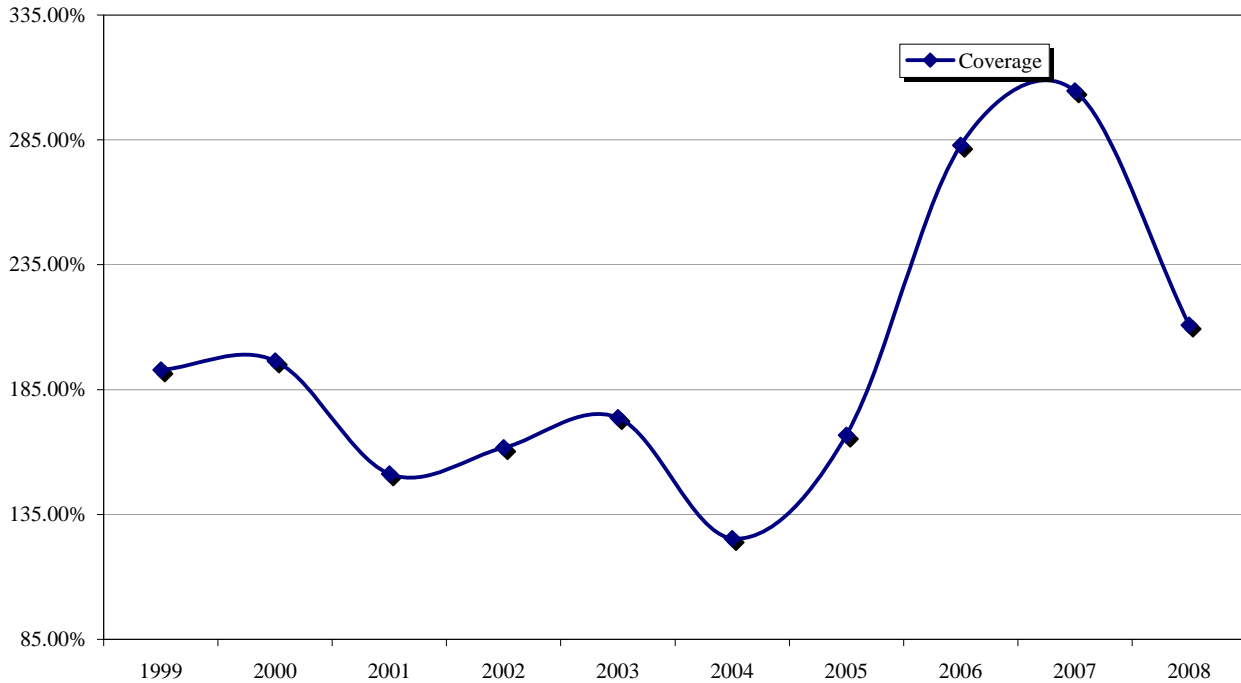
LEGAL BONDED DEBT MARGIN	<u><u>\$80,491,813</u></u>
--------------------------	----------------------------

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
1999	56,556,030	0	56,556,030	0.00%
2000	56,647,684	0	56,647,684	0.00%
2001	60,557,599	0	60,557,599	0.00%
2002	65,207,274	0	65,207,274	0.00%
2003	67,358,919	0	67,358,919	0.00%
2004	69,724,135	0	69,724,135	0.00%
2005	63,272,582	0	63,272,582	0.00%
2006	67,444,896	0	67,444,896	0.00%
2007	78,807,669	0	78,807,669	0.00%
2008	80,491,813	0	80,491,813	0.00%

NOTE:

(a) California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

CITY OF PITTSBURG
Revenue Bond Coverage
Wastewater Revenue Bonds
Last Ten Fiscal Years

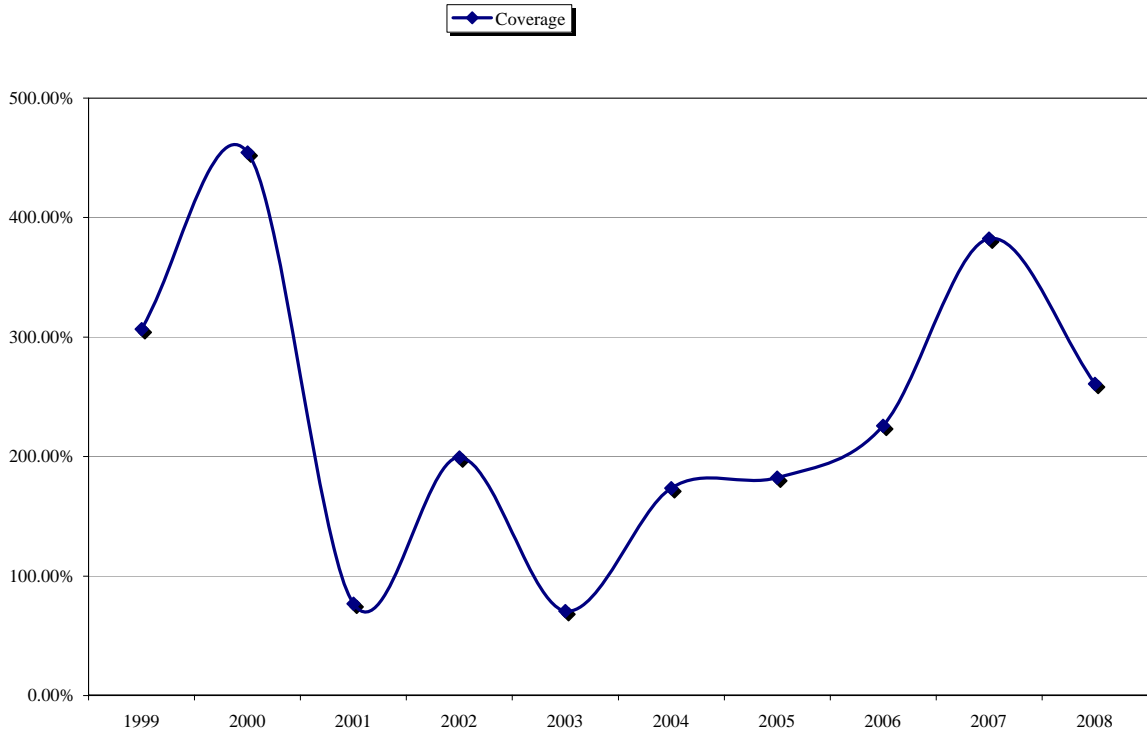


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	2,564,140	701,174	1,862,966	280,000	685,924	965,924	192.87%
2000	2,665,739	755,609	1,910,130	300,000	672,352	972,352	196.44%
2001	2,208,318	729,230	1,479,088	320,000	658,213	978,213	151.20%
2002	2,372,712	800,563	1,572,149	335,000	636,930	971,930	161.76%
2003	2,829,931	1,134,392	1,695,539	350,000	625,603	975,603	173.79%
2004	2,753,990	1,313,057 (a)	1,440,933	475,000	674,157	1,149,157	125.39%
2005	2,767,970	1,222,907 (a)	1,545,063	510,000	416,557	926,557	166.75%
2006	3,929,540	1,358,969 (a)	2,570,571	520,000	388,978	908,978	282.80%
2007	4,203,414	1,436,161 (a)	2,767,253	530,000	378,578	908,578	304.57%
2008	3,555,333	1,630,263 (a)	1,925,070	545,000	367,978	912,978	210.86%

- Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest
(a) Includes Transfers-Out to reimburse General Fund for Utility Billing Costs (Same as Water Proprietary)

Source: City of Pittsburgh Annual Financial Statements

CITY OF PITTSBURG
Revenue Bond Coverage
2008* (Refunded 1997 & 2005) Water Revenue Bonds
Last Ten Fiscal Years

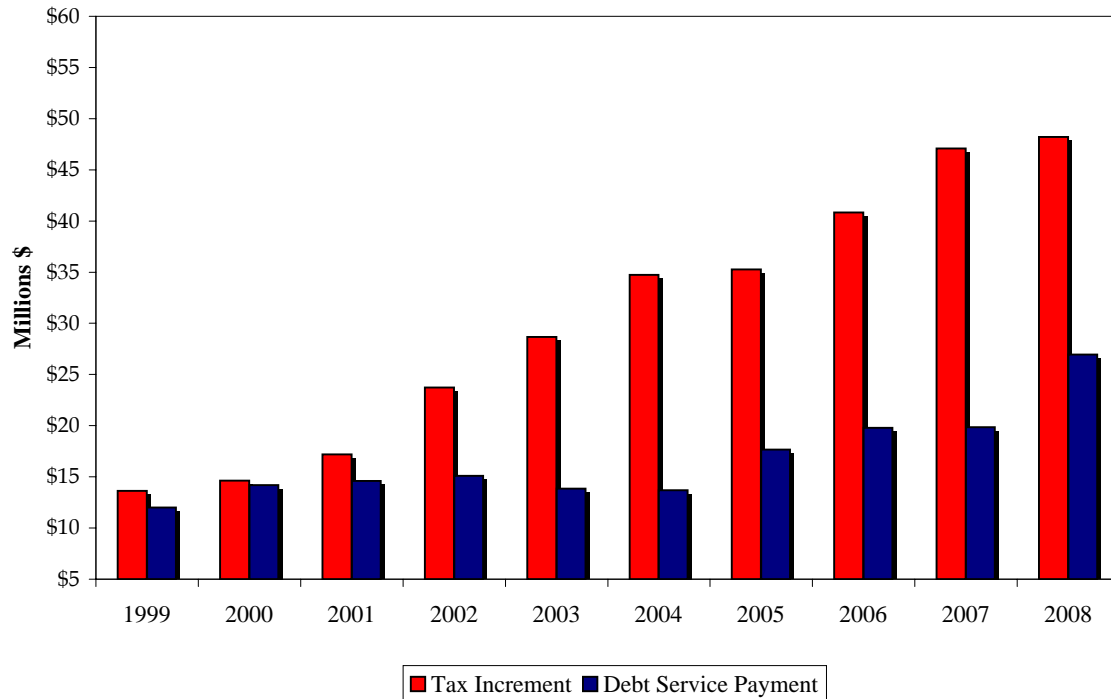


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1999	9,291,160	6,914,408	2,376,752		775,233	775,233	306.59%
2000	10,933,678	7,420,314	3,513,364		772,850	772,850	454.60%
2001	9,511,873	8,915,565	596,308		775,604	775,604	76.88%
2002	10,413,098	8,864,354	1,548,744		777,674	777,674	199.15%
2003	11,381,346	10,632,175	749,171	\$285,000	772,961	1,057,961	70.81%
2004	11,420,970	9,612,617	1,808,353	310,000	732,328	1,042,328	173.49%
2005	11,841,761	9,865,475	1,976,286	330,000	753,435	1,083,435	182.41%
2006	16,307,016 (3)	10,881,690	5,425,326	720,000	1,683,100	2,403,100	225.76%
2007	17,667,353 (3)	10,888,978	6,778,375	450,000	1,322,848	1,772,848	382.34%
2008	17,312,494 (3)	11,591,356	5,721,138	450,000	1,742,848	2,192,848	260.90%

- Notes: (1) Includes all Water Operating Revenues, Non-operating Interest Revenue, Connection Fees and other Non-operating Revenue
(2) Includes all Water Operating Expenses less Depreciation and Interest, and includes Transfers-Out to reimburse General Fund for Utility Billing Costs
(3) Includes receipt of unusually high level of Facility Reserve Fees and their Interest Revenues

Source: City of Pittsburgh Annual Financial Statements

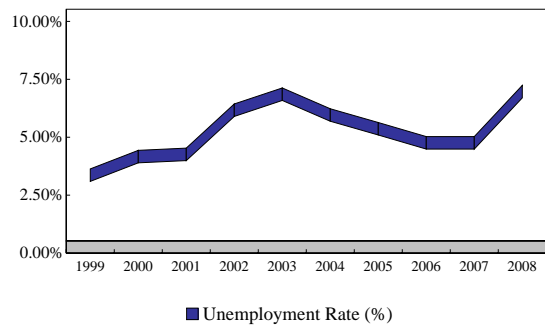
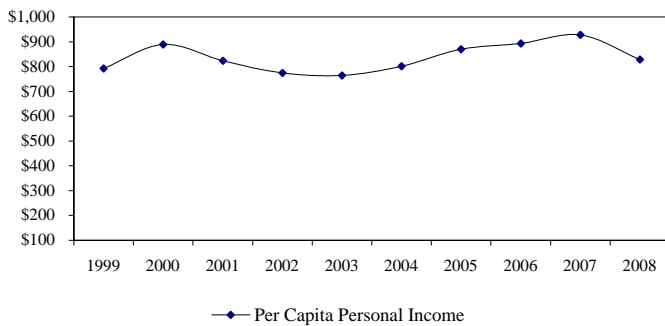
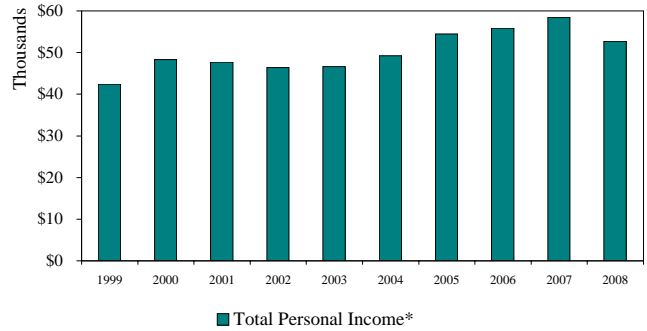
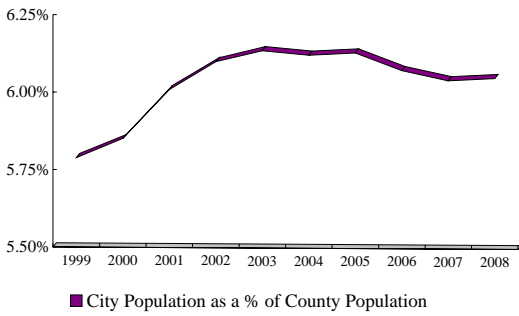
CITY OF PITTSBURG
Bonded Debt Pledged Revenue Coverage
Tax Allocation Bonds
Last Ten Fiscal Years



Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1999	13,615,797	2,830,000	9,169,459	11,999,459	1.13
2000	14,619,370	4,025,000	10,170,846	14,195,846	1.03
2001	17,187,171	4,215,000	10,378,601	14,593,601	1.18
2002	23,744,133	4,505,000	10,582,784	15,087,784	1.57
2003	28,663,760	4,510,000	9,330,885	13,840,885	2.07
2004	34,730,440	4,240,000	9,454,394	13,694,394	2.54
2005	35,255,101	4,100,000	13,576,709	17,676,709	1.99
2006	40,823,118	4,790,000	14,995,717	19,785,717	2.06
2007	47,087,969	4,960,000	14,888,380	19,848,380	2.37
2008	48,211,302	7,550,000	19,390,241	26,940,241	1.79

Source: City of Pittsburg 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
1999	53,480	42,376	792	3.1%	923,817	5.79%
2000	54,383	48,343	889	3.9%	929,445	5.85%
2001	57,976	47,731	823	4.0%	964,579	6.01%
2002	59,843	46,368	775	5.9%	980,870	6.10%
2003	61,067	46,652	764	6.6%	994,908	6.14%
2004	61,481	49,276	801	5.7%	1,003,909	6.12%
2005	62,605	54,472	870	5.1%	1,020,898	6.13%
2006	62,547	55,873	893	4.5%	1,029,377	6.08%
2007	63,004	58,479	928	4.5%	1,042,341	6.04%
2008	63,652	52,730	828	6.7%	1,051,674	6.05%

Source: California State Department of Finance

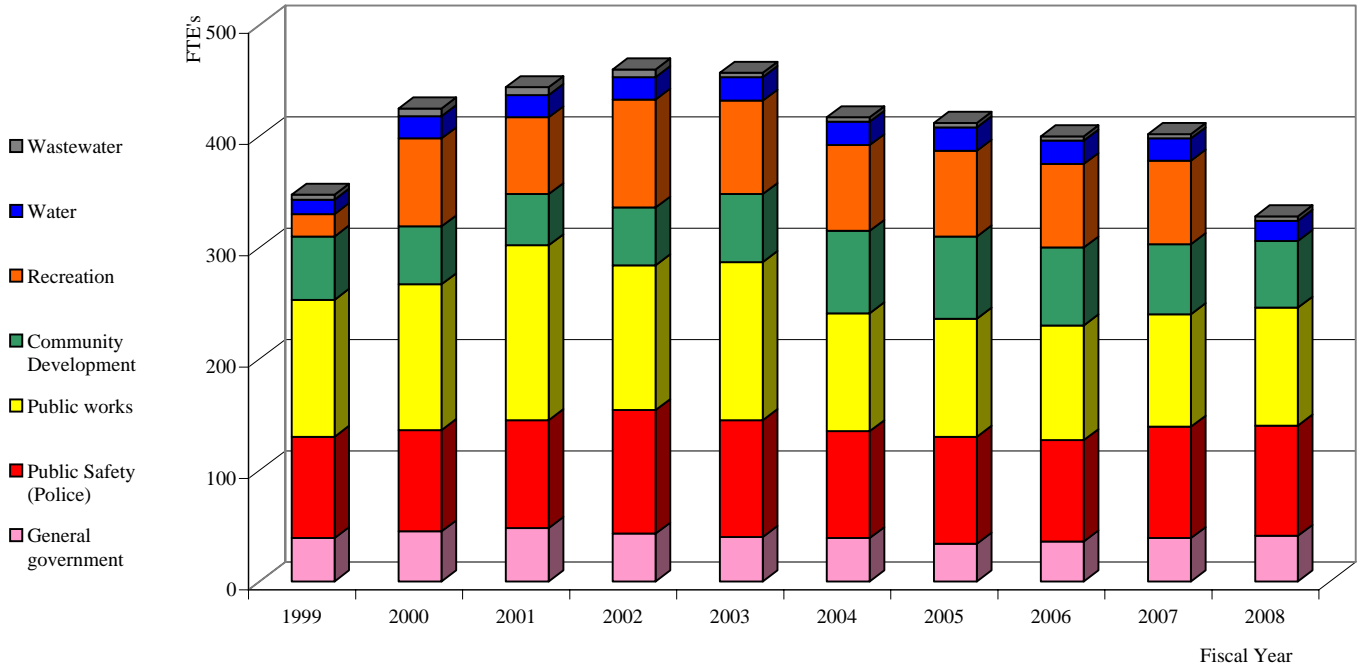
*US Department of Commerce - Bureau of Economic Analysis (Contra Costa County)
 Contra Costa County Demographics

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

Employer	2007-08			1998-99		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
USS - Posco Industries	1,000	1	1.6%	990	1	1.9%
Pittsburg Unified School District	720	2	1.1%	965	2	1.8%
Dow Chemical Company	400	4	0.6%	550	3	1.0%
Walmart	220	5	0.3%	250	4	0.5%
Los Medanos Community College	480	3	0.8%	190	5	0.4%
American Color Graphics				140	6	0.3%
Merit USA				95	7	0.2%
Johns Manville				90	8	0.2%
Signode Corporation				90	9	0.2%
Markstein Beverage Company				60	10	0.1%
Angelica Laundry	220	5	0.3%			
Ramar Foods	220	5	0.3%			
WinCo Foods	200	6	0.3%			
Home Depot	180	7	0.3%			
Target Stores	160	8	0.3%			
Safeway	150	9				
Redwood Painting	120	10	0.2%			
Subtotal	<u>4,070</u>		<u>6.4%</u>	<u>3,420</u>		<u>6.5%</u>
Total City Day Population	<u>63,652</u>			<u>53,014</u>		

Source: City of Pittsburg Economic Development Department
1997-98 data from CAFR (Chamber of Commerce & State Dept of Finance)

CITY OF PITTSBURG
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



Function	Actual for Fiscal Year Ended June 30, 2008									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General government	39	45	48	43	40	39	34	36	39	41
Public Safety (Police)	91	91	97	111	105	96	96	91	100	99
Public works	123	131	157	130	142	106	106	103	101	106
Community Development	57	52	46	52	61	74	74	70	63	60
Recreation	20	79	69	97	84	77	77	75	75	24*
Water	13	20	20	20	21	21	21	21	20	18
Wastewater	4.5	7	7	7	4	4	4	4	4	4
Total	348	425	444	460	457	417	412	400	402	352

* Prior Years (2000-2007) Included Summer Staff

Source: City of Pittsburgh

CITY OF PITTSBURG
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year			
	1999	2000	2001	2002
Public safety:				
Police:				
Police calls for Service	58,590	50,390	65,043	74,438
Law violations:				
Part I and Part II crimes	8,165	8,600	9,581	10,678
Physical arrests (adult and juvenile)	3,757	3,987	4,166	5,014
Traffic violations (VC14601 & VC12500)	128	278	262	660
(1) 1998 Total Calls Period October to December				
(2) Does not include Dec 2006 DOJ Monthly Report				
Traffic Violations reported to 12/18/06				
(Fire Protection is Contra Costa County)				
Public works				
Street Re-surfacing (Miles)				
Streets Repaired (square feet)	Not Avail	18,883	30,468	149,813
a. Prior Year Correction from PW Department				
Leisure Services:				
Community Services:				
Recreation Class Participants	n/a	n/a	n/a	559
Swim Participants	n/a	n/a	8,535	11,697
Softball Participants	n/a	n/a	n/a	n/a
Small World Park Gate Attendance	n/a	n/a	n/a	n/a
Senior Center Nutrition/Exercise Class	n/a	n/a	n/a	n/a
(1) Senior Center Opened March 2004				
January 2006 Senior Center flooded Closed 7.5 weeks				
Water				
Number of Meters Served	13,505	13,633	14,048	15,023
Water Main Breaks	n/a	89	108	n/a
Average Daily Consumption (millions of gallons)	8.834	8.365	9.345	9.261
Wastewater				
Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A)	140.52	143.53	145.52	148.02
Average daily treatment (thousands of gallons)	n/a	n/a	n/a	n/a
Solid Waste				
Refuse Landfilled (tons per year)	44,750	47,152	66,812	66,936
Recyclables Processed (tons per year)	29,645	33,531	31,929	27,666

Source: City of Pittsburg Divisions & Prior Year CAFR's

Note: n/a denotes information not available.

Fiscal Year

2003	2004	2005	2006	2007	2008
68,050	64,659	67,778	67,591	71,643	70,707
9,597	8,076	8,244	8,308	8,923	8,117
4,892	3,411	3,401	3,688	4,042	3,955
1,112	871	568 ⁽²⁾	636	901	1,163
96,023	62,472	78,411	42,509	76,240 ^a	133,103
822	317	509	517	564	404
8,345	8,503	8,837	8,737	9,135	9,134
649	210	145	320	429	465
24,105	21,238	19,227	18,600	18,660	17,376
0	7,769	22,690	21,423	18,777	15,735
15,425	15,587	15,894	16,291	16,731	16,579
n/a	n/a	65	61	102	76
9.487	9.769	9.155	9.508	10.320	10.36
150.22	155.72	155.72	157.72	159.12	159.12
n/a	n/a	n/a	27	34	34
76,595	70,535	85,034	90,500	n/a	85,700
27,709	31,946	33,037	35,000	n/a	43,425

CITY OF PITTSBURG
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year			
	1999	2000	2001	2002
Function/Program				
Public safety:				
Police stations	1	1	1	1
Police patrol units (Includes Unmarked)	22	24	27	34
Public works				
Miles of streets (Center Line)	140.1	141.8	144.6	144.8
Street lights (Total)	3,371	3,394	3,428	3,503
Traffic Signals	36	38	42	46
Culture and recreation:				
Community services:				
City Parks	10	10	11	14
City parks acreage	106	106	114	114
Roadway landscaping acreage	11.3	11.6	11.6	12.5
Regional park acreage	42.4	42.4	42.5	46.1
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	1	1	1	1
Water				
Storage capacity (millions of gallons)	15.9	15.9	16.9	16.9
Wastewater				
Miles of sanitary sewers	141	144	146	148

Source: City of Pittsburg Staff & Prior Year CAFR's

Note: n/a denotes information is not available.

Fiscal Year

2003	2004	2005	2006	2007	2008
1	1	1	1	1	1
43	44	51	52	52	52
145.8	147.7	149.6	154.0	154.8	156.8
3,580	3,741	3,766	3,796	3,975	4,008
50	50	51	52	59	60
16	16	16	17	21	21
122	122	122	125	145	145
12.9	13.2	13.2	13.2	13.2	15
46.4	47.7	53.2	54.0	56.0	56.0
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
16.9	16.9	16.9	16.9	16.9	16.9
150	165	156	158	159	159