

# City of Pittsburg

Comprehensive Annual Financial Report

Fiscal Year Ending June 30, 2010



# Pittsburg

Team Pittsburg

# City of Pittsburg, California

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2010



Prepared by the Finance Department

Deborah Yamamoto  
*Accounting Manager*

Karen Chang  
*Accountant II*

Tina Olson  
*Director of Finance*

**City of Pittsburg**  
**Basic Financial Statements**  
**For the year ended June 30, 2010**  
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**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2010*



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

June 9, 2011

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, 2010. 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, 2010. 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**

This is the seventh fiscal year the City of Pittsburg complies with the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Government* 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.

The GASB statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* requires the City to make 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 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 City as a Phase 2 Employer (annual revenues \$10 - 100M) is required to adopt Statement of Governmental Accounting Standards Board No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pension Plans (OPEB)*. This statement requires the City to recognize OPEB expenses in Government-Wide, Proprietary and Fiduciary Fund Financial Statements. There is no statutory requirement for the City to pre-fund its OPEB obligation. A full explanation of the valuation methodology can be found in the Disclosure Note 13- Other Post-Employment Benefits, on page 90 of this report.

In June 2008, the Governmental Accounting Standards Board (GASB) Issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. Common types of derivative instruments used by government include interest rate and commodity

swaps. The City of Pittsburg currently has two (2) interest rate swaps, one for the 2004A Redevelopment Agency Subordinate Tax Allocation Bonds and the other one for the proprietary Water Revenue Bonds.

### The Reporting Entity and Its Services

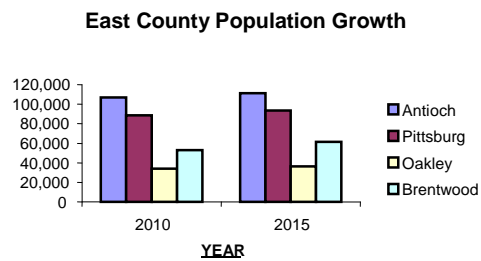
The City was incorporated on June 25, 1903 and Pittsburg is a full service general law city providing a full range of municipal services, including police, water and sewer, streets, cultural and recreational facilities, golf course, public works and parks, redevelopment, economic development, planning, 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.

<b>POPULATION GROWTH</b>			
<i>ABAG Projections 2009</i>			
	2010	2015	CHANGE
<b>Pittsburg</b>	<b>67,200</b>	<b>70,100</b>	<b>2,900</b>
Antioch	107,700	110,200	2,500
Brentwood	59,700	64,200	4,500
Oakley	35,250	37,250	2,000
East County:	269,850	281,750	11,900
Contra Costa County:	1,090,300	1,130,700	40,400

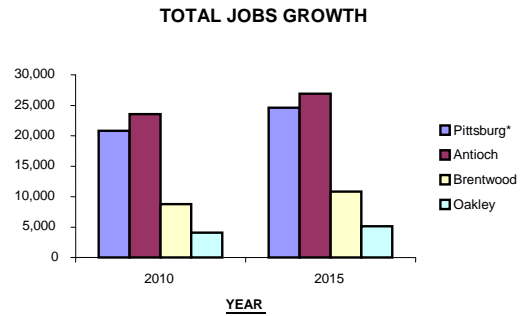


The Association of Bay Area Governments (ABAG) is the Bay Area regional agency responsible for producing population, household, jobs, labor force, and income projections for the entire San Francisco Bay Area. ABAG - Projections 2010 is forecasting that the East County of which Pittsburg is a part of, is expected to experience significant growth in the future, but not at the pace seen in recent years due to the slowed economy. ABAG is projecting Pittsburg’s population to increase by 44 percent by the year 2035. This forecast is due in part to the anticipated new eBART line.

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 2010 was at 15,370 by the year 2010 and at 19,390 by the

year 2015. Out of the three neighboring cities in East County, Pittsburg's job growth outlook is the second to its neighboring city, Antioch.

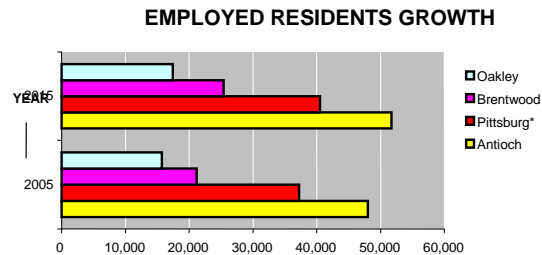
<b>TOTAL JOBS</b>			
<i>ABAG - PROJECTIONS 2009</i>			
	2010	2015	CHANGE
<b>Pittsburg</b>	<b>15,370</b>	<b>19,390</b>	<b>4,020</b>
Antioch	20,160	24,390	4,230
Brentwood	6,520	7,700	1,180
Oakley	2,980	3,770	790
East County:	45,030	55,250	10,220
Contra Costa County:	376,820	409,650	32,830



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.

ABAG 2010 did not have a projection for employed residents by City. The information below is data from the ABAG Projections 2007.

<b>EMPLOYED RESIDENTS</b>			
<i>ABAG - PROJECTIONS 2007</i>			
	2010	2015	CHANGE
<b>Pittsburg</b>	<b>37,240</b>	<b>40,530</b>	<b>3,290</b>
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



While the state's budget crisis will cause the county's economy to remain stalled, 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. The United Spiral Pipe Facility became operational in Fall 2009 in the City. Retail jobs will also see growth in Pittsburg as the City's revitalization of Old Town Pittsburg continues with such future openings like the Nana's Cafe.

In 2009, real GDP (gross domestic product) was adjusted in the second quarter to a decrease of 1.0% compared to the adjusted GDP increase of 2.8% in 2008. The third quarter 2009 advance is already estimated at an annual increase of 3.5%. This is one positive indicator that the economy will recover within the next fiscal year.

For the City of Pittsburg, sales tax revenue in the Fiscal Year 2009-2010 fell short of its forecasted estimate by only total sales taxes and backfill was \$5.99M which is still a major revenue source. Due to

the housing market slump and resulting reassessments downward, property tax revenue fell short of its forecasted estimate by \$1.1M.

## **Major Initiatives**

*For The Fiscal Year 2009–2010:* 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 Inc., 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 2009-2010.

The Redevelopment Agency General Funds supported the following major projects during the Fiscal Year 2009-2010:

- EJ Phair: Restaurant and brewery.
- New Courthouse in Civic Center
- Vidrio Project: Finished construction of 75 condominium units, commercial storefront and a public plaza.
- New Mecca Cafe Renovation and Expansion
- Marina Office Building and Commercial Storefront
- Fire Station 85

## **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, 2009 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 2007-08 and 2008-09 amounted to \$101,524,254 and \$107,467,839 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, 2010 was .56%, a decrease of .95% compared to the same period of last fiscal year (June 30, 2009) 1.51%. Total LAIF interest earnings were \$1,498,938 for the fiscal year 2009-10, a decrease \$1,779,045 from the fiscal year 2008-09. At June 30, 2010, 26.55% 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 Inc., 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 eight fiscal years ended June 30, 2000, 2001, 2002, 2003, 2004, 2005, 2007 and 2008. 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, 2010 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. However, we would like to acknowledge the extra effort Deborah Yamamoto invested in completing the City's FY 2009-10 Audited Financial Statements. We implemented a new CAFR On-Line system that required considerable time and effort on Debbie's part to transfer the City's accounting records as well as learning how to operate the new system. In addition, Debbie and the other Finance staff addressed inquiries from the City's auditor that were submitted late in the process that delayed issuing the CAFR. Finally, we would like to acknowledge Karen Chang for her willingness to step in and finalize the CAFR after Debbie became ill and took a leave of absence. She quickly learned the CAFR On-Line system and the details of the City's CAFR that enabled her to successfully complete the CAFR to the auditors' satisfaction.

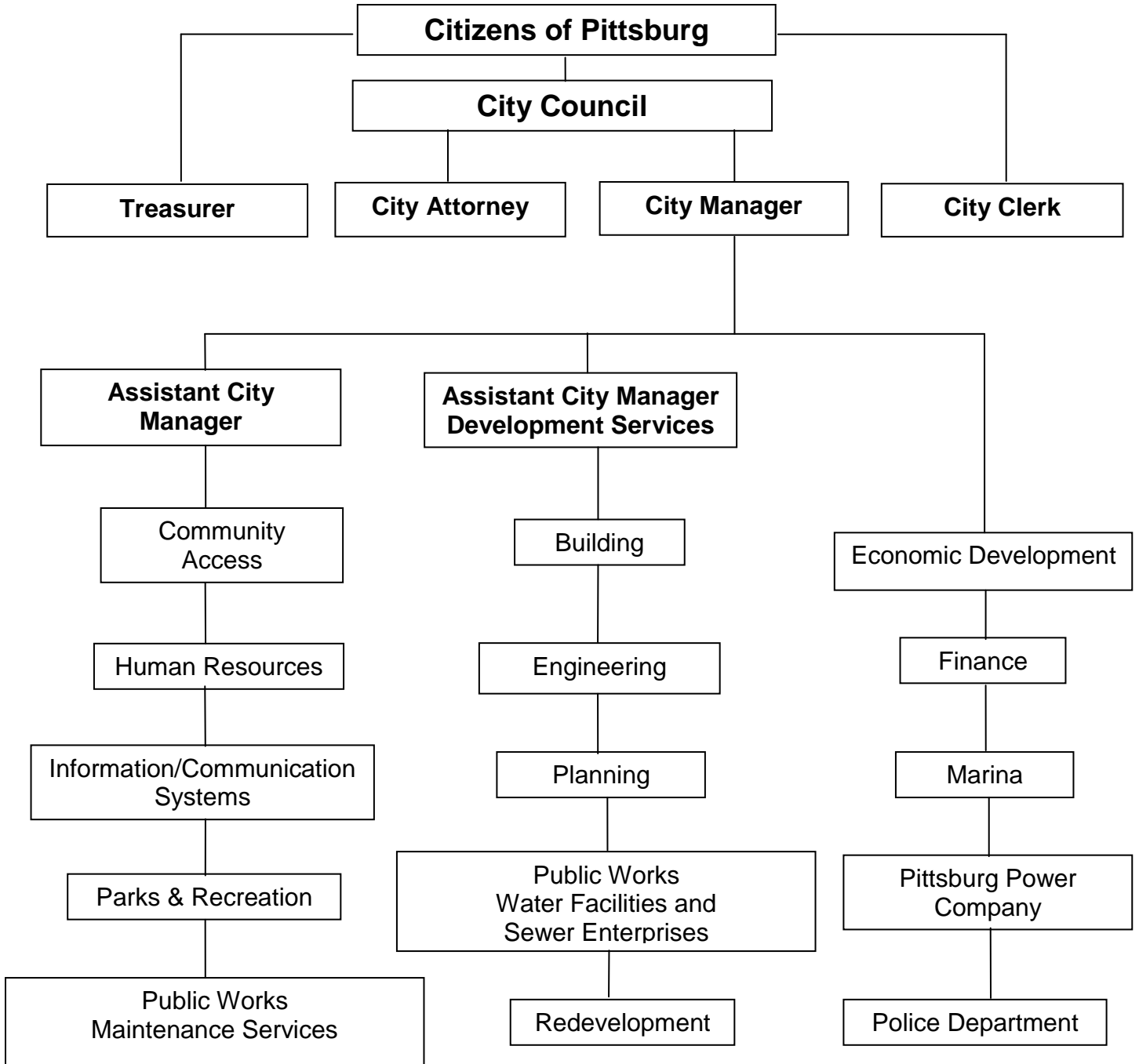
We would also like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

*For*   
Marc. S. Grisham  
City Manager

  
Tina Olson  
Director of Finance

# City of Pittsburg, California City Government



**City of Pittsburgh**  
**Comprehensive Annual Financial Report**  
**Fiscal Year Ended June 30, 2010**

**◆ ◆ ◆ City Council**

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

**◆ ◆ ◆ Other Elected Officials**

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

**◆ ◆ ◆ City Attorney**

Ruthann G. Ziegler, Esquire, City Attorney

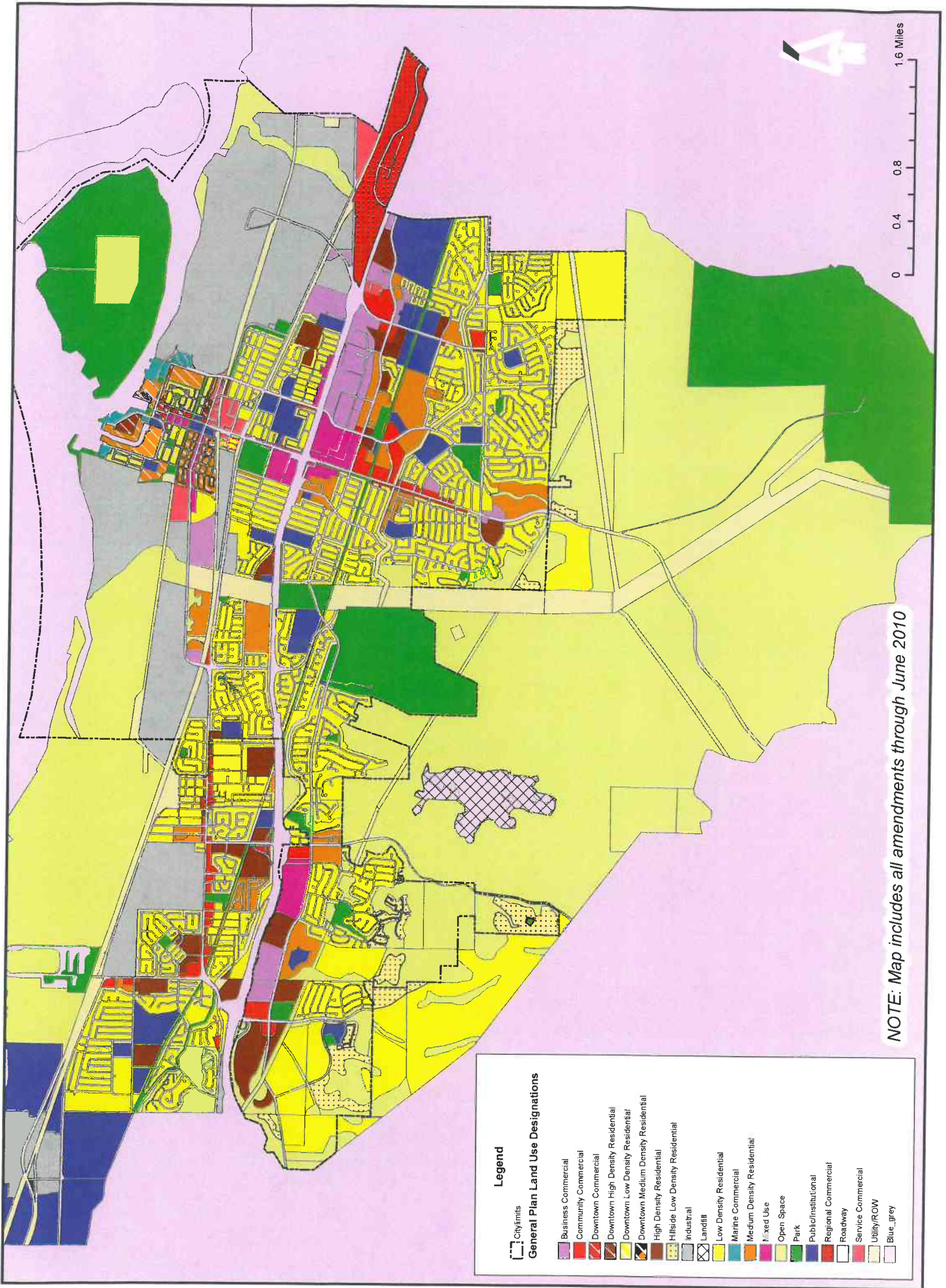
**◆ ◆ ◆ Management Staff**

Marc S. Grisham, City Manager  
Marc Fox, Assistant City Manager – Internal Operations  
Joe Sbranti, Assistant City Manager – Development Services

Aaron Baker, Chief of Police  
Garrett Evans, Director of Power  
Annette Washington, Director of Community Access  
Tina Olson, Director of Finance  
Alice E. Evenson, Director of Records and Council Services  
Walter C. Pease, Director of Water Utilities



# City of Pittsburg General Plan 2010



NOTE: Map includes all amendments through June 2010

## 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, 2010, 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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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.

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's as of June 30, 2010, 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 of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2011, 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

The Management Discussion and Analysis and the Required Supplementary Information on pages 3 to 14 and pages 94 to 101, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. 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.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Francisco, California  
June 9, 2011

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2010**

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

June 9, 2011

**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, 2010. 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 2009-2010 by \$181.4M (*net assets*).
- The City's total net assets of \$181.4M increased from the prior fiscal year 2008-2009 for a total increase of \$2.0M. The only notable change is the shift in current assets to non-current assets such as infrastructure. Budgetary constraints remained as the prior fiscal year with the local economy not seeing significant improvement. The total capital assets increased \$19.7M in governmental activities and decreased \$430K in business-type capital assets.



**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2010**

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- As of June 30, 2010, the City's governmental funds reported combined ending fund balances of \$162.9M, a decrease of \$30.9M in comparison with the prior fiscal year of \$193.8M. Most of the decrease in the governmental fund balances can be attributed to the decrease in major City revenues, the increase in swap fees, and implementation of several City and Redevelopment Agency sponsored capital projects. Another factor in the decrease in fund balance is the increase costs of employee benefits. Approximately \$6.7M or 5% of the General Fund Balance amount is unreserved and undesignated which means this amount is available for spending at the government's discretion.
- Last year, there were nine major funds in the Governmental Funds section of the Comprehensive Annual Financial Report. For the Fiscal Year Ended June 30, 2010, two of the funds, the Redevelopment Agency, Debt Service Stabilization Fund and Budget Stabilization Fund were closed for the set up of new reserve funds for future redevelopment debt service obligations. The fund balance of the Special Revenue Redevelopment Fund decreased substantially (\$35.9M) due to the agreement between the Redevelopment Agency and the City which obligates the City to undertake and complete existing redevelopment projects.
- As of June 30, 2010, the fund balance for the General Fund was \$7.0M, of which \$215,249 is reserved for miscellaneous inventory reserves, including the loan of \$161,164 due from the Park Maintenance 2007-1 CFD fund, and prepaid expenses, this leaves an appropriate outstanding fund balance of \$6.7M for Fiscal Year 2010-2011.
- Compared to the prior fiscal year, the City's total liabilities increased (\$2M) for a total of \$568.3M. No additional new debt incurred as existing long-term debt is amortized down. Some of the outstanding debt issues are at variable rates and some are at fixed rates.

## **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". On a year to year comparative basis, 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).

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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, Pittsburg Power Company Operations and Water Front 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 can be divided into three categories: governmental funds, proprietary funds and City's 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 41 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 seven funds that are considered to be major funds. These funds consist of the General, Low/Moderate Income Housing I, Low/Moderate Income Housing II, Redevelopment Special Revenue, Housing Authority (Section 8), Redevelopment Debt Service, and Redevelopment Capital Projects. Data from the other 34 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. The Enterprise Funds are used to account for the Water, Sewer, Marina, Golf Course, Island Energy and Pittsburg Power Company Operations, and the Water Front Operations. Internal Service Funds are an accounting device used to

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accumulate and allocate costs internally among the City's various functions. In June 2009, the City hired a professional golf management team to maintain operations of the Delta View Golf Course. The City still maintains ownership of the Golf Course; therefore the Golf Course is still a reportable proprietary fund. 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 five 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 \$181.4M at the close of the Fiscal Year ended June 30, 2010.

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, 2010 with the comparative data for the Fiscal Year ended June 30, 2009.

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**City of Pittsburgh**  
**Summary of Net Assets**  
**As of June 30, 2010**

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Current Assets	\$ 267,435,776	\$ 246,283,788	\$ 35,425,585	\$ 41,927,019	\$ 302,861,361	\$ 288,210,807
Non-Current Assets	5,795,000	5,442,197			5,795,000	5,442,197
Capital Assets	316,238,994	335,918,580	120,524,658	120,095,104	436,763,652	456,013,684
Total Assets	589,469,770	587,644,565	155,950,243	162,022,123	745,420,013	749,666,688
Current Liabilities	38,298,035	45,476,656	4,406,722	7,500,777	42,704,757	52,977,433
Non-Current Liabilities	476,997,446	469,493,269	46,304,003	45,785,441	523,301,449	515,278,710
Total Liabilities	515,295,481	514,969,925	50,710,725	53,286,218	566,006,206	568,256,143
Investments in Capital Assets Net of Related Debt	32,357,570	59,908,182	73,704,658	67,603,197	106,062,228	127,511,379
Restricted	46,826,571	51,627,971	20,588,565	16,057,202	67,415,136	67,685,173
Unrestricted	(4,986,639)	(38,861,513)	10,946,295	25,075,506	5,959,656	(13,786,007)
Total Net Assets	\$ 74,174,289	\$ 72,674,640	\$ 105,239,518	\$ 108,735,905	\$ 179,413,807	\$ 181,410,545

At the end of the Fiscal Year 2009-2010 the total assets exceeded total liabilities by \$181.4M.

**Changes in Net Assets** - In the Fiscal Year 2009-2010, the City's expenses for governmental activities of \$96.1M exceeded program revenues of \$34.7M by \$61.3M 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 (\$23.3M), Public Safety (\$20.8M), Interest on Long-term Debt (19.7M), and Public Works (\$13.7M). 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. For additional information on the capital assets, please refer to Note 7 - Capital Assets, page 64.

**Governmental Activities** - Governmental Activities reflects a decrease of \$1,500K in net assets and Business Activities reflects an increase of \$3.5M in net assets for the Fiscal Year 2009-2010. 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 2008-2009.



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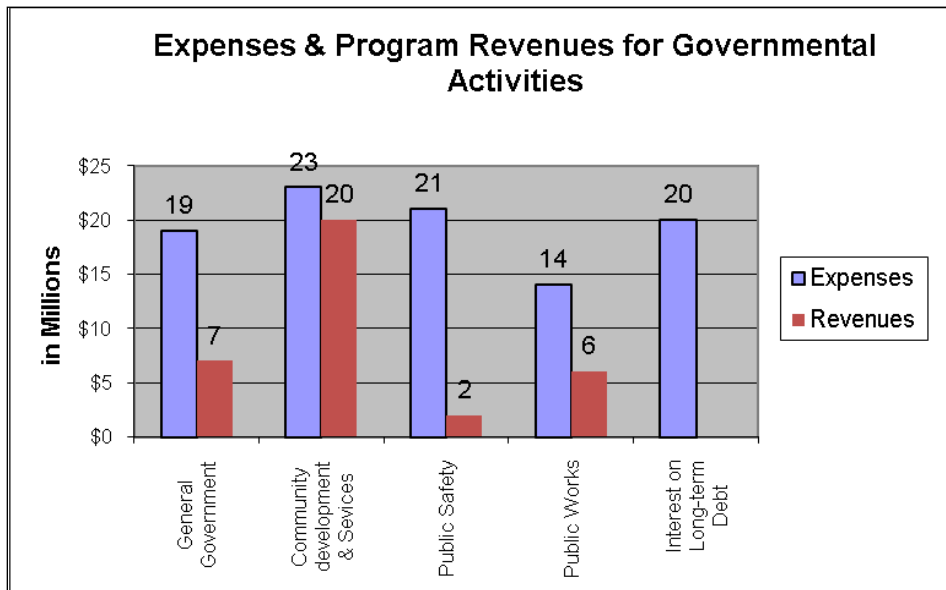
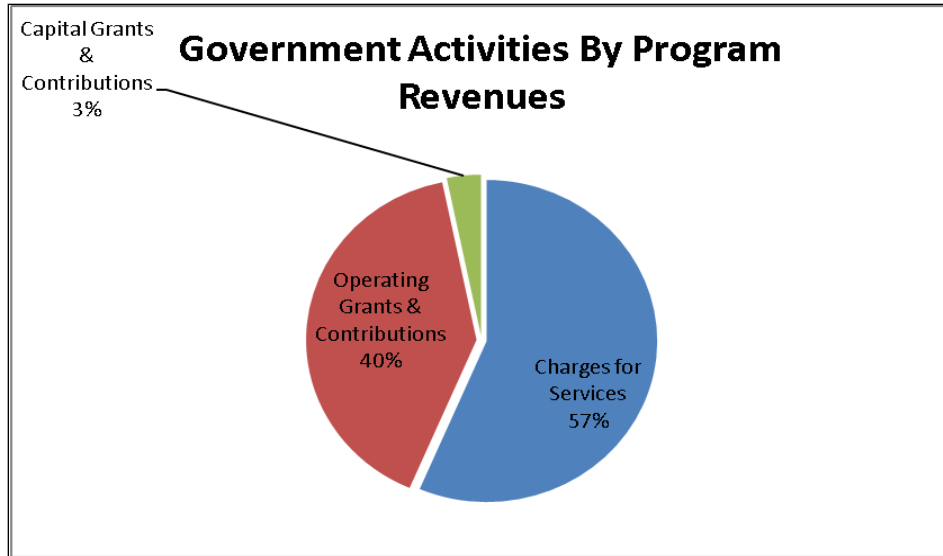
**Statement of Changes in Net Assets**  
**Fiscal Year Ended June 30, 2010**  
**With comparative data for fiscal year ended June 30, 2009**

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$ 13,000,388	\$ 19,599,934	\$ 28,761,942	\$ 29,763,885	\$ 41,762,330	\$ 49,363,819
Operating Grants and Contributions	15,252,456	14,022,072			15,252,456	14,022,072
Capital Grants and Contributions	2,193,823	1,119,989	18,110,472	591,456	20,304,295	1,711,445
<i>General Revenues:</i>						
Property Taxes	49,448,715	39,995,052			49,448,715	39,995,052
Sales Taxes	7,167,394	5,998,652			7,167,394	5,998,652
Franchise Fees	2,183,097	2,378,602			2,183,097	2,378,602
Motor Vehicle in lieu fees	4,714,411	4,019,459			4,714,411	4,019,459
Gas Taxes	1,027,991	1,051,055			1,027,991	1,051,055
Other Taxes	1,166,245	2,514,764			1,166,245	2,514,764
Investment Earnings - Unrestricted	10,602,828	2,414,528	1,093,600	321,967	11,696,428	2,736,495
<b>Total Revenues</b>	<b>106,757,348</b>	<b>93,114,107</b>	<b>47,966,014</b>	<b>30,677,308</b>	<b>154,723,362</b>	<b>123,791,415</b>
Expenses:						
General Government	7,362,822	15,035,104			7,362,822	15,035,104
City Council	70,238	63,613			70,238	63,613
City Manager and City Clerk	628,931	291,945			628,931	291,945
City Attorney	437,245	352,405			437,245	352,405
Human Resources	874,231	674,922			874,231	674,922
Finance and Services	2,468,675	2,150,947			2,468,675	2,150,947
Community Development & Services	38,773,592	23,298,516			38,773,592	23,298,516
Public Safety	19,742,591	20,844,081			19,742,591	20,844,081
Public Works	32,355,554	13,685,011			32,355,554	13,685,011
Interest on Long-Term Debt	35,950,401	19,671,322			35,950,401	19,671,322
Water Utility			14,013,116	13,614,034	14,013,116	13,614,034
Sewer Utility			2,218,519	2,407,534	2,218,519	2,407,534
Marina			2,320,709	2,139,241	2,320,709	2,139,241
Golf Course			1,611,661	1,312,036	1,611,661	1,312,036
Island Energy			4,370,349	4,100,739	4,370,349	4,100,739
Pittsburg Power			1,619,356	2,150,825	1,619,356	2,150,825
Art & Community Foundation (PACF)			5,789		5,789	
<b>Total Expenses</b>	<b>138,664,280</b>	<b>96,067,866</b>	<b>26,159,499</b>	<b>25,724,409</b>	<b>164,823,779</b>	<b>121,792,275</b>
Operating Gain/(Loss)	(31,906,932)	(2,953,759)	21,806,515	4,952,899	(10,100,417)	1,999,140
Transfers	6,242,560	1,454,110	(6,242,560)	(1,454,110)		
Change in Net Assets	(25,664,372)	(1,499,649)	15,563,955	3,498,789	(10,100,417)	1,999,140
Net assets - Beginning of Year (PACF was excluded in 2010)	99,838,661	74,174,289	89,675,563	105,237,116	189,514,224	179,411,405
<b>Net assets - End of Year</b>	<b>\$ 74,174,289</b>	<b>\$ 72,674,640</b>	<b>\$ 105,239,518</b>	<b>\$ 108,735,905</b>	<b>\$ 179,413,807</b>	<b>\$ 181,410,545</b>

Total Program Revenues from Governmental Activities were \$34.7M in Fiscal Year 2009-2010. 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

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be financed from the government's general revenues. As reflected in the pie chart below, 57% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 40% 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 3% are from Capital Grants and Contributions.

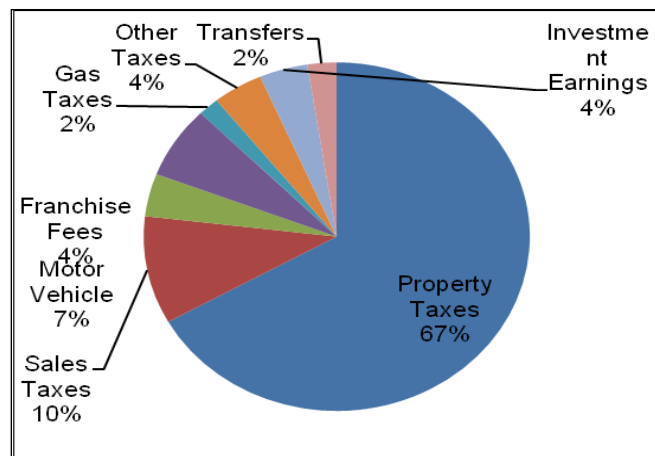
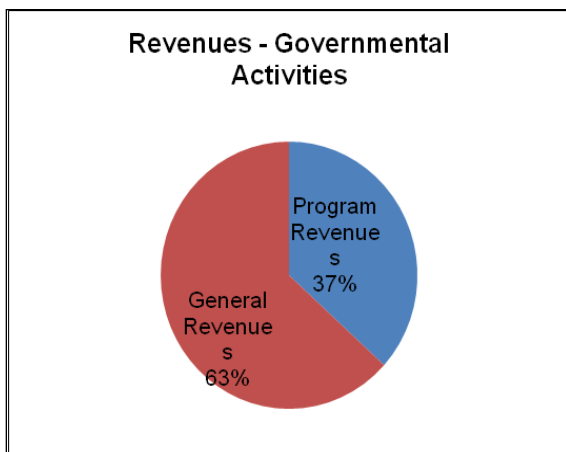


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As graphically depicted, 63% of General Government services are funded by General Revenues. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. All interest on long-term debt is paid through general revenues, 90% of Public Safety services are supported through general revenues, as is 15% of Community development and services are supported through general revenues.

General Revenues from Governmental Activities represented 63% of total City revenues, as Program revenues reflected 37% of total City revenues. Total General Revenues from Governmental Activities were \$59.8 M in Fiscal Year 2009-2010. The largest percentage of General Revenues, 67% or \$40M, received during the fiscal year was Property Taxes.

Program Revenues	\$	34,741,995	37 %
General Revenues	\$	<u>59,826,222</u>	<u>63 %</u>
		<u>94,568,217</u>	<u>100 %</u>



**Business-Type Activities** - Net assets for Business-Type Activities were \$108.7M, a net increase of \$3.5M from the prior fiscal year. Total program revenues (excluding capital grants and contributions) for Business-Type Activities were \$29.8M (from Charges for Services). Total expenses for the Business-Type Activities were \$25.7M for the Fiscal Year 2009-2010.

**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

**City of Pittsburg**  
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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 \$162.9M, a decrease of \$30.9M, in comparison with the prior year. Approximately 5% percent of this total amount or \$6.8M constitutes unreserved, un-designated general fund balance which is available for spending at the government's discretion. 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, and debt service requirements for the following fiscal years (\$110M), or 2) continue work on the special activities and capital improvement projects (\$47M).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$7M with \$215,249 reserved and designated for miscellaneous supplies reserves, the loan of \$161,164 to the Park Maintenance 2007-1 CFD Fund, and prepaid expenses of \$15,085. The unreserved and undesignated amount of \$6.7 M is available to be used at the City Council's discretion.

**General Fund Budgetary Highlights** - The final amended budget totaled \$30.8M, including \$487,281 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 09-11293, 09-11319, 09-11329, and 09-11331 the City Council adopted the approval of the follow additional appropriations and project carry-forwards:

**Budget Carry Forwards**

\$	500	Community Advisory Commission Grant
	7,700	Contractual and Professional Services (Building)
	38,584	Eden Financial System
	45,000	Geographic Inf System (GIS) Update
	45,000	Utility Billing Telephone Payment System
	49,046	Building Plan Check Services
	63,161	Various Contractual Services (Engineering)
\$	<u>248,991</u>	<b>Sub-Total Budget Carry Over</b>

**Approved Appropriations**

\$	3,700	Increase in CAC Budget
	50,000	Business License Amnesty Program
	184,590	Transfers Out to Employee Fringe Benefit (Retirement Incentive)
\$	<u>238,290</u>	<b>Sub-Total Approved Appropriations</b>
\$	<u><u>487,281</u></u>	<b>Total Budget Carry Forwards and Approved Appropriations</b>

There were no amendments to the General Fund estimated revenues for the Fiscal Year 2009-2010.

Due to the poor economy, revenues of property taxes, sales taxes, franchise fees, and other taxes did not reach their budgeted forecasts. Property Taxes for the City were short \$717,939 of its budgeted projection and sales tax was short by \$201,348 of its budgeted forecast. On a positive note, governmental service fees exceeded its estimated budget by \$607,445.

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There is a total deferral of revenue of \$707,953 in the General Fund, with \$584,880 being set aside for future engineering related construction activity, such as inspections fees and plan check fees. Another revenue deferral is that of the Public Safety Fees for new community developments which totaled \$73,944. Other deferrals can be attributed to business license fees, deferred loans, future GIS mapping fees, and donations to the Leisure Services for Teen activities and the Senior Center.

At the end of the fiscal year, the total actual expenses in the General Fund were \$1,561,469 under the total amended budget. This is the result of all General Fund operating departments and projects, prudently operating under budget. The two largest under budget divisions were Public Safety under budget by \$571,187 and Community Development and Services under budget by \$273,395.

The City's Proprietary Funds Financial Statements provide the same type of information found in the Government-Wide Financial Statements, but in more detail. 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 \$108.7M; an increase of \$3.5M from the prior fiscal year, in which \$73.7M was invested in capital assets net of related debt.

**Capital Asset and Debt Administration** – The City's investment in capital assets for its Governmental and Business Type activities as of June 30, 2010, amounts to \$456M (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 \$19M or 5.0%. Most of the increase can be attributed to the work-in-progress of Pittsburg's Old Town Area, such as the near completion of the Vidrio Commercial Residential project, and the completion of the Marina Building, also known as the George Lowy Building.

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**City of Pittsburgh**  
**Capital Assets**  
**(Net of Depreciation)**  
**June 30, 2010**

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2010	2009	2010
Non-depreciable assets:						
Land	\$ 55,123,946	\$ 55,850,243	\$ 325,000	\$ 325,000	\$ 55,448,946	\$ 56,175,243
Construction in progress	82,922,490	87,502,712	18,406,891	19,825,092	101,329,381	107,327,804
Total	<u>138,046,436</u>	<u>143,352,955</u>	<u>18,731,891</u>	<u>20,150,092</u>	<u>156,778,327</u>	<u>163,503,047</u>
Depreciable assets (net of depreciation):						
Buildings and improvements	40,626,923	49,064,212	15,308,465	19,989,151	55,935,388	69,053,363
Machinery and equipment	4,631,533	3,855,785	807,322	1,779,882	5,438,855	5,635,667
Infrastructure	132,934,102	139,645,628	85,676,981	78,175,979	218,611,083	217,821,607
Total	<u>178,192,558</u>	<u>192,565,625</u>	<u>101,792,768</u>	<u>99,945,012</u>	<u>279,985,326</u>	<u>292,510,637</u>
<b>Total capital assets</b>	<b>\$ <u>316,238,994</u></b>	<b>\$ <u>335,918,580</u></b>	<b>\$ <u>120,524,659</u></b>	<b>\$ <u>120,095,104</u></b>	<b>\$ <u>436,763,653</u></b>	<b>\$ <u>456,013,684</u></b>

**Debt Service Administration** – A complete detail of all outstanding debt is contained in Note 8 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 \$472M, of this amount, \$430M in Governmental Activities represent the Redevelopment Agency Tax Allocation Bonds (secured solely by the Agency's tax increments), \$39M in 2006 Pension Obligation Bonds and \$2M the Contra Costa County Employees' Retirement Association (CCCERA) Pension note. \$45M long term debt in the Business-Type Activities represents two revenue bonds in the Water and Sewer Funds.

**City of Pittsburgh**  
**Long-Term Debt**  
**June 30, 2010**

	Governmental Activities		Business-Type Activities		Total	
	2009	2010	2009	2,010	2,009	2,010
Tax Allocation Bonds	\$ 438,152,213	\$ 430,167,213	\$ -	\$ -	\$ 438,152,213	\$ 430,167,213
-Unamortized Premium	4,862,989	4,420,899	-	-	4,862,989	4,420,899
-Deferred Gain 2006C Refund						
Pension Obligation Bonds	39,266,056	39,091,056	-	-	39,266,056	39,091,056
Deferred Refunding 2006C	(3,885,044)	(3,735,619)	-	-	(3,885,044)	(3,735,619)
2006 CCCERA Pension Note	2,310,683	2,201,772	-	-	2,310,683	2,201,772
Revenue Bonds			46,445,000	45,040,000	46,445,000	45,040,000
Total	<u>\$ 480,706,897</u>	<u>\$ 472,145,321</u>	<u>\$ 46,445,000</u>	<u>\$ 45,040,000</u>	<u>\$ 527,151,897</u>	<u>\$ 517,185,321</u>

**Economic Factors and Next Year's Budget** – With the continued economic down-turn and housing market crash, the City Council directed City staff to develop long-term financial balancing plans for the City's General Fund and Redevelopment Agency (RDA) funds as part of the City and RDA FY 2011-12 and 2012-13 budget submittal. These plans will submit conservative revenue projections and realistic expenditure assumptions. City Staff will submit proposals to address annual shortfalls such as using

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Budget Stabilization funds, program reductions, and new revenues with the objective of achieving balanced budgets within seven years. The City Council will review these plans when they consider the City and RDA's proposed budgets. These long-term financial plans will be updated annually to reflect new information and proposals.

A primary on-going goal of the City Council and Management Staff is to continue to prioritize public safety and maintain responsive, high quality public services to the Pittsburg community.

In October 2009, the Redevelopment Agency negotiated a letter of credit (LOC) on the 2004A Tax Allocation Bonds. This letter of credit is a warrant to safeguard the interest rate charged against the bonds and guaranteed repayment of bonds. This LOC will expire on December 31, 2011 by which point the Agency expects to either renew the LOC or replace it with another provided by other financial institutions.

**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.

**BASIC  
FINANCIAL  
STATEMENTS**





**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2010*

**GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS**



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2010*

**City of Pittsburg**  
**Statement of Net Assets**  
**June 30, 2010**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 64,367,188	\$ 27,203,185	\$ 91,570,373
Restricted cash and investments	128,253,184	9,498,688	137,751,872
Receivables:			
Accounts	3,226,051	4,902,715	8,128,766
Interest	355,329	25,245	380,574
Loans and notes	49,485,332	96,891	49,582,223
Inventory	114,716	132,900	247,616
Prepaid items and other assets	481,988	67,395	549,383
Total current assets	<u>246,283,788</u>	<u>41,927,019</u>	<u>288,210,807</u>
Non-current assets:			
Deferred charges	5,442,197	-	5,442,197
Land and non-depreciable assets	143,352,955	20,150,092	163,503,047
Depreciable assets, net	192,565,625	99,945,012	292,510,637
Total non-current assets	<u>341,360,777</u>	<u>120,095,104</u>	<u>461,455,881</u>
<b>TOTAL ASSETS</b>	<u>587,644,565</u>	<u>162,022,123</u>	<u>749,666,688</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,950,978	1,075,866	10,026,844
Salaries payable	421,532	43,561	465,093
Interest payable	6,998,116	42,881	7,040,997
Refundable deposits	1,163,393	234,566	1,397,959
Taxes payable	23,617	195,883	219,500
Loans payable	184,702	-	184,702
Due to other agencies	627,269	-	627,269
Unearned revenue	16,173,166	3,933,100	20,106,266
Compensated absences - due within one year	627,874	136,792	764,666
Capital leases - due within one year	201,763	-	201,763
Claims and judgments payable - due within one year	84,175	338,128	422,303
Long-term debt - due within one year	10,020,071	1,500,000	11,520,071
Total current liabilities	<u>45,476,656</u>	<u>7,500,777</u>	<u>52,977,433</u>
Non-current liabilities:			
Compensated absences - due in more than one year	1,087,476	214,706	1,302,182
OPEB liability	6,123,265	2,030,735	8,154,000
Capital leases - due in more than one year	157,278	-	157,278
Long-term debt - due in more than one year	462,125,250	43,540,000	505,665,250
Total non-current liabilities	<u>469,493,269</u>	<u>45,785,441</u>	<u>515,278,710</u>
<b>TOTAL LIABILITIES</b>	<u>514,969,925</u>	<u>53,286,218</u>	<u>568,256,143</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	59,908,182	67,603,197	127,511,379
Restricted for:			
Capital projects	26,590,289	-	26,590,289
Debt service	17,142,968	3,145,717	20,288,685
Facility fee reserve	-	5,350,184	5,350,184
Specific projects and programs	7,894,714	7,561,301	15,456,015
Total restricted net assets	<u>51,627,971</u>	<u>16,057,202</u>	<u>67,685,173</u>
Unrestricted net assets	<u>(38,861,513)</u>	<u>25,075,506</u>	<u>(13,786,007)</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 72,674,640</u>	<u>\$ 108,735,905</u>	<u>\$ 181,410,545</u>

see accompanying Notes to Basic Financial Statements

**City of Pittsburg**  
**Statement of Activities**  
**For the year ended June 30, 2010**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
General government	\$ 15,035,104	\$ 6,345,449	\$ 194,000	\$ 160,000	\$ (8,335,655)	\$ -	\$ (8,335,655)
City Council	63,613	-	-	-	(63,613)	-	(63,613)
City Manager and City Clerk	291,945	389	-	-	(291,556)	-	(291,556)
City Attorney	352,405	-	-	-	(352,405)	-	(352,405)
Human resources	674,922	946	-	-	(673,976)	-	(673,976)
Finance and services	2,150,947	104,567	-	-	(2,046,380)	-	(2,046,380)
Community development and services	23,298,516	6,127,167	12,756,805	950,076	(3,464,468)	-	(3,464,468)
Public safety	20,844,081	1,287,433	491,585	-	(19,065,063)	-	(19,065,063)
Public works	13,685,011	5,733,983	579,682	9,913	(7,361,433)	-	(7,361,433)
Interest on long-term debt	19,671,322	-	-	-	(19,671,322)	-	(19,671,322)
<b>Total governmental activities</b>	<b>96,067,866</b>	<b>19,599,934</b>	<b>14,022,072</b>	<b>1,119,989</b>	<b>(61,325,871)</b>	<b>-</b>	<b>(61,325,871)</b>
<b>Business-Type Activities</b>							
Water Utility	13,614,034	16,695,089	-	591,456	-	3,672,511	3,672,511
Sewer Utility	2,407,534	4,471,813	-	-	-	2,064,279	2,064,279
Marina	2,139,241	1,681,500	-	-	-	(457,741)	(457,741)
Golf Course	1,312,036	1,184,676	-	-	-	(127,360)	(127,360)
Island Energy	4,100,739	3,816,376	-	-	-	(284,363)	(284,363)
Pittsburg Power	2,150,825	1,914,431	-	-	-	(236,394)	(236,394)
<b>Total Business-Type Activities</b>	<b>25,724,409</b>	<b>29,763,885</b>	<b>-</b>	<b>591,456</b>	<b>-</b>	<b>4,630,932</b>	<b>4,630,932</b>
<b>Total Primary Government</b>	<b>\$ 121,792,275</b>	<b>\$ 49,363,819</b>	<b>\$ 14,022,072</b>	<b>\$ 1,711,445</b>	<b>(61,325,871)</b>	<b>4,630,932</b>	<b>(56,694,939)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes					39,995,052	-	39,995,052
Sales taxes					5,998,652	-	5,998,652
Franchise taxes					2,378,602	-	2,378,602
Motor vehicle (unrestricted)					4,019,459	-	4,019,459
Gas taxes					1,051,055	-	1,051,055
Other taxes					2,514,764	-	2,514,764
Total taxes					55,957,584	-	55,957,584
Investment earnings - unrestricted					2,414,528	321,967	2,736,495
Transfers					1,454,110	(1,454,110)	0
<b>Total general revenues</b>					<b>59,826,222</b>	<b>(1,132,143)</b>	<b>58,694,079</b>
<b>Change in Net Assets</b>					<b>(1,499,649)</b>	<b>3,498,789</b>	<b>1,999,140</b>
<b>Net assets - beginning of year</b>					<b>74,174,289</b>	<b>105,237,116</b>	<b>179,411,405</b>
<b>Net assets - end of year</b>					<b>\$ 72,674,640</b>	<b>\$ 108,735,905</b>	<b>\$ 181,410,545</b>

See accompanying Notes to Basic Financial Statements

# FUND FINANCIAL STATEMENTS

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2010*

# 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.

*Redevelopment Agency Debt Stabilization Debt Service Fund* accounts for the 2006B Taxable Allocation bonds that have been set aside to cover any additional "State of California Budget Stabilization Take-Aways" and other unfavorable economic down turns that might require reserves to cover debt service requirements.

*Housing Authority (Section 8) Special Revenue Fund* was established to administer grants from 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 Pittsburgh**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	Major Funds			
	General Fund	Low and Moderate Income Housing I	Low and Moderate Income Housing II	Special Revenue Redevelopment Agency
<b>ASSETS</b>				
Cash and investments	\$ 6,936,554	\$ -	\$ 2,280,937	\$ 4,334,114
Restricted cash and investments with fiscal agents	323,639	-	237,727	735,093
Receivables:				
Accounts	1,922,678	-	23,708	159,296
Interest	(429)	-	5,972	-
Loans and notes	-	-	22,431,724	24,613,232
Due from other funds	161,164	-	301,670	-
Advances to other funds	-	-	-	8,100,000
Inventory	39,000	-	-	14,870
Prepaid items and other assets	19,953	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 9,402,559</b>	<b>\$ -</b>	<b>\$ 25,281,738</b>	<b>\$ 37,956,605</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 796,354	\$ -	\$ 75,833	\$ 5,182,278
Salaries payable	339,280	-	602	54,110
Interest payable	-	-	-	-
Taxes payable	23,617	-	-	-
Refundable deposits	522,044	-	-	40,075
Loans payable	-	-	-	-
Due to other agencies	-	-	-	584,730
Due to other funds	-	-	-	-
Advances from other funds	-	8,100,000	-	-
Deferred revenue	707,953	-	22,511,724	24,212,422
<b>TOTAL LIABILITIES</b>	<b>2,389,248</b>	<b>8,100,000</b>	<b>22,588,159</b>	<b>30,073,615</b>
<b>FUND BALANCES</b>				
Reserved	215,249	-	2,693,579	560,120
Unreserved, designated	-	(8,100,000)	-	7,322,870
Unreserved, undesignated reported in:				
General fund	6,798,062	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>7,013,311</b>	<b>(8,100,000)</b>	<b>2,693,579</b>	<b>7,882,990</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,402,559</b>	<b>\$ -</b>	<b>\$ 25,281,738</b>	<b>\$ 37,956,605</b>

See accompanying Notes to Basic Financial Statements

Major Funds						
Budget Stabilization Redevelopment Agency	Housing Authority Section 8	Debt Service Redevelopment Agency	Debt Stabilization Redevelopment Agency	Capital Projects Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ 1,817,656	\$ 1,477,563	\$ -	\$ -	\$ 42,603,819	\$ 59,450,643
-	-	124,409,971	-	954,443	1,592,311	128,253,184
-	32,122	-	-	283,500	764,290	3,185,594
-	1,478	315,901	-	-	30,285	353,207
-	-	-	-	-	2,417,948	49,462,904
-	-	-	-	-	-	462,834
-	-	-	-	-	-	8,100,000
-	-	-	-	-	25,591	79,461
-	-	-	-	336,917	-	356,870
<u>\$ -</u>	<u>\$ 1,851,256</u>	<u>\$ 126,203,435</u>	<u>\$ -</u>	<u>\$ 1,574,860</u>	<u>\$ 47,434,244</u>	<u>\$ 249,704,697</u>
\$ -	\$ 10,910	\$ 535,658	\$ -	\$ 1,127,943	\$ 985,290	\$ 8,714,266
-	4,444	-	-	-	20,181	418,617
-	-	313,960	-	-	978,643	1,292,603
-	-	-	-	-	-	23,617
-	2,434	-	-	446,917	151,923	1,163,393
-	-	-	-	-	184,702	184,702
-	-	20,258	-	-	22,281	627,269
-	-	-	-	-	462,834	462,834
-	-	-	-	-	-	8,100,000
-	-	15,446,569	-	-	2,864,563	65,743,231
-	17,788	16,316,445	-	1,574,860	5,670,417	86,730,532
-	1,833,468	109,886,990	-	-	41,763,827	156,953,233
-	-	-	-	-	-	(777,130)
-	-	-	-	-	-	6,798,062
-	1,833,468	109,886,990	-	-	41,763,827	162,974,165
<u>\$ -</u>	<u>\$ 1,851,256</u>	<u>\$ 126,203,435</u>	<u>\$ -</u>	<u>\$ 1,574,860</u>	<u>\$ 47,434,244</u>	<u>\$ 249,704,697</u>

**City of Pittsburgh**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2010**

**Total Fund Balances - Total Governmental Funds** \$ 162,974,165

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 balance sheet. Except for the Internal Service Funds amounts of \$2,770,097 which are reported below, the capital assets were adjusted as follows:

Non-depreciable	143,352,955
Depreciable, net	<u>189,795,528</u>
Total capital assets	<u>333,148,483</u>

Bond issuance costs are expenses in the governmental funds financial statements but are capitalized and amortized in the government-wide statement of net assets. 5,442,197

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. (5,705,513)

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 is based on the accrual basis of accounting. 49,570,065

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 the governmental activities in the Government-Wide Statement of Net Assets. 7,181,431

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 as follows:

Compensated absences - due within one year	(620,898)
Long-term liabilities - due within one year	(10,020,071)
Compensated absences - due in more than one year	(1,046,704)
OPEB liability	(6,123,265)
Long-term liabilities - due in more than one year	<u>(462,125,250)</u>
Total long-term liabilities	<u>(479,936,188)</u>

**Net Assets of Governmental Activities** \$ 72,674,640

See accompanying Notes to Basic Financial Statements.

**City of Pittsburgh**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2010**

	Major Funds			
	General Fund	Low and Moderate Income Housing I	Low and Moderate Income Housing II	Special Revenue Redevelopment Agency
<b>REVENUES</b>				
Property taxes	\$ 2,501,951	\$ -	\$ 2,679,842	\$ 34,813,259
Sales taxes	5,998,652	-	-	-
Franchise taxes	2,378,602	-	-	-
Other taxes	1,330,245	-	-	44,206
Intergovernmental revenues	5,116,331	-	-	353,500
Permits, licenses and fees	605,107	-	-	-
Fines and forfeitures	185,659	-	-	-
Special assessments	-	-	-	-
Service fees	2,333,285	-	-	-
Use of money and property	286,788	-	69,767	533,790
Other revenues	834,430	-	821,242	761,910
<b>TOTAL REVENUES</b>	<b>21,571,050</b>	<b>-</b>	<b>3,570,851</b>	<b>36,506,665</b>
<b>EXPENDITURES</b>				
Current:				
General Government	1,871,933	-	59,106	10,227,552
City Council	63,527	-	-	-
City Manager and City Clerk	244,958	-	-	-
City Attorney	352,405	-	-	-
Human resources	627,590	-	-	-
Finance and services	1,912,459	-	-	-
Community development and services	3,779,022	-	2,176,214	4,003,872
Public safety	18,734,125	-	-	-
Public works - administration	38,806	-	-	-
Public works - streets	1,473,457	-	-	-
Public works - parks	39,690	-	-	-
Capital outlay and improvements	-	-	-	618,713
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	18,793	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>29,156,765</b>	<b>-</b>	<b>2,235,320</b>	<b>14,850,137</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,585,715)</b>	<b>-</b>	<b>1,335,531</b>	<b>21,656,528</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	1,125,152	-	-	1,450
Transfers in	7,416,133	-	1,288,800	2,146,195
Transfers out	(573,695)	-	(1,901,000)	(59,788,349)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>7,967,590</b>	<b>-</b>	<b>(612,200)</b>	<b>(57,640,704)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>381,875</b>	<b>-</b>	<b>723,331</b>	<b>(35,984,176)</b>
<b>FUND BALANCES:</b>				
Beginning of year	6,631,436	(8,100,000)	1,970,248	43,867,166
End of year	\$ 7,013,311	\$ (8,100,000)	\$ 2,693,579	\$ 7,882,990

See accompanying Notes to Basic Financial Statements

Major Funds

Budget Stabilization Redevelopment Agency	Housing Authority Section 8	Debt Service Redevelopment Agency	Debt Stabilization Redevelopment Agency	Capital Projects Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,995,052
-	-	-	-	-	-	5,998,652
-	-	-	-	-	-	2,378,602
-	-	-	-	-	1,503,623	2,878,074
-	10,511,619	-	-	1,314,294	3,793,589	21,089,333
-	-	-	-	-	540,185	1,145,292
-	-	-	-	-	-	185,659
-	-	-	-	-	2,923,082	2,923,082
-	-	-	-	-	2,546,241	4,879,526
-	43,358	1,674,240	-	-	172,045	2,779,988
-	1,099,935	2,722,357	-	-	1,229,649	7,469,523
-	11,654,912	4,396,597	-	1,314,294	12,708,414	91,722,783
-	1,200,739	-	-	-	209,487	13,568,817
-	-	-	-	-	-	63,527
-	-	-	-	-	-	244,958
-	-	-	-	-	-	352,405
-	-	-	-	-	975	628,565
-	-	-	-	-	-	1,912,459
-	10,962,106	-	-	-	2,649,554	23,570,768
-	-	-	-	-	599,983	19,334,108
-	-	-	-	-	-	38,806
-	-	-	-	-	4,391,708	5,865,165
-	-	-	-	-	-	39,690
-	-	-	-	24,467,049	3,395,450	28,481,212
-	-	7,985,000	-	-	283,911	8,268,911
-	-	21,438,329	-	-	1,803,348	23,260,470
-	12,162,845	29,423,329	-	24,467,049	13,334,416	125,629,861
-	(507,933)	(25,026,732)	-	(23,152,755)	(626,002)	(33,907,078)
-	-	-	-	-	-	1,126,602
-	-	58,968,040	-	23,152,755	18,633,790	111,605,713
(10,000,000)	-	(26,385,059)	(8,000,000)	-	(3,015,795)	(109,663,898)
(10,000,000)	-	32,582,981	(8,000,000)	23,152,755	15,617,995	3,068,417
(10,000,000)	(507,933)	7,556,249	(8,000,000)	-	14,991,993	(30,838,661)
10,000,000	2,341,401	102,330,741	8,000,000	-	26,771,834	193,812,826
\$ -	\$ 1,833,468	\$ 109,886,990	\$ -	\$ -	\$ 41,763,827	\$ 162,974,165

# City of Pittsburgh

## Reconciliation of the Governmental Funds 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, 2010

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (30,838,661)</b>
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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.	28,636,452
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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 the governmental funds.	(8,441,675)
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Loss on the sale or 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 are reported in the governmental funds. This is the net amount of capital assets disposed and the proceeds received during the year.	(38,325)
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Bond issuance costs are expensed in the governmental funds. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the bond issuance costs are allocated over the life of the bonds.	(352,803)
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Bond premiums are recognized as revenue in 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
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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 increased by this amount.	3,649,286
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Deferred amount on bond refunding does not require the use of financial resources, and therefore, is not reported in the governmental funds. In the Government-Wide Statement of Net Assets the balance is amortized over the life of the bond.	(149,425)
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Repayment of bond principal was expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.	8,268,911
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Compensated absences were expenditure in governmental funds, but the accrued liabilities increased in the Government-Wide Statement of Net Assets.	289,383
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Revenues from new loans that are funded in this fiscal year that will not be collected for several months after the City's fiscal year ends are not considered "available" revenue and are classified as deferred revenue in the governmental funds.	1,352,574
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OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(3,057,265)
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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.	<u>(1,260,191)</u>
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<b>Change in Net Assets of Governmental Activities</b>	<b>\$ <u><u>(1,499,649)</u></u></b>
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See accompanying Notes to Basic Financial Statements.



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2010*

# 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 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, 2010**

	Water Utility	Sewer Utility	Marina
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 14,964,962	\$ 5,120,188	\$ 684,534
Restricted cash and investments	8,475,152	923,770	-
Receivables:			
Accounts	3,173,460	831,498	23,851
Interest	13,763	5,053	946
Loans/Notes	-	-	-
Inventory	94,925	37,975	-
Prepaid items and other assets	280	5,000	-
Total current assets	<u>26,722,542</u>	<u>6,923,484</u>	<u>709,331</u>
Noncurrent assets:			
Advances to other funds	-	-	-
Capital assets:			
Non-depreciable assets	19,315,823	473,361	-
Depreciable assets, net	54,441,252	24,941,572	14,379,317
Total noncurrent assets	<u>73,757,075</u>	<u>25,414,933</u>	<u>14,379,317</u>
<b>TOTAL ASSETS</b>	<u>100,479,617</u>	<u>32,338,417</u>	<u>15,088,648</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	681,017	73,764	91,380
Salaries payable	20,330	5,607	4,145
Taxes payable	-	-	132,124
Accrued interest payable	15,468	27,413	-
Refundable deposits	43,210	5,000	72,539
Unearned revenue	3,385,497	-	-
Claims and judgments payable - due within one year	338,128	-	-
Compensated absences payable - due within one year	49,218	17,048	18,130
Long-term debt - due within one year	910,000	590,000	-
Total current liabilities	<u>5,442,868</u>	<u>718,832</u>	<u>318,318</u>
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences payable - due in more than one year	114,841	23,542	38,523
OPEB liability	973,685	243,415	245,265
Capital lease - due in more than one year	-	-	-
Long-term debt - due in more than one year	35,515,000	8,025,000	-
Total noncurrent liabilities	<u>36,603,526</u>	<u>8,291,957</u>	<u>283,788</u>
<b>TOTAL LIABILITIES</b>	<u>42,046,394</u>	<u>9,010,789</u>	<u>602,106</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	36,993,947	16,229,933	14,379,317
Restricted for:			
Debt service	2,226,764	918,953	-
Special purpose	6,025,780	1,316,621	218,900
Facility fees	4,634,427	715,757	-
Unrestricted	8,552,305	4,146,364	(111,675)
<b>TOTAL NET ASSETS</b>	<u>\$ 58,433,223</u>	<u>\$ 23,327,628</u>	<u>\$ 14,486,542</u>

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 6,433,501	\$ 27,203,185	\$ 4,916,545
99,766	9,498,688	-
873,906	4,902,715	40,457
5,483	25,245	2,122
96,891	96,891	22,428
-	132,900	35,255
62,115	67,395	125,118
<u>7,571,662</u>	<u>41,927,019</u>	<u>5,141,925</u>
2,148,072	2,148,072	-
360,908	20,150,092	-
6,182,871	99,945,012	2,770,097
<u>8,691,851</u>	<u>122,243,176</u>	<u>2,770,097</u>
16,263,513	164,170,195	7,912,022
229,705	1,075,866	236,712
13,479	43,561	2,915
63,759	195,883	-
-	42,881	-
113,817	234,566	-
547,603	3,933,100	-
-	338,128	84,175
52,396	136,792	6,976
-	1,500,000	-
<u>1,020,759</u>	<u>7,500,777</u>	<u>330,778</u>
2,148,072	2,148,072	-
37,800	214,706	40,772
568,370	2,030,735	-
-	-	359,041
-	43,540,000	-
<u>2,754,242</u>	<u>47,933,513</u>	<u>399,813</u>
3,775,001	55,434,290	730,591
-	67,603,197	2,411,056
-	3,145,717	-
-	7,561,301	160,373
-	5,350,184	-
12,488,512	25,075,506	4,610,002
<u>\$ 12,488,512</u>	<u>\$ 108,735,905</u>	<u>\$ 7,181,431</u>

**City of Pittsburgh**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Water Utility	Sewer Utility	Marina
<b>OPERATING REVENUES</b>			
Charges for services	\$ 15,382,856	\$ 4,300,715	\$ 1,115,135
Meter fees	8,388	-	-
Other fees	295,991	1,263	-
Facility Reserve Fees	333,080	67,646	-
Rents and concessions	-	-	70,903
Gas and oil sales	-	-	475,462
Pro Shop Sales/Bookstore	-	-	-
Other operating revenues	674,774	102,189	20,000
<b>TOTAL OPERATING REVENUES</b>	<b>16,695,089</b>	<b>4,471,813</b>	<b>1,681,500</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	2,253,992	577,605	399,339
Department supplies	5,021,155	42,071	485,976
Rentals	11,575	1,110	827
Utilities	621,047	1,381	99,191
Maintenance and operations	457,081	80,055	195,862
Depreciation and amortization	1,066,811	585,558	478,202
Insurance premiums	-	-	-
Insurance deductible	90,132	41,628	27,576
Fringe benefits	1,719,590	475,865	380,374
Other operating expenses	772,723	223,475	71,894
<b>TOTAL OPERATING EXPENSES</b>	<b>12,014,106</b>	<b>2,028,748</b>	<b>2,139,241</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,680,983</b>	<b>2,443,065</b>	<b>(457,741)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	233,229	32,431	4,021
Interest and fiscal charges	(1,604,787)	(378,786)	-
Gain (loss) on disposal of assets	4,859	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(1,366,699)</b>	<b>(346,355)</b>	<b>4,021</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>3,314,284</b>	<b>2,096,710</b>	<b>(453,720)</b>
Capital contributions	591,456	-	-
Transfers in	205,790	110,260	-
Transfers out	(1,814,989)	(495,004)	(55,000)
<b>TOTAL TRANSFERS</b>	<b>(1,017,743)</b>	<b>(384,744)</b>	<b>(55,000)</b>
<b>Change in net assets</b>	<b>2,296,541</b>	<b>1,711,966</b>	<b>(508,720)</b>
<b>NET ASSETS:</b>			
Beginning of year, as restated	56,136,682	21,615,662	14,995,262
End of year	<b>\$ 58,433,223</b>	<b>\$ 23,327,628</b>	<b>\$ 14,486,542</b>

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 5,944,074	\$ 26,742,780	\$ 7,180,396
-	8,388	-
-	297,254	-
-	400,726	-
339,583	410,486	-
-	475,462	-
77,973	77,973	-
553,853	1,350,816	1,117,665
<u>6,915,483</u>	<u>29,763,885</u>	<u>8,298,061</u>
1,287,170	4,518,106	513,561
2,122,369	7,671,571	719,064
30,805	44,317	31,721
36,273	757,892	266,691
1,056,191	1,789,189	965,334
484,486	2,615,057	896,828
139,764	139,764	987,797
11,064	170,400	1,089,985
1,067,614	3,643,443	3,587,916
1,325,600	2,393,692	50,400
<u>7,561,336</u>	<u>23,743,431</u>	<u>9,109,297</u>
(645,853)	6,020,454	(811,236)
52,286	321,967	14,388
-	(1,983,573)	-
(2,263)	2,596	24,362
<u>50,023</u>	<u>(1,659,010)</u>	<u>38,750</u>
(595,830)	4,361,444	(772,486)
-	591,456	-
1,011,929	1,327,979	92,295
(417,097)	(2,782,090)	(580,000)
<u>594,832</u>	<u>(862,655)</u>	<u>(487,705)</u>
(998)	3,498,789	(1,260,191)
<u>12,489,510</u>	<u>105,237,116</u>	<u>8,441,622</u>
<u>\$ 12,488,512</u>	<u>\$ 108,735,905</u>	<u>\$ 7,181,431</u>

**City of Pittsburg**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Water Utility	Sewer Utility	Marina
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 17,999,574	\$ 3,866,700	\$ 1,628,603
Cash payments to suppliers of goods and services	(6,581,039)	(218,182)	(742,793)
Cash payments to employees for services	(3,492,824)	(928,469)	(653,172)
Other operating revenues	(97,949)	(121,286)	(51,894)
<b>Net cash provided (used) by operating activities</b>	<u>7,827,762</u>	<u>2,598,763</u>	<u>180,744</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING:</b>			
Transfers in	205,790	110,260	-
Transfers out	(1,814,989)	(495,004)	(55,000)
Interfund payments	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<u>(1,609,199)</u>	<u>(384,744)</u>	<u>(55,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid on long-term debt	(835,000)	(570,000)	-
Interest and fiscal charges paid on long-term debt	(1,589,319)	(351,373)	-
Proceeds from sale of capital assets	4,859	-	-
Acquisition of capital assets	(923,217)	(390,015)	(14,372)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(3,342,677)</u>	<u>(1,311,388)</u>	<u>(14,372)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	269,828	43,126	5,226
<b>Net cash provided (used) by investing activities</b>	<u>269,828</u>	<u>43,126</u>	<u>5,226</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>3,145,714</u>	<u>945,757</u>	<u>116,598</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	20,294,400	5,098,201	567,936
End of year	<u>\$ 23,440,114</u>	<u>\$ 6,043,958</u>	<u>\$ 684,534</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 4,680,983	\$ 2,443,065	\$ (457,741)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,066,811	585,558	478,202
Changes in operating assets and liabilities:			
Accounts receivable	(1,417,708)	(462,406)	(4,402)
Loans receivable	-	-	-
Inventory	(2,738)	(14,250)	-
Prepaid items	(280)	-	-
Accounts payable	(377,311)	(78,205)	2,738
Salaries payable	2,420	960	777
Taxes payable	-	-	37,152
Refundable deposits	11,750	-	(1,746)
Deferred Revenue	3,385,497	-	-
Compensated absences	(4,787)	3,266	3,139
OPEB liability	483,125	120,775	122,625
Insurance claims payable	-	-	-
Total adjustments	<u>3,146,779</u>	<u>155,698</u>	<u>638,485</u>
<b>Net cash provided (used) by operating</b>	<u>\$ 7,827,762</u>	<u>\$ 2,598,763</u>	<u>\$ 180,744</u>
<b>NON-CASH TRANSACTIONS</b>	<u>\$ 591,459</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 6,529,785	\$ 30,024,662	\$ 7,216,288
(3,615,203)	(11,157,217)	(4,164,951)
(1,971,718)	(7,046,183)	(4,098,977)
(771,747)	(1,042,876)	1,067,265
<u>171,117</u>	<u>10,778,386</u>	<u>19,625</u>
1,011,929	1,327,979	92,295
(417,097)	(2,782,090)	(580,000)
(221,915)	(221,915)	-
<u>372,917</u>	<u>(1,676,026)</u>	<u>(487,705)</u>
-	(1,405,000)	-
-	(1,940,692)	-
(2,263)	2,596	24,362
(42,994)	(1,370,598)	(613,276)
<u>(45,257)</u>	<u>(4,713,694)</u>	<u>(588,914)</u>
52,288	370,468	14,388
<u>52,288</u>	<u>370,468</u>	<u>14,388</u>
551,065	4,759,134	(1,042,606)
5,982,202	31,942,739	5,959,151
<u>\$ 6,533,267</u>	<u>\$ 36,701,873</u>	<u>\$ 4,916,545</u>
\$ (645,853)	\$ 6,020,454	\$ (811,236)
484,486	2,615,057	896,828
130,110	(1,754,406)	17,044
-	-	18,847
10,000	(6,988)	-
(78,401)	(78,681)	32,740
(136,023)	(588,801)	43
3,468	7,625	(9,274)
(14,312)	22,840	683
121	10,125	-
37,924	3,423,421	-
15,627	17,245	1,817
363,970	1,090,495	-
-	-	(127,867)
<u>816,970</u>	<u>4,757,932</u>	<u>830,861</u>
<u>\$ 171,117</u>	<u>\$ 10,778,386</u>	<u>\$ 19,625</u>
<u>\$ 221,915</u>	<u>\$ 813,374</u>	<u>\$ -</u>



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2010*

# FIDUCIARY FUND FINANCIAL STATEMENTS

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

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



**City of Pittsburg**  
**Statement of Net Assets**  
**Fiduciary Funds**  
**June 30, 2010**

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Agency Funds

**ASSETS**

Cash and investments	\$ 3,766,455
Cash and investments held by fiscal agent	6,105,027
Assessment receivable	2,275,059
Interest receivable	<u>26,225</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 12,172,766</u></u>

**LIABILITIES**

Accounts payable	\$ 149,454
Deferred assessments	2,275,059
Due to other parties	3,235
Due to bondholders	<u>9,745,018</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 12,172,766</u></u>

See accompanying Notes to Basic Financial Statements

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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**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

### For the year ended June 30, 2010

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#### Public Infrastructure Financing Authority

The Public Infrastructure Financing Authority (PIFA) was established by a Joint Exercise of Powers Agreement dated December 5, 1994, by and among the City and the Agency, and is qualified to issue bonds under the Mello-Roos Local Bond Pooling Act of 1985. The PIFA was formed to finance the acquisition of certain public improvements and 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 (the company) was established by a Joint Exercise of Powers Agreement dated September 23, 2006, by and among the City and the Agency. The Company was formed to establish a municipal utility for natural gas and electric service. The Company is reported in the 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 Governmental Accounting Standards Board (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 and Authorities 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 and Authorities 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 Agency and other entities are blended component units:

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

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

#### ***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.

# City of Pittsburgh

## Notes to Basic Financial Statements

### For the year ended June 30, 2010

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#### Government-Wide Financial Statements

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

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and 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 inter-fund 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 inter-fund activities have been eliminated:

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

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

**City of Pittsburg**  
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aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets 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 descriptions of the major funds.

General Fund - This fund is used for all the general revenues of the City not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources which are not accounted for in another fund.

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 expenditure 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 provides resources for any unforeseen future revenue impacts by Redevelopment Agency Special Revenue Fund.

Redevelopment Agency Debt Stabilization Debt Service Fund - This fund was established to cover any additional "State of California Budget Stabilization Take-Aways" and other unfavorable economic downturns that might require reserves to cover debt service requirements.

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

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.

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

**City of Pittsburg**  
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due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, charges for services, Federal and State grants, sales taxes and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Fund Net Assets, a Statement of Revenues, Expenses and Changes in Fund 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 Fund Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets present 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 fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

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:

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
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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.

Fiduciary Fund Financial Statements - 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 environmental impact fees are collected and utilized for environmental improvement projects and the other impact fees are collected on behalf of other agencies and remitted to them for their improvement projects. Other agencies include Contra Costa Fire Protection District (CCFPD), Contra Costa Water District (CCWD) and the East Contra Costa Regional Fee and Finance Authority (ECCRFF).

***C. Use of Restricted/Unrestricted Net 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.

**City of Pittsburg**  
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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.

***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 within sixty days after year-end.

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

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



**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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***G. Interfund Balances/Internal Balances***

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

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

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

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

***H. Capital Assets***

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

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

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

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

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

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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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.

***I. Interest Payable***

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

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

***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.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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Fund Financial Statements

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

Government-Wide Financial Statements

Deferred 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 inter-fund advances receivable and long-term loans receivable.

***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 prevalent rate at the time of retirement or termination and compensated at 100% of accumulated hours. The City's liability for compensated absences is recorded in various Governmental funds or Proprietary funds as appropriate. The liability for compensated absences is determined annually.

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.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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*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.

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

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

Reserved for Non-Current Loan represents loans that are not expected to be paid within the next fiscal year.

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
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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 2010, the City/District adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statement:

- GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* - This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by the City of Pittsburg. Derivative instruments are complex financial arrangements used by governments to manage specific risks on its investment portfolio. The City of Pittsburg participates in interest rate swap transactions and has contracted with PFM to calculate applicable regression analysis to determine the fair market value of the swaps.

**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

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

investments, regardless of their form. Individual Investments are generally made by their City's fiscal agent as required under its debt issues, or through the City's Investment Advisor.

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

**B. Classification**

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

	Government-Wide Statement of Net Assets			Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	\$ 64,367,188	\$ 27,203,185	\$ 91,570,373	\$ 3,766,455	\$ 95,336,828
Restricted cash and investments	\$ 128,253,184	\$ 9,498,688	\$ 137,751,872	\$ 6,105,027	\$ 143,856,899
Total cash and investments	\$ 192,620,372	\$ 36,701,873	\$ 229,322,245	\$ 9,871,482	\$ 239,193,727

**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.

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 Deposit	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 Funds	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's investments with Local Agency Investment Fund (LAIF), a State of California external investment pool, at June 30, 2010, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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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 CMO’s) or credit card receivables.

As of June 30, 2010, the City had \$31,014,611 invested in LAIF, which had invested 13.23% of the pool investment funds in Structured Notes and Medium-term Asset-Backed Securities. The LAIF fair value factor of 1.001643776 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.

**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	Maximum per Issuer
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	AAA <sub>m</sub>
State of California Obligations	n/a	A
Municipal Obligations	n/a	AAA
Pre-refunded Municipal Obligations	n/a	AAA
Certificates of Deposit	330 days	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 and 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.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
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Investment Type	Fair Value	Investment Maturities (in years)	
		1 year or less	1-5 years
Cash in banks and on hand	\$ 1,640,112	\$ 1,640,112	\$ -
SWAP Instrument (GASB 53)	15,282,806	15,282,806	-
Securities of U.S. Government	51,583,960	-	51,583,960
Money Market (CAMP)	59,905,246	59,905,246	-
Local Agency Investment Funds	31,014,611	31,014,611	-
Guaranteed Investment Agreements	59,714,742	-	59,714,742
Certificate of Deposit	20,052,250	10,000,000	10,052,250
Total	\$ <u>239,193,727</u>	\$ <u>117,842,775</u>	\$ <u>121,350,952</u>

At June 30, 2010, these investments matured in an average of 235 days.

Money Market Funds are available for withdrawal on demand and at June 30, 2010 matured in an average of 57 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, 2010 for each investment type as provided by Standard and Poor's investment rating system.

	Credit Quality Ratings	Fair Value
	At Year End	
Cash in banks and on hand	not rated	\$ 1,640,112
Swap Instrument (GASB 53)	not rated	15,282,806
Certificates of Deposit	not rated	20,052,250
Securities of U.S. Government Agencies	AAA	51,583,960
Local Agency Investment Funds	not rated	31,014,611
Guaranteed Investment Contracts	not rated	59,714,742
Money Market Funds	AAA	59,905,246
		\$ <u>239,193,727</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:

Issuer	Investment Type	Amount
Federal National Mortgage Association	Mortgage-Backed Securities	\$ 58,038,956
Deutsche Bank	Guaranteed Investment Agreements	1,016,526
	Total Major Funds	\$ <u>59,055,482</u>



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**NOTE 3 - NOTES AND LOAN RECEIVABLES**

As of June 30, 2010, loans and notes receivable consisted of the following:

Description	Balance June 30, 2010
Governmental Funds:	
HUD Community Development Block Grant	\$ 169,702
CalHome Program Loans	221,040
Rehabilitation and construction loan	26,565,438
Steadfast Marina Heights L.P.	1,400,000
Fairfield Belmont, L.P. Loan	4,803,187
Mercy Housing California Loan	4,269,177
Low Income Families Loan	955,140
Pacific Community Loan	602,775
Palm Plaza Group, LLC and Palm Plaza Development	1,691,377
Resources for Community Dev. Loan	6,710,220
Domus Development LLC Loan	264,660
Domus Development Siena Court Housing	1,095,070
Eden Housing Inc. Loan	26,638
Mariner Walk Loan	255,000
Vista Del Mar Loans	300,000
Community Estates LLC	58,480
Monterey Golf Management - Start Up Loan	75,000
Total governmental funds	<u>49,462,904</u>
Enterprise Fund:	
Pittsburg Power	\$ <u>96,891</u>
Internal Service Funds:	
Information Systems loans	22,428
Total loans receivable	<u>\$ 49,582,223</u>

***A. HUD Community Development Block Grant Loans***

The HUD CDBG Special Revenue fund had a loans receivable balance as of June 30, 2010 which was made up of \$169,702 in CDBG entitlement loans.

CalHome Program funds of \$600,000 were awarded by the State of California and are used to provide first-time home buyer mortgage assistance as well as housing rehabilitation assistance for low income homeowners. Loans are payable upon sale or transfer of property, when the property ceases to be owner-occupied, or upon the CalHome loan maturity date. The outstanding balance as of June 30, 2010 was \$221,040.

***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 \$1,952,206 as of June 30, 2010.

**City of Pittsburgh**  
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The various rehabilitation and construction loans of \$24,378,992 include deferred and accrued interest of \$234,240 as of June 30, 2010. 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, 2010 was \$5,539,042.
- 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 balance outstanding as of June 30, 2010 was \$8,596,647.
- The remaining loans receivable of \$10,477,543 as of June 30, 2010 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 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, 2010 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 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, 2010 was \$4,803,187.

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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\$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. The outstanding balance as of June 30, 2010 was \$4,269,177.

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, 2010 was \$955,140.

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. The outstanding balance and accrued interest as of June 30, 2010 was \$566,150 and \$36,625 respectively, totaling \$602,775.

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, 2010 was \$728,000 and \$8,493 for Palm Plaza Group, LLC and \$940,000 and \$14,883 for Palm Plaza Development, respectively, totaling \$1,691,377.

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. During the fiscal year 2008-2009, an amendment was filed to increase the loan up to an additional \$350,000 and \$5,710,730 of the loan was disbursed to the Developer. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the projects residual receipts annually. The outstanding balance and accrued interest as of June 30, 2010 was \$6,455,848 and \$254,372 respectively, totaling \$6,710,220.

During fiscal year 2008-2009, the Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$250,000 to Domus Development Siena Court Senior Housing for the feasibility study of a 111-unit senior affordable housing development. The loan bears interest of 3% per year. The outstanding balance as of June 30, 2010 was \$1,095,070.

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, 2010 was \$250,000 and \$14,660 for Domus Development LLC, respectively, totaling \$264,660 and \$24,971 and \$1,667 for Eden Housing, Inc., respectively, totaling \$26,638.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
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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 balance outstanding as of June 30, 2010 was \$255,000 and \$300,000 for the property owners.

During fiscal year 2009-2010, the Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund agreed to a pre-development loan of \$250,000 to Community Estates LLC to develop a 52-unit adult residential housing development for persons who are 50 years and older. The outstanding principal balance of the pre-development loans shall not bear interest. The outstanding balance as of June 30, 2010 was \$58,480.

On June 1, 2009, the City entered into a Management Services Agreement with Monterey Golf Management Company LLC (MGMC). This would eliminate the operating subsidy to the City's Golf Course Enterprise Fund. A loan of \$150,000 had been provided to MGMC to be used as startup capital and will be repaid within two years. The outstanding balance as of June 30, 2010 was \$75,000.

***D. Delta Discover Cruises Loan***

In fiscal year 2007-08 the Pittsburg Power Company issued a \$125,000 loan to Delta Discover Cruises LLC to help establish a dinner cruise business operating from the Pittsburg Marina as a destination business to attract people to old town and provide an amenity for Pittsburg residents. Terms of the loan are 4% for five years with the first 18-months accruing interest only. The first monthly installment began September 20, 2009 and continues until March 20, 2013. The outstanding balance as of June 30, 2010 was \$96,891.

***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, 2010 was \$22,428. The employee computer purchase program was terminated in the winter of 2010.

**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, 2010, unearned revenues in the Government-Wide Financial Statements consisted of unearned developer, donation, and grant revenues of \$707,953 in General Fund and \$547,603 in Business-Type Activities, and unearned service revenues of \$15,446,569 in the RDA Debt Service Funds due to GASB 53 which requires the disclosure of deferred SWAP market valuation flows.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

**B. Fund Financial Statements**

At June 30, 2010, 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 Income Housing II	RDA Revenue	RDA Debt Service	Non-Major Funds	Water	Non-Major Enterprise Funds	
Unearned developer /donation revenue	\$ 598,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 547,603	\$ 1,146,194
Housing loans receivable	-	9,315,430	399,389	-	2,576,363	-	-	12,291,182
Construction loan receivable	-	13,196,294	23,813,033	-	-	-	-	37,009,327
Unearned service revenue	109,362	-	-	15,446,569	288,200	3,385,497	-	19,229,628
<b>Total</b>	<b>\$ 707,953</b>	<b>\$ 22,511,724</b>	<b>\$ 24,212,422</b>	<b>\$ 15,446,569</b>	<b>\$ 2,864,563</b>	<b>\$ 3,385,497</b>	<b>\$ 547,603</b>	<b>\$ 69,676,331</b>

**NOTE 5-INTERFUND TRANSACTIONS**

**A. Current Interfund Balances**

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

Current inter-fund balances are as follows:

DUE FROM FUND:	DUE TO FUND	AMOUNT
Non-Major Governmental Funds:		
Special Revenue Funds:		
Park maintenance CFD 2007-1	General Fund	\$ 161,164
Small Cities Grant	Low and Moderate Income Housing II	301,670
		<u>\$ 462,834</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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***B. Interfund Advances***

At June 30, 2010, the following funds had advances that were not expected to be repaid within the next year:

FROM FUND:	TO FUND:	AMOUNT
<b>GOVERNMENTAL FUNDS</b>		
Special Revenue Redevelopment Agency	Low-Moderate Income Housing I	\$ 8,100,000
TOTAL GOVERNMENTAL FUNDS		8,100,000
<b>PROPRIETARY FUNDS</b>		
Non-Major Enterprise Funds:	To Non-Major Enterprise Funds:	
Pittsburg Power	Golf Course	375,000
Pittsburg Power	Island Energy	1,773,072
TOTAL PROPRIETARY FUNDS		2,148,072
	TOTAL ADVANCES	\$ 10,248,072

At June 30, 2010, 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 2008-2009 the Low-Moderate Income Housing II Special Revenue Fund had advanced \$80,000 to the CDBG Housing Rehabilitation Loans Fund to cover an operating deficit.

During fiscal year 2009-2010 the Low-Moderate Income Housing II Special Revenue Fund had advanced \$221,670 to the CDBG Housing Rehabilitation Loans Fund to cover an operating deficit.

During fiscal year 2002/2003 the Pittsburg Power Proprietary Fund advanced \$375,000 to the Golf Course Proprietary 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.

During fiscal year 2003/2004 the Pittsburg Power Proprietary Fund advanced \$300,000 to the Island Energy Proprietary Fund 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.

During fiscal year 2004/2005 the Pittsburg Power Proprietary Fund advanced \$650,000 to the Island Energy Proprietary Fund 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.

During fiscal year 2004/2005 the Pittsburg Power Proprietary 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.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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During fiscal year 2005/2006 the Pittsburg Power Proprietary Fund advanced \$100,000 to the Island Energy Proprietary 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 Pittsburg Power Fund.

During fiscal year 2008/2009 the Pittsburg Power Proprietary Fund advanced \$301,157 to the Island Energy Proprietary Fund to fund the refurbishment of a main Substation H.

During fiscal year 2009/2010 the Pittsburg Power Proprietary Fund advanced an additional \$221,915 to the Island Energy Proprietary Fund to fund the refurbishment of a main Substation H.

***C. Interfund Transfers***

At June 30, 2010, the City had the following inter-fund transfers:

- A. Transfers to the General Fund were to fund general fund operations and administrative services for which the other funds received services.
- B. Transfers to 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 the Redevelopment Agency Debt Service fund were to fund debt service payments.
- E. Transfers to the Redevelopment Agency Capital Projects fund were to fund redevelopment capital improvement projects
- F. Transfers to the Water Utility Enterprise Fund were to support general operations and administrative services.
- G. Transfers to the Non-Major Enterprise Funds were to support general operations and administrative services.
- H. Transfers to Internal Service Funds from the General Fund to cover operating costs such as information systems, employee benefits, and fleet maintenance costs.
- I. Transfer from the Redevelopment Debt Stabilization Fund to cover uncertain debt service coverage expenditures by establishing Debt Service Reserves in the TAB 2004A Fund.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

FROM FUND:	TO FUND:	AMOUNT
<b>GOVERNMENTAL FUNDS:</b>		
Redevelopment Special Revenue Fund		\$ 3,000,000
Redevelopment Debt Service Fund		30,000
Non-Major Governmental Funds		2,119,992
Water Utility		746,561
Sewer Utility		467,483
Marina		55,000
Non-Major Proprietary Funds		417,097
Internal Service Funds		580,000
	To General Fund	<u>7,416,133</u> A
Non-Major Governmental Funds		26,071
Redevelopment Debt Service Fund		<u>1,262,729</u>
	To Low-Moderate Housing II Special Revenue Fund	<u>1,288,800</u> B
Redevelopment Debt Service Fund		
	To Redevelopment Special Revenue Fund	<u>2,146,195</u> C
Redevelopment Special Revenue Fund		
Low-Moderate Housing II Special Revenue Fund		1,901,000
Redevelopment Debt Service Funds		181,818
Redevelopment Special Revenue Fund		48,885,222
	To Redevelopment Debt Service Fund	<u>50,968,040</u> D
Redevelopment Special Revenue Fund		1,285,405
Redevelopment Debt Service Fund		20,848,285
Water Utility		569,012
Non-Major Enterprise Funds		450,053
	To Redevelopment Capital Projects Fund	<u>23,152,755</u> E
Redevelopment Debt Stabilization Fund	Redevelopment Debt Service 2004 Reserves	<u>8,000,000</u> I
General Fund		430,000
Redevelopment Special Revenue Fund		16,617,722
Redevelopment Debt Service Fund		904,102
Water Utility		234,766
Sewer Utility		27,521
Non-Major Special Revenue		419,679
	To Non-Major Governmental Fund	<u>18,633,790</u> J
<b>TOTAL GOVERNMENTAL FUNDS</b>		<u><b>111,605,713</b></u>
<b>PROPRIETARY FUNDS</b>		
General Fund		51,400
2008 Water Bond		154,390
	To Water Utility	<u>205,790</u> F
2008 Water Bond Fund		110,260
Redevelopment Debt Service Funds		1,011,929
		<u>1,122,189</u> G
<b>TOTAL PROPRIETARY FUNDS</b>		<u><b>1,327,979</b></u>
General Fund		
	To Internal Service Funds	<u>92,295</u> H
	<b>TOTAL TRANSFERS</b>	<u><b>\$ 113,025,987</b></u>



**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

**NOTE 6-DEFERRED CHARGES**

As of June 30, 2010, deferred charges for the Government-Wide Financial Statements consisted of the following:

	Balance July 1, 2009	Deletions	Balance June 30, 2010
Governmental Activities:			
Bond issuance costs	\$ 5,795,000	\$ (352,803)	\$ 5,442,197

The amortization expense was \$352,803 for the year ended June 30, 2010.

**NOTE 7 - CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

At June 30, 2010, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 55,850,243	\$ 325,000	\$ 56,175,243
Construction in progress	87,502,712	19,825,092	107,327,804
Total non-depreciable assets	<u>143,352,955</u>	<u>20,150,092</u>	<u>163,503,047</u>
Depreciable assets:			
Buildings and improvements	64,537,326	23,931,275	88,468,601
Machinery and equipment	11,352,454	3,516,251	14,868,705
Infrastructure	237,670,780	113,820,934	351,491,714
Total depreciable assets	<u>313,560,560</u>	<u>141,268,460</u>	<u>454,829,020</u>
Less accumulated depreciation:			
Buildings and improvements	15,473,114	3,942,124	19,415,238
Machinery and equipment	7,496,669	1,736,369	9,233,038
Infrastructure	98,025,152	35,644,955	133,670,107
Total accumulated depreciation	<u>120,994,935</u>	<u>41,323,448</u>	<u>162,318,383</u>
Total net depreciable assets	<u>192,565,625</u>	<u>99,945,012</u>	<u>292,510,637</u>
Total capital assets	<u>\$ 335,918,580</u>	<u>\$ 120,095,104</u>	<u>\$ 456,013,684</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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

	Balance July 1, 2009	Additions	Deletions	Reclassification s	Balance June 30, 2010
Non-depreciable assets:					
Land	\$ 55,123,946	\$ 726,298	\$ -	\$ -	\$ 55,850,244
Construction in progress	<u>82,922,490</u>	<u>18,132,172</u>	<u>-</u>	<u>(13,551,951)</u>	<u>87,502,711</u>
Total	<u>138,046,436</u>	<u>18,858,470</u>	<u>0</u>	<u>(13,551,951)</u>	<u>143,352,955</u>
Depreciable assets:					
Buildings and improvements	55,630,843	9,352,121	-	(445,638)	64,537,326
Machinery and equipment	9,848,402	833,013	(475,627)	1,146,666	11,352,454
Infrastructure	<u>224,865,851</u>	<u>12,810</u>	<u>(58,804)</u>	<u>12,850,923</u>	<u>237,670,780</u>
Total	290,345,096	10,197,944	(534,431)	13,551,951	313,560,560
Less accumulated depreciation:					
Buildings and improvements	(15,003,920)	(1,623,984)	207,100	947,690	(15,473,114)
Machinery and equipment	(5,216,869)	(1,412,901)	228,541	(1,095,440)	(7,496,669)
Infrastructure	<u>(91,931,749)</u>	<u>(6,301,618)</u>	<u>60,465</u>	<u>147,750</u>	<u>(98,025,152)</u>
Total	<u>(112,152,538)</u>	<u>(9,338,503)</u>	<u>496,106</u>	<u>-</u>	<u>(120,994,935)</u>
Total depreciable assets, net	<u>178,192,558</u>	<u>859,441</u>	<u>(38,325)</u>	<u>13,551,951</u>	<u>192,565,625</u>
Total capital assets, net	<u>\$ 316,238,994</u>	<u>\$ 19,717,911</u>	<u>\$ (38,325)</u>	<u>\$ -</u>	<u>\$ 192,565,625</u>

Governmental activities depreciation expense for capital assets for the year ended June 30, 2010 is as follows:

General government	\$ 1,120,621
City Manager and City Clerk	38,453
Human Resources	3,968
Finance and services	80,024
Community development and services	94,002
Public Safety	209,901
Public Works	<u>7,791,534</u>
Total depreciation expense	<u>\$ 9,338,503</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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

	Balance July 1, 2009	Additions	Deletions	Reclassifications	Transfers to/from Business-Type	Prior Period Adjustments	Balance June 30, 2010
Non-depreciable assets:							
Land	\$ 325,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325,000
Construction in progress	18,406,891	1,882,863	-	(464,662)	-	-	19,825,092
Total	<u>18,731,891</u>	<u>1,882,863</u>	<u>-</u>	<u>(464,662)</u>	<u>-</u>	<u>-</u>	<u>20,150,092</u>
Depreciable assets:							
Buildings and improvements	22,075,837	-	-	1,855,438	-	-	23,931,275
Machinery and equipment	2,294,727	301,106	(56,068)	976,486	-	-	3,516,251
Infrastructure	116,215,698	-	(27,502)	(2,367,262)	-	-	113,820,934
Total	<u>140,586,262</u>	<u>301,106</u>	<u>(83,570)</u>	<u>464,662</u>	<u>-</u>	<u>-</u>	<u>141,268,460</u>
Less accumulated depreciation:							
Buildings and improvements	(6,767,372)	(876,808)	-	3,702,056	-	-	(3,942,124)
Machinery and equipment	(1,487,405)	(155,423)	56,068	(149,609)	-	-	(1,736,369)
Infrastructure	<u>(30,538,717)</u>	<u>(1,582,826)</u>	<u>29,035</u>	<u>(3,552,447)</u>	<u>-</u>	<u>-</u>	<u>(35,644,955)</u>
Total	<u>(38,793,494)</u>	<u>(2,615,057)</u>	<u>85,103</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,323,448)</u>
Total depreciable assets, net	<u>101,792,768</u>	<u>(2,313,951)</u>	<u>1,533</u>	<u>464,662</u>	<u>-</u>	<u>-</u>	<u>99,945,012</u>
Total capital assets, net	<u>\$ 120,524,659</u>	<u>\$ (431,088)</u>	<u>\$ 1,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,095,104</u>

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2010 are as follows:

Water Utility	\$ 1,066,811
Sewer Utility	585,558
Marina	478,202
Golf Course	127,346
Island Energy	350,119
Pittsburg Power	7,021
Total	<u>\$ 2,615,057</u>

**B. Fund Financial Statements**

The Governmental Fund Financial Statements do not present General Government Capital Assets. Consequently, capital assets are shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net 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**  
**For the year ended June 30, 2010**

**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, 2010:

Description	Original Issue Amount	Beginning Balance July 1, 2009	Retirements	Ending Balance June 30, 2010	Amounts Due Within One Year
Tax Allocation Bonds					
1999 RDA Bonds	\$ 30,106,357	\$ 29,671,357	\$ (580,000)	\$ 29,091,357	\$ 600,000
2002A RDA Refunding Bonds	59,970,000	30,105,000	(3,690,000)	26,415,000	3,875,000
2003A RDA Bonds	88,375,000	80,080,000	(1,020,000)	79,060,000	1,065,000
2004A RDA Housing Set-Aside Bonds	18,270,000	17,120,000	(315,000)	16,805,000	330,000
2004B RDA Subordinated Refunding Bonds	10,720,000	8,730,000	(2,065,000)	6,665,000	3,260,000
2004A RDA Subordinated Bonds	117,615,000	117,615,000	-	117,615,000	-
2006A RDA Housing Set-Aside Bonds	11,020,000	10,495,000	(170,000)	10,325,000	180,000
2006B RDA Subordinated Bonds	36,840,000	36,840,000	-	36,840,000	-
2006C RDA Subordinated Refunding Bonds	46,660,000	45,835,000	(145,000)	45,690,000	-
2008A RDA Subordinated Refunding Bonds	61,660,856	61,660,856	-	61,660,856	-
Total Tax Allocation Bonds	481,237,213	438,152,213	(7,985,000)	430,167,213	9,310,000
2006 Pension Obligation Bonds	39,566,056	39,266,056	(175,000)	39,091,056	300,000
2006 CCCERA Pension Obligation Note	2,505,433	2,310,683	(108,911)	2,201,772	117,406
Unamortized Premium		4,862,989	(442,090)	4,420,899	442,090
Deferred amount on refunding on 2006C RDA	-	(3,885,044)	149,425	(3,735,619)	(149,425)
Total Governmental Activities	\$ 523,308,702	\$ 480,706,897	\$ (8,561,576)	\$ 472,145,321	\$ 10,020,071

1999 Redevelopment Agency Tax Allocation Bonds

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2010 amounted to \$29,091,357. 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 \$107,216,579. For the current year, principal and interest paid and RDA property tax increment revenues were \$1,084,383 and \$34,813,259 respectively.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

The annual debt service requirements to mature the 1999 RDA Bonds outstanding at June 30, 2010, were as follows:

Ending June 30,	Principal	Interest	Total
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	695,000	371,310	1,066,310
2015	740,000	331,477	1,071,477
2016-2020	6,946,000	6,105,445	13,051,445
2021-2025	9,121,754	29,071,678	38,193,432
2026-2030	8,295,943	37,048,861	45,344,804
2031	1,402,660	3,871,170	5,273,830
Total	\$ <u>29,091,357</u>	\$ <u>78,125,222</u>	\$ <u>107,216,579</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, 2010 amounted to \$26,415,000. 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 \$30,758,583. For the current year, principal and interest paid and RDA property tax increment revenues were \$5,149,188 and \$34,813,259, respectively.

The annual debt service requirements to mature the 2002 RDA Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	4,495,000	627,769	5,122,769
2015	4,730,000	385,613	5,115,613
2016	4,980,000	130,725	5,110,725
Total	\$ <u>26,415,000</u>	\$ <u>4,343,583</u>	\$ <u>30,758,583</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
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2003 Series A Redevelopment Agency Tax Allocation Bonds

2003 Series A Redevelopment Agency Tax Allocation Bonds (2003A RDA Bonds) outstanding at June 30, 2010 amounted to \$79,060,000. 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. The bonds are to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency. 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 \$116,958,338. For the current year, principal and interest paid and RDA property tax increment revenues were \$5,116,500 and \$34,813,259, respectively. The issuance of Redevelopment Agency 2008A Subordinate Tax Allocation Refunding Bonds paid a partial early payment of \$4,365,000 to principal.

The annual debt service requirements to mature the 2003A RDA Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 1,065,000	\$ 3,872,925	\$ 4,937,925
2012	1,120,000	3,818,300	4,938,300
2013	2,780,000	3,720,800	6,500,800
2014	2,920,000	3,578,300	6,498,300
2015	3,060,000	3,428,800	6,488,800
2016-2020	34,220,000	12,786,500	47,006,500
2021-2025	20,580,000	5,107,994	25,687,994
2026-2030	13,315,000	1,584,719	14,899,719
Total	\$ <u>79,060,000</u>	\$ <u>37,898,338</u>	\$ <u>116,958,338</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, 2010 amounted to \$16,805,000. 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 \$31,267,407. For the current year, principal and interest paid and RDA set-aside property tax increment revenues were \$1,231,923 and \$2,679,842, respectively.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
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The annual debt service requirements to mature the 2004A RDA Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	380,000	853,453	1,233,453
2015	395,000	834,543	1,229,543
2016-2020	2,310,000	3,836,953	6,146,953
2021-2025	2,995,000	3,130,478	6,125,478
2026-2030	3,910,000	2,190,859	6,100,859
2031-2035	5,125,000	935,590	6,060,590
2036	655,000	18,406	673,406
Total	\$ <u>16,805,000</u>	\$ <u>14,462,407</u>	\$ <u>31,267,407</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, 2010 amounted to \$6,665,000. 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. The bonds are to be paid from Redevelopment Agency tax revenues. 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 \$6,960,212. For the current year, principal and interest paid and RDA property tax increment revenues were \$2,395,866 and \$34,813,259, respectively.

The annual debt service requirements to mature the 2004B STARB Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 3,260,000	\$ 219,791	\$ 3,479,791
2012	3,405,000	75,421	3,480,421
Total	\$ <u>6,665,000</u>	\$ <u>295,212</u>	\$ <u>6,960,212</u>

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds outstanding at June 30, 2010 amounted to \$117,615,000. The bonds are repayable from Redevelopment Agency tax revenues. 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



**City of Pittsburg**  
**Notes to Basic Financial Statements**  
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2004 A 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 Bonds. A portion of the proceeds from the 2004A 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 and remarketing and letter of credit fees remaining to be paid on the bonds are \$179,893,329. For the current year, total interest paid and RDA property tax increment revenues were \$4,174,156 and \$34,813,259, 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, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Remarketing & LOC Fees	Total
2011	\$ -	\$ 4,174,156	\$ 292,966	\$ 4,467,122
2012	-	4,174,156	293,629	4,467,785
2013	3,890,000	4,070,614	286,648	8,247,262
2014	4,030,000	3,928,832	276,873	8,235,705
2015	4,170,000	3,782,081	266,613	8,218,694
2016-2020	23,345,000	16,508,395	1,166,088	41,019,483
2021-2025	26,660,000	12,002,541	850,030	39,512,571
2026-2030	27,065,000	7,280,818	518,752	34,864,570
2031-2035	25,915,000	2,217,371	162,939	28,295,310
2036	2,540,000	22,536	2,291	2,564,827
Total	\$ 117,615,000	\$ 58,161,500	\$ 4,116,829	\$ 179,893,329

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, 2010 amounted to \$10,325,000. On November 30, 2006, the Agency issued \$11,020,000 of Series 2006A Bonds bearing interest at 5.12-5.31% to fund low and moderate income housing of benefit to the Agency's Los Medanos Redevelopment Project, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006A bonds. The bonds with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2007 through August 1, 2036. Annual principal and interest payments on the bonds are expected to require less than 22% from these revenues. The total principal and interest remaining to be paid on the bonds is \$19,492,244. For the current year, principal and interest paid and RDA set-aside property tax increment revenues were \$718,786 and \$2,679,842, respectively.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 180,000	\$ 539,835	\$ 719,835
2012	190,000	530,372	720,372
2013	200,000	520,398	720,398
2014	205,000	510,040	715,040
2015	220,000	499,170	719,170
2016-2020	1,270,000	2,310,537	3,580,537
2021-2025	1,640,000	1,931,204	3,571,204
2026-2030	2,125,000	1,434,899	3,559,899
2031-2035	2,755,000	790,144	3,545,144
2036-2037	1,540,000	100,643	1,640,643
Total	<u>\$ 10,325,000</u>	<u>\$ 9,167,242</u>	<u>\$ 19,492,242</u>

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds (2006A STAB Bonds) was refunded by the issuance of the 2008 Series A Redevelopment Agency Subordinate Tax Allocation Bonds in fiscal year 2008-09. 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 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 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 to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency.

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, 2010 amounted to \$36,840,000. On November 29, 2006, the Agency issued \$36,840,000 of Series 2006B Bonds bearing interest at 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 \$49,810,726. For the current year, total interest paid and RDA property tax increment revenues were \$1,902,796 and \$34,813,259 respectively.

**City of Pittsburgh**  
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The annual debt service requirements to mature the Series 2006B Bonds outstanding at June 30, 2010 were as follows:

	Principal	Interest	Total
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	3,465,000	1,639,757	5,104,757
2015	3,655,000	1,457,663	5,112,663
2016-2020	21,305,000	4,187,096	25,492,096
2021	5,005,000	130,505	5,135,505
Total	<u>\$ 36,840,000</u>	<u>\$ 12,970,726</u>	<u>\$ 49,810,726</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, 2010 amounted to \$45,690,000. On November 29, 2006, the Agency issued \$46,660,000 of Series 2006C Bonds bearing interest at 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 \$89,221,008. For the current year, total interest and principal paid and RDA property tax increment revenues were \$2,120,958 and \$34,813,259, respectively.

Net proceeds of \$44,179,521 from the 2006C bonds were deposited in an 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, 2010 \$39,885,000 of principal remained outstanding on the defeased 1993B bonds.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
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The annual debt service requirements to mature the Series 2006C Bonds outstanding at June 30, 2010 were as follows:

	Principal	Interest	Total
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	160,000	1,956,908	2,116,908
2015	170,000	1,950,733	2,120,733
2016-2020	945,000	9,642,815	10,587,815
2021-2025	1,150,000	9,436,421	10,586,421
2026-2030	1,410,000	9,170,151	10,580,151
2031-2035	41,550,000	5,468,031	47,018,031
Total	<u>\$ 45,690,000</u>	<u>\$ 43,531,008</u>	<u>\$ 89,221,008</u>
Deferred amount on refunding	\$ (3,735,619)		
Total	<u>\$ 41,954,381</u>		

2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2008A STAB Bonds) outstanding at June 30, 2010 amounted to \$61,660,856. On November 2008, the Agency issued \$61,660,856 of Series 2008A Refunding Bonds bearing interest at 4.375-6.125% to refund, on an advance basis, the Agency's outstanding Los Medanos Community Development Project Subordinated Tax Allocation Bonds, Series 2006A, to make a deposit to a debt service reserve account for the early principal retirement of \$4,365,000 of the Los Medanos Community Development Project Tax Allocation Bonds, Series 2003A. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2009 through September 1, 2029 are secured by the RDA property tax increment revenues. Annual principal and interest payments are expected to require less than 10% from these revenues. The 2008A Bonds are also subject to optional redemption and to mandatory sinking account redemption prior to maturity. The total principal and interest remaining to be paid on the bonds is \$121,966,136. For the current year, total interest paid and RDA property tax increment revenues were \$3,963,594 and \$34,813,259, respectively.

The annual debt service requirements to mature the Series 2008A Bonds outstanding at June 30, 2010 were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ -	\$ 3,963,594	\$ 3,963,594
2012	-	3,963,594	3,963,594
2013	1,150,000	3,938,438	5,088,438
2014	-	3,913,281	3,913,281
2015	15,000	3,912,925	3,927,925
2016-2020	465,000	19,514,675	19,979,675
2021-2025	26,965,000	16,170,191	43,135,191
2026-2030	33,065,856	4,928,581	37,994,438
Total	<u>\$ 61,660,856</u>	<u>\$ 60,305,279</u>	<u>\$ 121,966,136</u>

**City of Pittsburg**  
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The purpose of this reissuance was to restructure the City's Series 2006A Auction Rate Securities due to the failure of the market for auction rate securities. It is therefore not possible to quantify the gain or loss associated with this reissuance.

*Series 2006 Pension Obligation Bonds*

On June 15, 2006, the City issued \$39,566,056 of Series 2006 Taxable Pension Obligations Bonds bearing interest at 5.784-6.115% to prepay the City's unfunded accrued actuarial liability of the Miscellaneous and Safety plans through the California Public Employees' Retirement System. The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to \$12,700,000 as of June 30, 2006. The Bonds are issued as current interest bonds and capital interest bonds where the current interest is payable annually on July 1, and the capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable from any form of taxation. 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 \$89,735,842. For the current year, principal and interest paid were \$1,837,165 and city-wide revenues were \$91,722,783.

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 365,000	\$ 1,583,283	\$ 1,948,283
2012	375,000	1,565,931	1,940,931
2013	450,000	1,544,241	1,994,241
2014	530,000	1,518,213	2,048,213
2015	1,280,275	2,162,283	3,442,558
2016-2020	6,385,658	11,582,938	17,968,596
2021-2025	6,928,982	12,674,875	19,603,857
2026-2030	6,217,117	13,387,505	19,604,622
2031-2035	16,559,024	4,625,517	21,184,541
Total	\$ 39,091,056	\$ 50,644,786	\$ 89,735,842

*2006 CCCERA Pension Obligation Note*

An additional unfunded accrued pension liability with Contra Costa County Employees' Retirement Association (CCCERA) as of December 31, 2008 was \$2,310,683. 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 \$3,469,726. For the current year, principal and interest paid were \$289,144 and revenues were \$91,722,783.

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The annual debt service requirements to mature the 2006 CCCERA Pension Obligation note outstanding at June 30, 2010 were as follows:

	Principal	Interest	Total
2011	\$ 117,406	\$ 171,738	\$ 289,144
2012	126,563	162,581	289,144
2013	136,435	152,709	289,144
2014	147,077	142,067	289,144
2015	158,549	130,595	289,144
2016-2020	998,706	447,014	1,445,720
2021-2022	517,036	61,250	578,286
Total	<u>\$ 2,201,772</u>	<u>\$ 1,267,954</u>	<u>\$ 3,469,726</u>

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 Agency and the City 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, 2010 are included below. The Agency's and City'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	2008 Water Revenue Bonds
City Pays	3.5490 %	3.6150 %
City Receives	63% of 1 month USD-LIBOR + .35%	63% of 1 month USD-LIBOR + .30%
Maturity Date	9/1.2035	5/25/2035
Initial Notional	\$117,615,000	\$38,850,000
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
Credit Ratings by Moody's/Fitch/S&P	A2/A/A	A2/A/A
Total Value	(\$ 10,157,118.02)	(\$ 3,151,451.19)

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 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 Series 2005 Water Bonds were refunded by the variable rate Series 2008 Water Bonds. The combination of variable rate bonds and a floating-to-fixed swap creates synthetic fixed-rate

## City of Pittsburgh

### Notes to Basic Financial Statements

#### For the year ended June 30, 2010

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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.

*Fair value.* The Agency's swap had a negative fair value as of June 30, 2010 of \$15,282,806 for 2004A, while the City's swap had a negative fair value of \$4,727,522 for the 2008 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.

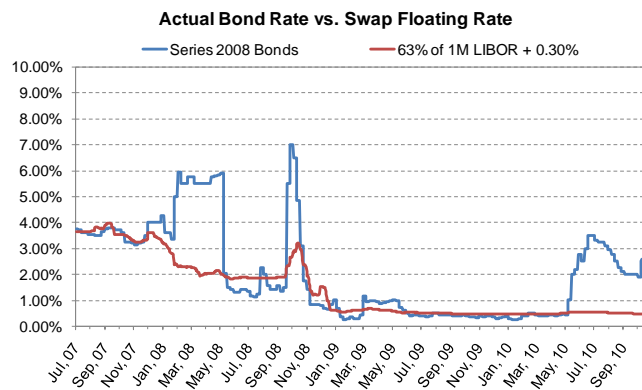
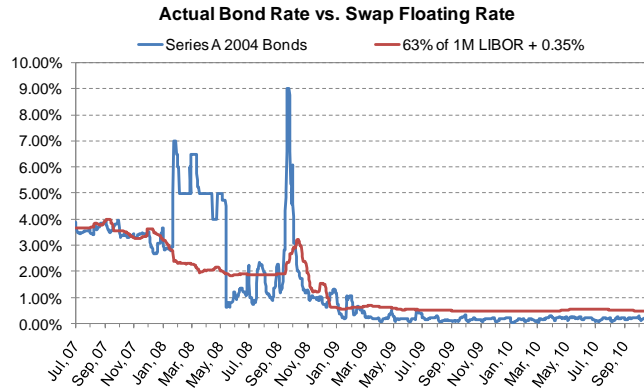
*Credit risk.* As of June 30, 2010, the Agency and City were not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, if interest rates rise and the fair value of the swap were to become positive, the Agency and City would be exposed to credit risk in the 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 A2/A/A 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 bear basis risk on its swap. The Swap has basis risk since the Agency and City receive a percentage of LIBOR to offset the actual variable bond rate the Agency and City pay 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 City's 2008 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 LIBOR rates. Prior to December of 2007, the basis difference is relatively small; the basis difference increased drastically between December of 2007 and November 2008. As the financial markets improved in early 2009, the basis difference narrowed significantly on both of the bonds. The exception has been the City's 2008 Water Revenue Bonds. Since 2008, the City's bonds have been backed by a direct-pay letter-of-credit from Allied Irish Bank. In response to the European debt crisis, and consequently investors' declining confidence in the financial health of the bank, these bonds have traded at much higher rates since May 2010.

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*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



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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. 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, 2010 was \$359,041.

The annual debt service requirements to mature the Capital Lease outstanding at June 30, 2010 were as follows:

	Principal	Maintenance Fee	Total	Interest
2011	\$ 143,723	\$ 58,040	\$ 201,763	\$ 11,827
2012	113,750	43,528	157,278	2,914
Total	<u>\$ 257,473</u>	<u>\$ 101,568</u>	<u>\$ 359,041</u>	<u>\$ 14,741</u>

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2010:

Description	Original Issue Amount	Beginning Balance July 1, 2009	Additions	Retirements	Ending Balance June 30, 2010	Amounts Due Within One Year
Revenue Bonds						
2004 Waste Water Revenue Bonds	\$ 11,950,000	\$ 9,185,000	\$ -	\$ (570,000)	\$ 8,615,000	\$ 590,000
2008 Water Revenue Refunding Bonds	38,395,000	37,260,000	-	(835,000)	36,425,000	910,000
Total Revenue Bonds	50,345,000	46,445,000	-	(1,405,000)	45,040,000	1,500,000
<b>Total Business-Type Activities</b>	<b>\$ 50,345,000</b>	<b>\$ 46,445,000</b>	<b>\$ -</b>	<b>\$ (1,405,000)</b>	<b>\$ 45,040,000</b>	<b>\$ 1,500,000</b>

2004 Wastewater Revenue Bonds

2004 Wastewater Revenue Bonds (2004 Wastewater) outstanding at June 30, 2010 amounted to \$8,615,000. 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 from 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 \$11,018,144. For the current year, principal and interest paid were \$913,203 and wastewater net revenues were \$2,005,075. 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.

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The annual debt service requirements to mature the 2004 Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
2011	\$ 590,000	\$ 328,953	\$ 918,953
2012	605,000	311,253	916,253
2013	620,000	291,590	911,590
2014	640,000	271,440	911,440
2015	670,000	249,040	919,040
2016-2020	3,760,000	839,730	4,599,730
2021-2022	1,730,000	111,138	1,841,138
Total	<u>\$ 8,615,000</u>	<u>\$ 2,403,144</u>	<u>\$ 11,018,144</u>

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, 2010, \$36,425,000 of principal remained outstanding on the 2008 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 \$56,032,762. For the current year, principal and interest paid were \$2,181,949 and Water System revenues were \$16,695,089.

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 remained with 2008 Water Revenue Refunding Bonds and the terms, fair value and credit risk are disclosed in the Interest Rate Swap Agreements section.

The annual debt service requirements to mature the 2008 Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,010,000	1,215,363	2,225,363
2015	1,035,000	1,178,852	2,213,852
2016-2020	5,875,000	5,297,783	11,172,783
2021-2025	7,075,000	4,151,828	11,226,828
2026-2030	8,425,000	2,779,935	11,204,935
2031-2035	10,200,000	1,133,303	11,333,303
Total	<u>\$ 36,425,000</u>	<u>\$ 19,607,762</u>	<u>\$ 56,032,762</u>

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Compensated Absences

Compensated absences at June 30, 2010 are presented as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 2,035,152	\$ 334,251	\$ 2,369,403
Additions	577,890	274,550	852,440
Payments	(897,692)	(257,303)	(1,154,995)
Ending Balance	<u>\$ 1,715,350</u>	<u>\$ 351,498</u>	<u>\$ 2,066,848</u>
Due within One Year	<u>\$ 627,874</u>	<u>\$ 136,792</u>	<u>\$ 764,666</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 it becomes current.

**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, 2010, was as follows:

Description	Beginning Balance July 1,2009	Additions	Retirements	Ending Balance June 30,2010
1998 Marina Walk A.D. Bonds	\$ 1,490,000	\$ -	\$ (45,000)	\$ 1,445,000
1998 Pittsburgh IFA Bonds	9,290,000	-	(455,000)	8,835,000
2001-01 San Marco A.D. Bonds	6,755,000	-	(145,000)	6,610,000
2001-02 Oak Hills South A.D. Bonds	2,475,000	-	(55,000)	2,420,000
2001-03 Century Plaza Bonds	4,015,000	-	(85,000)	3,930,000
2005 Vista Del Mar CFD Bonds	11,650,000	-	(240,000)	11,410,000
Total	<u>\$ 35,675,000</u>	<u>\$ -</u>	<u>\$ (1,025,000)</u>	<u>\$ 34,650,000</u>

**1998 Marina Walk Assessment District Bonds** - 1998 Marina Walk Assessment District Bonds (Marina Walk Bonds) outstanding at June 30, 2010, amounted to \$1,445,000. 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, 2010, amounting in total to \$8,835,000. 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.

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**2001-01 San Marco Assessment District Bonds** - 2001-01 Limited Obligation Improvement Assessment District Bonds (San Marco Bonds) outstanding at June 30, 2010, amounted to \$6,610,000. 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, 2010, amounted to \$2,420,000. 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.

**2001-03 Century Plaza Assessment District Bonds** - 2001-03 Limited Obligation Improvement Assessment District Bonds (Century Plaza Bonds) outstanding at June 30, 2010, amounted to \$3,930,000. 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, the City of Pittsburg sponsored \$12,115,000 of 2005 Community Facilities District Bonds (Vista Del Mar). 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. The outstanding balance at June 30, 2010 amounted to \$11,410,000.

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**NOTE 10 - FUND EQUITY**

***A. Fund Reserves and Designations***

In the Governmental Funds, fund balances at June 30, 2010, have been reserved or designated for the following purposes:

	General Fund	Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	Housing Authority (Section 8)	Redevelopment Agency	Non Major Governmental Funds	Total
Fund Balances:								
Reserved:								
Supplies	\$ 39,000	\$ -	\$ -	\$ 14,870	\$ -	\$ -	\$ -	\$ 53,870
Capital projects	-	-	-	-	-	-	26,620,358	26,620,358
Special projects	-	-	-	-	1,833,468	-	7,501,891	9,335,359
Debt service	-	-	-	-	-	109,886,990	-	109,886,990
Prepaid items	-	-	-	-	-	-	-	0
Non-Current Loans	-	-	-	545,250	-	-	-	545,250
Advances	15,085	-	-	-	-	-	-	15,085
Unreserved, designated:	-	-	-	-	-	-	-	0
Loans - CFD	161,164	-	-	-	-	-	-	161,164
Unreserved, undesignated, reported in:								0
General Fund	6,798,062	-	-	-	-	-	-	6,798,062
Special Revenue funds	-	(8,100,000)	2,693,579	7,322,870	-	-	7,641,578	9,558,027
Total fund balances	\$ 7,013,311	\$ (8,100,000)	\$ 2,693,579	\$ 7,882,990	\$ 1,833,468	\$ 109,886,990	\$ 41,763,827	\$ 162,974,165

***B. Deficit Fund Balance/Net Assets***

At June 30, 2010, the Low-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, 2010, the Small Cities Grant had a deficit fund balance of \$221,670. The deficit will be reduced with an inter-fund loan from the Low-Moderate Housing Fund.

At June 30, 2010, the Park Maintenance CFD 2007-1 Special Revenue Fund had a deficit fund balance of \$107,037. The deficit will be reduced with future years' assessment revenues.

**NOTE 11 - RISK MANAGEMENT**

***A. General Liability Insurance***

The City is self-insured for the first \$25,000 of each loss and maintains excess liability insurance through Municipal Pooling Authority (MPA). The City is not insured for liability occurrences over \$15,000,000 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.

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**C. Estimated Reserves for Claims**

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

The City'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
2008	\$ 168,343	\$ 95,645	\$ (8,275)	\$ 255,713
2009	255,713	41,742	(88,685)	208,770
2010	208,770	(95,076)	(29,519)	84,175

As of June 30, 2010, one of the City's Proprietary Funds (the Water Fund) had recorded as an outstanding claim liability in the amount of \$338,128 which represented the estimated Water Revenue Bonds Rebate Liability. It is anticipated that this liability will be eliminated in the fiscal year 2010-2011 due to the nature of the interest rate climate.

**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.

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*E. Adequacy of Protection*

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

**NOTE 12 - 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, 2009, are summarized as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Benefit Vesting Schedule	5 years of service	5 years of service
Benefits payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as % of annual salary	1.426-2.418%	3%
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 2009-2010, the City’s annual pension cost of \$4,562,988 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 payrolls on a closed basis. The

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average remaining amortization period at June 30, 2004, was 30 years for miscellaneous and safety employees for prior and current service unfunded liability.

**THREE-YEAR TREND INFORMATION FOR PERS**

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 4,567,333	100%	\$ -
6/30/2008	4,660,140	100%	-
6/30/2009	4,805,166	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.



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**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 (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded (Overfunded) Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll (C/E)
6/30/2005	\$ 13,819,288	\$ 30,020,944	\$ 16,201,656	46.03%	\$ 12,070,970	134.2%
6/30/2006	\$ 33,291,126	\$ 33,318,378	\$ 27,363	99.9%	\$ 12,338,518	.2%
6/30/2007	\$ 37,534,336	\$ 36,869,328	\$ (665,008)	101.80%	\$ 13,588,991	(4.9)%
6/30/2008	\$ 42,173,141	\$ 43,552,995	\$ 1,379,854	96.8%	\$ 15,383,957	9.0%
6/30/2009	\$ 45,834,714	\$ 51,599,039	\$ 5,764,325	88.8%	\$ 14,386,852	40.1%

**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.

**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 of Pittsburgh converted to the CalPERS retirement system effective July 1, 2001 and entered into a Termination Withdrawal Agreement with CCCERA that resulted in the following consequences:

CCCERA retained the obligation to provide future benefits to the City's past retirees and vested members that had left the City's employment prior to July 1, 2001.

The City would provide CalPERS retirement benefits for its then current and future employees.

The Termination Withdrawal Agreement stated that as of June 30, 2001 the City accrued liability and allocated assets was determined at \$31,483,218. The Termination Withdrawal Agreement also stated that due to market fluctuation and the uncertainty with other actuarial assumptions the unfunded accrued liability will be recomputed every three years as CCCERA's triennial experience studies are completed. In addition CCCERA is required to annually submit to the City a cash accounting update

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of the City of Pittsburg Bookkeeping Asset Account. If the ratio of the balance of the City's Bookkeeping Asset Account to its triennial updated termination unfunded liability is below 95% or exceeds 105%, the resulting obligation (if not paid in full) or surplus, will be amortized as a level amount over 15 years.

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 \$39,566,055.85; upon completion of this transaction the City utilized these bond proceeds to prepay the unfunded liability owed to CCCERA which amounted to \$12,700,000 as of June 30, 2006. The balance of bond funds in the amount of \$25,977,758 was used to prepay the City's unfunded accrued liability for both the miscellaneous and safety plans to the Public Employees Retirement System (PERS).

Almost a year later the City received a letter from CCCERA dated August 23, 2007 providing the December 31, 2006 withdrawal liability update. In summary, the update reported the funding ratio of the present value of benefits (\$47.9 million) to allocated market assets (\$45.4 million) as 94.8%.

The August 23, 2007 letter stated that since this ratio is below 95% this triggers a lump sum payment as of December 31, 2006 for \$2,505,433 plus interest at the rate of 7.8% to date of payment or an annual payment of \$289,144 to be amortized over 15 years starting with the first payment due on December 31, 2007. The next triennial experience update is scheduled for December 31, 2010.

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**NOTE 13-OTHER POST-EMPLOYMENT BENEFITS**

The City is a phase 2 employer and is required to adopt GASB 45 beginning with the 2008/09 fiscal year.

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

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

**Funding Policy.** There is no statutory requirement for the City to prefund its OPEB obligation. The City has currently chosen to pay plan benefits on a pay-as-you-go basis. There are no employee contributions.

For fiscal year 2009/10, the City paid approximately \$868,059 for retiree healthcare plan benefits, including \$707,876 in premium payments for retirees and \$160,183 for implied subsidies.

The City allows retirees to participate in the same City medical plans (Kaiser and Health Net) as active employees. For the Kaiser medical plan, retiree premium rates are the same as the active premiums. Because this premium rate is a “blended” rate, retiree premiums payments are lower than what they would pay if the retirees were in a standalone medical plan, resulting in an implied subsidy for retirees under GASB Statement 45.

The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC is equal to the normal cost plus a 30-year amortization of the unfunded actuarial liability.

**Annual OPEB Cost and Net OPEB Obligation.** The following table, based on the City’s actuarial valuation as of January 1, 2009, shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s Net OPEB obligation:

Annual required contribution	\$	5,053,000
Interest on net OPEB obligation		174,000
Adjustment to annual required contribution		(168,000)
Annual OPEB cost (expense)		<u>5,059,000</u>
Contribution (benefits payments)		<u>(1,002,000)</u>
Increase in net OPEB obligation		4,057,000
Net OPEB obligation - beginning of year		4,088,000
Net OPEB obligation - end of year	\$	<u><u>8,145,000</u></u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009/10 are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2009	\$ 4,894,000	16.5%	\$ 4,088,000
June 30, 2010	\$ 5,059,000	19.8%	\$ 8,145,000

**Funded Status and Funding Progress.** The funded status of the plan as of January 1, 2009, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 37,383,000
Actuarial value of plan assets	0
Unfunded actuarial accrued liability (UAAL)	\$ 37,383,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Projected covered payroll (active Plan members)	\$ 18,792,000
UAAL as a percentage of covered payroll	198.9%

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the January 1, 2007 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 4.25% investment rate of return (net of administrative expenses), and a 3% general inflation assumption. Premiums were assumed to increase with a pre-Medicare medical cost increase rate of 9.7% for HMO's and 10.5% for PPO's for 2009, both grading down to 4.5% for 2017 and thereafter. The post-Medicare medical cost increase rebates were 10.1% for HMO's and 10.9% for PPO's for 2009, both grading down to 4.5% for 2017 and thereafter. The initial UAAL was amortized as a level percentage of projected payrolls over a fixed 30-year period.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

**Schedule of Funding Progress**  
**Postemployment Healthcare Plan**  
**(Dollar amounts in thousands)**

Actuarial Valuation Date	Actuarial Asset Value (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/07	\$ -	\$ 42,890,000	\$ 42,890,000	0%	\$ 20,021,000	214.2%
1/1/09	\$ -	\$ 37,383,000	\$ 37,383,000	0%	\$ 18,792,000	198.9%

**Schedule of Employer Contributions**  
**Postemployment Healthcare Plan**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2009	\$ 4,894,000	16.5%
2010	\$ 5,059,000	19.8%

**NOTE 14 - 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, 2010, 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.

**C. Pass-Through Agreements**

The Agency has agreements with the County of Contra Costa, 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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2010**

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through tax increments to other taxing agencies not engaged in agreements with the Agency. The tax increment passed through to all agencies amounted to \$6,361,912 for fiscal year 2009-2010.

**NOTE 15 - PROPOSITION 1A BORROWING BY THE STATE OF CALIFORNIA**

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period.

The amount of this borrowing pertaining to the City of Pittsburg was \$735,262.

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**City of Pittsburg**  
**Required Supplementary Information**  
**For the year ended June 30, 2010**

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**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, 2010, 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.



**City of Pittsburgh**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

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**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

9. No budget was adopted for the Low/Moderate Income Housing I Special Revenue Fund and RDA Budget Stabilization Special Revenue Fund because the Agency had no plans to use these funds for the fiscal year 2009-2010.

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 Pittsburg**  
**Required Supplementary Information, Continued**  
**For the year ended June 30, 2010**

**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

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 3,219,890	\$ 3,219,890	\$ 2,501,951	\$ (717,939)
Sales taxes	6,200,000	6,200,000	5,998,652	(201,348)
Franchise taxes	2,387,000	2,387,000	2,378,602	(8,398)
Other taxes	1,453,000	1,453,000	1,330,245	(122,755)
Intergovernmental revenues	5,640,020	5,640,020	5,116,331	(523,689)
Permits, licenses and fees	515,360	515,360	605,107	89,747
Fines and forfeitures	143,300	143,300	185,659	42,359
Service fees	1,725,840	1,725,840	2,333,285	607,445
Use of money and property	337,600	337,600	286,788	(50,812)
Other revenues	368,400	368,400	834,430	466,030
<b>TOTAL REVENUES</b>	<b>21,990,410</b>	<b>21,990,410</b>	<b>21,571,050</b>	<b>(419,360)</b>
<b>EXPENDITURES</b>				
Current:				
General Government	2,123,726	2,127,926	1,871,933	255,993
City Council	64,525	64,525	63,527	998
City Manager and City Clerk	251,980	251,980	244,958	7,022
City Attorney	440,110	440,110	352,405	87,705
Human resources	649,310	649,310	627,590	21,720
Finance and services	1,858,042	1,991,626	1,912,459	79,167
Community development and services	3,887,510	4,052,417	3,779,022	273,395
Public safety	19,305,312	19,305,312	18,734,125	571,187
Public works - administration	47,930	47,930	38,806	9,124
Public works - streets	1,725,298	1,725,298	1,473,457	251,841
Public works - parks	61,800	61,800	39,690	22,110
Interest and fiscal charges	-	-	18,793	(18,793)
<b>TOTAL EXPENDITURES</b>	<b>30,415,543</b>	<b>30,718,234</b>	<b>29,156,765</b>	<b>1,561,469</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(8,425,133)</b>	<b>(8,727,824)</b>	<b>(7,585,715)</b>	<b>1,142,109</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	1,050,000	1,050,000	1,125,152	75,152
Transfers in	8,286,533	8,948,995	7,416,133	(1,532,862)
Transfers out	(911,400)	(1,095,990)	(573,695)	522,295
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>8,425,133</b>	<b>8,903,005</b>	<b>7,967,590</b>	<b>(935,415)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ -</b>	<b>\$ 175,181</b>	<b>381,875</b>	<b>\$ 206,694</b>
<b>FUND BALANCES:</b>				
Beginning of year			6,631,436	
End of year			<u>\$ 7,013,311</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Low and Moderate Income Housing II Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 2,747,000	\$ 2,747,000	\$ 2,679,842	\$ (67,158)
Intergovernmental revenues	-	1,588,337	-	(1,588,337)
Use of money and property	71,244	71,244	69,767	(1,477)
Other revenues	12,400	12,400	821,242	808,842
<b>TOTAL REVENUES</b>	<u>2,830,644</u>	<u>4,418,981</u>	<u>3,570,851</u>	<u>(848,130)</u>
<b>EXPENDITURES</b>				
General Government	-	77,080	59,106	17,974
Community development and services	116,500	9,390,843	2,176,214	7,214,629
<b>TOTAL EXPENDITURES</b>	<u>116,500</u>	<u>9,467,923</u>	<u>2,235,320</u>	<u>7,232,603</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,714,144</u>	<u>(5,048,942)</u>	<u>1,335,531</u>	<u>6,384,473</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	6,122,440	1,288,800	(4,833,640)
Transfers out	-	(2,540,981)	(1,901,000)	639,981
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>3,581,459</u>	<u>(612,200)</u>	<u>(4,193,659)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 2,714,144</u>	<u>\$ (1,467,483)</u>	723,331	<u>\$ 2,190,814</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,970,248</u>	
End of year			<u>\$ 2,693,579</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Special Revenue Redevelopment Agency Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 38,497,000	\$ 38,497,000	\$ 34,813,259	\$ (3,683,741)
Other taxes	-	-	44,206	44,206
Intergovernmental revenues	-	1,112,380	353,500	(758,880)
Use of money and property	516,016	516,016	533,790	17,774
Other revenues	200,000	1,188,778	761,910	(426,868)
<b>TOTAL REVENUES</b>	<b>39,213,016</b>	<b>41,314,174</b>	<b>36,506,665</b>	<b>(4,807,509)</b>
<b>EXPENDITURES</b>				
General Government	11,928,172	11,793,835	10,227,552	1,566,283
Community development and services	3,462,501	7,005,105	4,003,872	3,001,233
General non-departmental	-	50,000	-	50,000
Capital outlay and improvements	-	737,406	618,713	118,693
<b>TOTAL EXPENDITURES</b>	<b>15,390,673</b>	<b>19,586,346</b>	<b>14,850,137</b>	<b>4,736,209</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>23,822,343</b>	<b>21,727,828</b>	<b>21,656,528</b>	<b>(71,300)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	1,450	1,450
Transfers in	2,600,000	5,830,275	2,146,195	(3,684,080)
Transfers out	(3,000,000)	(64,831,917)	(59,788,349)	5,043,568
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(400,000)</b>	<b>(59,001,642)</b>	<b>(57,640,704)</b>	<b>1,360,938</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 23,422,343</b>	<b>\$ (37,273,814)</b>	<b>(35,984,176)</b>	<b>\$ 1,289,638</b>
<b>FUND BALANCES:</b>				
Beginning of year			43,867,166	
End of year			\$ 7,882,990	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Housing Authority Section 8 Special Revenue Fund**

	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 10,000,000	\$ 10,000,000	\$ 10,511,619	\$ 511,619
Use of money and property	85,800	85,800	43,358	(42,442)
Other revenues	883,600	883,600	1,099,935	216,335
<b>TOTAL REVENUES</b>	<u>10,969,400</u>	<u>10,969,400</u>	<u>11,654,912</u>	<u>685,512</u>
<b>EXPENDITURES</b>				
General Government	-	-	1,200,739	(1,200,739)
Community development and services	11,242,248	12,393,455	10,962,106	1,431,349
<b>TOTAL EXPENDITURES</b>	<u>11,242,248</u>	<u>12,393,455</u>	<u>12,162,845</u>	<u>230,610</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (272,848)</u>	<u>\$ (1,424,055)</u>	(507,933)	<u>\$ 916,122</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>2,341,401</u>	
End of year			<u>\$ 1,833,468</u>	

## 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 2010:

Miscellaneous Plan:	(A)	(B)	(C)	(D)	(E)	(F)
Actual 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)
Not Avail						
6/30/2007	\$ 37,534,336	\$ 36,869,328	\$ (665,008)	101.80%	\$ 13,588,991	-4.90%
6/30/2009	\$ -	\$ 37,383,000	\$ (37,383,000)	0%	\$ 18,792,000	

The Safety 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:

Safety Plan:	(A)	(B)	(C)	(D)	(E)	(F)
Actual 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)
6/30/2007	6,826,599,459	7,986,055,176	1,159,455,717	85.5 %	831,607,658	139.4%
6/30/2008	7,464,927,716	8,700,467,733	1,235,540,017	85.8 %	914,840,596	135.1%
6/30/2009	8,027,158,724	9,721,675,347	1,694,516,623	82.6 %	973,814,168	174%

\*Latest information available.



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**SUPPLEMENTARY**

**INFORMATION**





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**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Capital Projects Redevelopment Agency Capital Projects Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 1,604,000	\$ 1,314,294	\$ (289,706)
Other revenues	-	650,000	-	(650,000)
<b>TOTAL REVENUES</b>	-	2,254,000	1,314,294	(939,706)
<b>EXPENDITURES</b>				
General Government	-	5,586	-	5,586
Capital outlay and improvements	-	41,211,652	24,467,049	16,744,603
<b>TOTAL EXPENDITURES</b>	-	41,217,238	24,467,049	16,750,189
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(38,963,238)	(23,152,755)	15,810,483
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	38,963,238	23,152,755	(15,810,483)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	38,963,238	23,152,755	(15,810,483)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	



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# 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.

*Traffic Congestion Relief Fund* -In prior years Traffic Congestion Relief funds were segregated within the Gas Tax Fund. This fund was set up to account for Traffic Congestion Relief Funds separately from the main Gas Tax Revenue Fund.

*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.

*COPS Hiring Recovery Fund* - This fund was established for the federal stimulus grant that was awarded to the City for hiring of additional public safety staff.

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

# NON-MAJOR GOVERNMENTAL FUNDS, Continued

## SPECIAL REVENUE FUNDS, Continued:

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

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

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

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

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

***Veterans Affairs Supportive Housing Fund*** -HUD -Veterans Affairs Supportive housing (VASH) program offers vouchers to homeless veterans for rental assistance and other clinical services on a case-by-case basis.

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

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

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

# NON-MAJOR GOVERNMENTAL FUNDS, Continued

## SPECIAL REVENUE FUNDS, Continued:

*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.

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

**City of Pittsburg**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue		
	Budget Stabilization	Economic Development	Small Cities Grant
<b>ASSETS</b>			
Cash and investments	\$ 7,361,855	\$ 2,051,052	\$ 2,498
Restricted cash and investments with fiscal agents	-	-	-
Receivables:			
Accounts	-	-	18,358
Interest	-	-	-
Loans and notes	-	75,000	1,952,206
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 7,361,855</b>	<b>\$ 2,126,052</b>	<b>\$ 1,973,062</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 48,839	\$ 612
Salaries payable	-	-	1,344
Interest payable	-	-	-
Refundable deposits	-	-	-
Loans payable	-	-	15,000
Due to other agencies	-	-	-
Due to other funds	-	-	301,670
Deferred revenue	-	75,000	1,937,206
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>123,839</b>	<b>2,255,832</b>
<b>FUND BALANCE</b>			
Reserved	7,361,855	2,002,213	(282,770)
<b>TOTAL FUND BALANCE</b>	<b>7,361,855</b>	<b>2,002,213</b>	<b>(282,770)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,361,855</b>	<b>\$ 2,126,052</b>	<b>\$ 1,973,062</b>



Special Revenue						
Gas Tax	Traffic Congestion Relief	Measure C Tax Fund	Lighting and Landscape	Lighting and Landscaping Oak Hill	Miscellaneous Grants	COPS Hiring Recovery
\$ (478)	\$ 839,022	\$ 1,335,834	\$ 504,735	\$ 87,960	\$ 180,501	\$ -
-	-	-	-	-	-	-
99,692	162,698	-	2,676	-	13,975	-
478	219	1,349	858	129	178	-
-	-	-	-	-	-	-
-	-	-	25,591	-	-	-
<u>\$ 99,692</u>	<u>\$ 1,001,939</u>	<u>\$ 1,337,183</u>	<u>\$ 533,860</u>	<u>\$ 88,089</u>	<u>\$ 194,654</u>	<u>\$ -</u>
\$ -	\$ -	\$ 12,035	\$ 87,743	\$ 1,357	\$ 11,011	\$ -
-	-	-	11,913	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	700	-
-	-	-	-	-	-	-
-	-	-	-	-	22,281	-
-	-	-	-	-	-	-
-	-	-	-	-	160,662	-
-	-	12,035	99,656	1,357	194,654	-
99,692	1,001,939	1,325,148	434,204	86,732	-	-
99,692	1,001,939	1,325,148	434,204	86,732	-	-
<u>\$ 99,692</u>	<u>\$ 1,001,939</u>	<u>\$ 1,337,183</u>	<u>\$ 533,860</u>	<u>\$ 88,089</u>	<u>\$ 194,654</u>	<u>\$ -</u>

(Continued)

**City of Pittsburg**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue		
	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant
<b>ASSETS</b>			
Cash and investments	\$ 146,918	\$ 34,469	\$ 65,913
Restricted cash and investments with fiscal agents	-	-	-
Receivables:			
Accounts	-	-	3,151
Interest	215	46	87
Loans and notes	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 147,133</b>	<b>\$ 34,515</b>	<b>\$ 69,151</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 220	\$ -	\$ 16,613
Salaries payable	-	-	-
Interest payable	-	-	-
Refundable deposits	100,190	-	-
Loans payable	-	-	-
Due to other agencies	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	52,538
<b>TOTAL LIABILITIES</b>	<b>100,410</b>	<b>-</b>	<b>69,151</b>
<b>FUND BALANCE</b>			
Reserved	46,723	34,515	-
<b>TOTAL FUND BALANCE</b>	<b>46,723</b>	<b>34,515</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 147,133</b>	<b>\$ 34,515</b>	<b>\$ 69,151</b>

Special Revenue

Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	HUD Veterans Affairs Supportive HSG	Neighborhood Stabilization	CalHome Program	Energy Efficiency and Conservation
\$ 1,636,096	\$ 369,691	\$ 131,646	\$ 426,624	\$ -	\$ 20,110	\$ -
-	-	-	-	-	-	-
-	41,478	300,242	-	-	-	-
1,363	213	-	578	-	43	-
-	-	169,702	-	-	221,040	-
-	-	-	-	-	-	-
<u>\$ 1,637,459</u>	<u>\$ 411,382</u>	<u>\$ 601,590</u>	<u>\$ 427,202</u>	<u>\$ -</u>	<u>\$ 241,193</u>	<u>\$ -</u>
\$ 1,219	\$ 6,064	\$ 110,425	\$ -	\$ -	\$ 1,800	\$ -
1,042	2,662	869	-	-	-	-
-	-	-	-	-	-	-
2,824	-	-	-	-	-	-
-	-	169,702	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	298,725	-	-	221,040	-
5,085	8,726	579,721	-	-	222,840	-
<u>1,632,374</u>	<u>402,656</u>	<u>21,869</u>	<u>427,202</u>	<u>-</u>	<u>18,353</u>	<u>-</u>
<u>1,632,374</u>	<u>402,656</u>	<u>21,869</u>	<u>427,202</u>	<u>-</u>	<u>18,353</u>	<u>-</u>
<u>\$ 1,637,459</u>	<u>\$ 411,382</u>	<u>\$ 601,590</u>	<u>\$ 427,202</u>	<u>\$ -</u>	<u>\$ 241,193</u>	<u>\$ -</u>

(Continued)

**City of Pittsburg**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Special Revenue		
	San Marco CFD 2004-1	Solid Waste	Vista Del Mar CFD 2005-2
<b>ASSETS</b>			
Cash and investments	\$ 58,275	\$ 403,785	\$ 3,034
Restricted cash and investments with fiscal agents	-	-	-
Receivables:			
Accounts	-	94,747	-
Interest	104	831	9
Loans and notes	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 58,379</b>	<b>\$ 499,363</b>	<b>\$ 3,043</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 45,835	\$ -
Salaries payable	978	106	361
Interest payable	-	-	-
Refundable deposits	-	-	-
Loans payable	-	-	-
Due to other agencies	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
<b>TOTAL LIABILITIES</b>	<b>978</b>	<b>45,941</b>	<b>361</b>
<b>FUND BALANCE</b>			
Reserved	57,401	453,422	2,682
<b>TOTAL FUND BALANCE</b>	<b>57,401</b>	<b>453,422</b>	<b>2,682</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 58,379</b>	<b>\$ 499,363</b>	<b>\$ 3,043</b>

Special Revenue		Debt Service		Capital Projects		
Public Safety CFD 2005-1	Park Maintenance CFD 2007-1	Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local ST Road Impr	Kirker Creek Drainage Fees
\$ 14,087	\$ 27,001	\$ 46,686	\$ 485,484	\$ 568,055	\$ 902,562	\$ 1,342,590
-	-	1,042,716	-	-	-	-
-	27,273	-	-	-	-	-
17	40	219	680	919	758	1,106
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 14,104</u>	<u>\$ 54,314</u>	<u>\$ 1,089,621</u>	<u>\$ 486,164</u>	<u>\$ 568,974</u>	<u>\$ 903,320</u>	<u>\$ 1,343,696</u>
\$ -	\$ 67	\$ -	\$ -	\$ -	\$ 90,540	\$ -
786	120	-	-	-	-	-
-	-	978,643	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	161,164	-	-	-	-	-
-	-	-	119,392	-	-	-
<u>786</u>	<u>161,351</u>	<u>978,643</u>	<u>119,392</u>	<u>-</u>	<u>90,540</u>	<u>-</u>
<u>13,318</u>	<u>(107,037)</u>	<u>110,978</u>	<u>366,772</u>	<u>568,974</u>	<u>812,780</u>	<u>1,343,696</u>
<u>13,318</u>	<u>(107,037)</u>	<u>110,978</u>	<u>366,772</u>	<u>568,974</u>	<u>812,780</u>	<u>1,343,696</u>
<u>\$ 14,104</u>	<u>\$ 54,314</u>	<u>\$ 1,089,621</u>	<u>\$ 486,164</u>	<u>\$ 568,974</u>	<u>\$ 903,320</u>	<u>\$ 1,343,696</u>

(Continued)

**City of Pittsburg**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	Capital Projects		
	Capital Improvement	Traffic Mitigation	Park Dedication
<b>ASSETS</b>			
Cash and investments	\$ 705,191	\$ 4,820,171	\$ 2,639,985
Restricted cash and investments with fiscal agents	4,370	-	-
Receivables:			
Accounts	-	-	-
Interest	-	4,220	2,350
Loans and notes	-	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 709,561</b>	<b>\$ 4,824,391</b>	<b>\$ 2,642,335</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 1,070	\$ 65,503	\$ 40,131
Salaries payable	-	-	-
Interest payable	-	-	-
Refundable deposits	48,209	-	-
Loans payable	-	-	-
Due to other agencies	-	-	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
<b>TOTAL LIABILITIES</b>	<b>49,279</b>	<b>65,503</b>	<b>40,131</b>
<b>FUND BALANCE</b>			
Reserved	660,282	4,758,888	2,602,204
<b>TOTAL FUND BALANCE</b>	<b>660,282</b>	<b>4,758,888</b>	<b>2,602,204</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 709,561</b>	<b>\$ 4,824,391</b>	<b>\$ 2,642,335</b>

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Capital Projects

<u>Community Capital Improvement</u>	<u>Total Non-Major Governmental Funds</u>
\$ 15,392,467	\$ 42,603,819
545,225	1,592,311
-	764,290
13,276	30,285
-	2,417,948
-	25,591
<u>\$ 15,950,968</u>	<u>\$ 47,434,244</u>

\$ 444,206	\$ 985,290
-	20,181
-	978,643
-	151,923
-	184,702
-	22,281
-	462,834
-	2,864,563
<u>444,206</u>	<u>5,670,417</u>

<u>15,506,762</u>	<u>41,763,827</u>
<u>15,506,762</u>	<u>41,763,827</u>
<u>\$ 15,950,968</u>	<u>\$ 47,434,244</u>

**City of Pittsburg**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2010**

	Special Revenue		
	Budget Stabilization	Economic Development	Small Cities Grant
<b>REVENUES</b>			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Permits, licenses and fees	-	-	-
Special assessments	-	-	-
Service fees	-	-	-
Use of money and property	-	-	9,569
Other revenues	-	75,000	14,395
<b>TOTAL REVENUES</b>	-	75,000	23,964
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Human resources	-	-	-
Community development and services	-	(70,032)	295,541
Public safety	-	-	-
Public works - streets	-	-	-
Capital outlay and improvements	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>TOTAL EXPENDITURES</b>	-	(70,032)	295,541
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	145,032	(271,577)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	71,098
Transfers out	(50,000)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(50,000)	-	71,098
<b>NET CHANGE IN FUND BALANCES</b>	(50,000)	145,032	(200,479)
<b>FUND BALANCES:</b>			
Beginning of year	7,411,855	1,857,181	(82,291)
End of year	\$ 7,361,855	\$ 2,002,213	\$ (282,770)



Special Revenue

Gas Tax	Traffic Congestion Relief	Measure C Tax Fund	Lighting and Landscape	Lighting and Landscaping Oak Hill	Miscellaneous Grants	COPS Hiring Recovery
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,051,055	579,682	612,169	-	-	149,028	82,166
-	-	-	-	-	-	-
-	-	-	2,674,280	33,959	-	-
-	-	-	-	-	-	-
2,051	432	9,981	1,241	659	564	-
-	-	-	3,006	-	975	-
<u>1,053,106</u>	<u>580,114</u>	<u>622,150</u>	<u>2,678,527</u>	<u>34,618</u>	<u>150,567</u>	<u>82,166</u>
-	-	-	33,467	-	-	-
-	-	-	-	-	975	-
-	-	14,810	-	-	6,300	-
-	-	-	-	-	143,292	-
30,340	120,394	-	3,287,048	37,329	-	-
-	-	-	-	22,870	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>30,340</u>	<u>120,394</u>	<u>14,810</u>	<u>3,320,515</u>	<u>60,199</u>	<u>150,567</u>	<u>-</u>
<u>1,022,766</u>	<u>459,720</u>	<u>607,340</u>	<u>(641,988)</u>	<u>(25,581)</u>	<u>-</u>	<u>82,166</u>
-	-	-	564,200	-	-	-
(922,434)	-	(729,281)	-	-	-	(82,166)
(922,434)	-	(729,281)	564,200	-	-	(82,166)
100,332	459,720	(121,941)	(77,788)	(25,581)	-	-
(640)	542,219	1,447,089	511,992	112,313	-	-
<u>\$ 99,692</u>	<u>\$ 1,001,939</u>	<u>\$ 1,325,148</u>	<u>\$ 434,204</u>	<u>\$ 86,732</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

# City of Pittsburg

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the year ended June 30, 2010

	Special Revenue		
	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant
<b>REVENUES</b>			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	38,296
Permits, licenses and fees	-	-	-
Special assessments	-	-	-
Service fees	-	34,460	-
Use of money and property	699	55	417
Other revenues	45,709	-	-
<b>TOTAL REVENUES</b>	<b>46,408</b>	<b>34,515</b>	<b>38,713</b>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Human resources	-	-	-
Community development and services	-	-	22,927
Public safety	15,505	-	15,786
Public works - streets	-	-	-
Capital outlay and improvements	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>15,505</b>	<b>-</b>	<b>38,713</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>30,903</b>	<b>34,515</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>30,903</b>	<b>34,515</b>	<b>-</b>
<b>FUND BALANCES:</b>			
Beginning of year	15,820	-	-
End of year	\$ 46,723	\$ 34,515	\$ -

Special Revenue

Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	HUD Veterans Affairs Supportive HSG	Neighborhood Stabilization	CalHome Program	Energy Efficiency and Conservation
\$ 510,811	\$ 817,428	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	592,644	300,752	87,877	242,000	20,734
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,377	286	-	2,687	7	273	-
-	2,952	-	-	-	-	-
<u>519,188</u>	<u>820,666</u>	<u>592,644</u>	<u>303,439</u>	<u>87,884</u>	<u>242,273</u>	<u>20,734</u>
-	176,020	-	-	-	-	-
-	-	-	-	-	-	-
228,199	-	403,501	247,623	42,095	221,040	20,734
-	19,640	-	-	-	-	-
-	537,195	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>228,199</u>	<u>732,855</u>	<u>403,501</u>	<u>247,623</u>	<u>42,095</u>	<u>221,040</u>	<u>20,734</u>
<u>290,989</u>	<u>87,811</u>	<u>189,143</u>	<u>55,816</u>	<u>45,789</u>	<u>21,233</u>	<u>-</u>
-	200,000	-	-	-	-	-
(40,000)	(90,000)	(187,048)	-	(45,789)	(2,880)	-
<u>(40,000)</u>	<u>110,000</u>	<u>(187,048)</u>	<u>-</u>	<u>(45,789)</u>	<u>(2,880)</u>	<u>-</u>
250,989	197,811	2,095	55,816	-	18,353	-
<u>1,381,385</u>	<u>204,845</u>	<u>19,774</u>	<u>371,386</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,632,374</u>	<u>\$ 402,656</u>	<u>\$ 21,869</u>	<u>\$ 427,202</u>	<u>\$ -</u>	<u>\$ 18,353</u>	<u>\$ -</u>

(Continued)

# City of Pittsburg

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the year ended June 30, 2010

	Special Revenue		
	San Marco CFD 2004-1	Solid Waste	Vista Del Mar CFD 2005-2
<b>REVENUES</b>			
Other taxes	\$ -	\$ -	\$ 53,094
Intergovernmental revenues	-	-	-
Permits, licenses and fees	-	-	-
Special assessments	206,156	-	-
Service fees	-	379,489	-
Use of money and property	120	3,204	19
Other revenues	-	880	-
<b>TOTAL REVENUES</b>	<u>206,276</u>	<u>383,573</u>	<u>53,113</u>
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Human resources	-	-	-
Community development and services	-	151,842	-
Public safety	166,501	46,800	60,956
Public works - streets	-	-	-
Capital outlay and improvements	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	4,355	-	3,576
<b>TOTAL EXPENDITURES</b>	<u>170,856</u>	<u>198,642</u>	<u>64,532</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>35,420</u>	<u>184,931</u>	<u>(11,419)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	(215,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(215,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>35,420</u>	<u>(30,069)</u>	<u>(11,419)</u>
<b>FUND BALANCES:</b>			
Beginning of year	21,981	483,491	14,101
End of year	<u>\$ 57,401</u>	<u>\$ 453,422</u>	<u>\$ 2,682</u>

Special Revenue		Debt Service		Capital Projects		
Public Safety CFD 2005-1	Park Maintenance CFD 2007-1	Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local ST Road Impr	Kirker Creek Drainage Fees
\$ 122,290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	27,273	-	-	-	-	-
-	-	-	-	-	-	18,986
-	8,687	-	-	-	-	-
-	-	2,132,292	-	-	-	-
31	178	3,880	3,097	5,367	8,763	7,960
-	-	-	-	-	1,215	-
<u>122,321</u>	<u>36,138</u>	<u>2,136,172</u>	<u>3,097</u>	<u>5,367</u>	<u>9,978</u>	<u>26,946</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
131,503	-	-	-	-	-	-
-	48,524	-	-	325,471	-	-
-	-	-	-	-	1,007,272	60,452
-	-	283,911	-	-	-	-
4,715	2,443	1,788,259	-	-	-	-
<u>136,218</u>	<u>50,967</u>	<u>2,072,170</u>	<u>-</u>	<u>325,471</u>	<u>1,007,272</u>	<u>60,452</u>
<u>(13,897)</u>	<u>(14,829)</u>	<u>64,002</u>	<u>3,097</u>	<u>(320,104)</u>	<u>(997,294)</u>	<u>(33,506)</u>
-	-	-	-	-	14,381	-
-	-	-	-	-	(93,000)	(8,144)
-	-	-	-	-	(78,619)	(8,144)
<u>(13,897)</u>	<u>(14,829)</u>	<u>64,002</u>	<u>3,097</u>	<u>(320,104)</u>	<u>(1,075,913)</u>	<u>(41,650)</u>
27,215	(92,208)	46,976	363,675	889,078	1,888,693	1,385,346
<u>\$ 13,318</u>	<u>\$ (107,037)</u>	<u>\$ 110,978</u>	<u>\$ 366,772</u>	<u>\$ 568,974</u>	<u>\$ 812,780</u>	<u>\$ 1,343,696</u>

(Continued)

# City of Pittsburgh

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances Non-Major Governmental Funds For the year ended June 30, 2010

	Capital Projects		
	Capital Improvement	Traffic Mitigation	Park Dedication
<b>REVENUES</b>			
Other taxes	\$ -	\$ -	\$ -
Intergovernmental revenues	-	9,913	-
Permits, licenses and fees	-	497,545	23,654
Special assessments	-	-	-
Service fees	-	-	-
Use of money and property	-	26,005	19,674
Other revenues	-	1,079,662	2,115
<b>TOTAL REVENUES</b>	-	1,613,125	45,443
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	-
Human resources	-	-	-
Community development and services	-	-	-
Public safety	-	-	-
Public works - streets	-	-	5,407
Capital outlay and improvements	16,211	339,099	1,004,418
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>TOTAL EXPENDITURES</b>	16,211	339,099	1,009,825
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(16,211)	1,274,026	(964,382)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	16,211	274,009	37,216
Transfers out	-	(500,053)	(50,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	16,211	(226,044)	(12,784)
<b>NET CHANGE IN FUND BALANCES</b>	-	1,047,982	(977,166)
<b>FUND BALANCES:</b>			
Beginning of year	660,282	3,710,906	3,579,370
End of year	\$ 660,282	\$ 4,758,888	\$ 2,602,204

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Capital Projects

<u>Community Capital Improvement</u>	<u>Total Non-Major Governmental Funds</u>
\$ -	\$ 1,503,623
-	3,793,589
-	540,185
-	2,923,082
-	2,546,241
56,449	172,045
3,740	1,229,649
<u>60,189</u>	<u>12,708,414</u>
-	209,487
-	975
1,064,974	2,649,554
-	599,983
-	4,391,708
945,128	3,395,450
-	283,911
-	1,803,348
<u>2,010,102</u>	<u>13,334,416</u>
<u>(1,949,913)</u>	<u>(626,002)</u>
17,456,675	18,633,790
-	(3,015,795)
<u>17,456,675</u>	<u>15,617,995</u>
15,506,762	14,991,993
-	26,771,834
<u>\$ 15,506,762</u>	<u>\$ 41,763,827</u>

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Budget Stabilization Special Revenue Fund**

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	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	\$ (1,022,000)	\$ (1,072,000)	\$ (50,000)	\$ 1,022,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,022,000)</u>	<u>(1,072,000)</u>	<u>(50,000)</u>	<u>1,022,000</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ (1,022,000)</u>	<u>\$ (1,072,000)</u>	(50,000)	<u>\$ 1,022,000</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>7,411,855</u>	
End of year			<u>\$ 7,361,855</u>	



**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Economic Development Special Revenue Fund**

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	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Other revenues	\$ -	\$ -	\$ 75,000	\$ 75,000
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
<b>EXPENDITURES</b>				
Community development and services	400,000	470,000	(70,032)	540,032
<b>TOTAL EXPENDITURES</b>	<u>400,000</u>	<u>470,000</u>	<u>(70,032)</u>	<u>540,032</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (400,000)</u>	<u>\$ (470,000)</u>	145,032	<u>\$ 615,032</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,857,181</u>	
End of year			<u>\$ 2,002,213</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Small Cities Grant Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 24,720	\$ 24,720	\$ 9,569	\$ (15,151)
Other revenues	300,000	300,000	14,395	(285,605)
<b>TOTAL REVENUES</b>	<u>324,720</u>	<u>324,720</u>	<u>23,964</u>	<u>(300,756)</u>
<b>EXPENDITURES</b>				
Community development and services	400,629	400,629	295,541	105,088
<b>TOTAL EXPENDITURES</b>	<u>400,629</u>	<u>400,629</u>	<u>295,541</u>	<u>105,088</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(75,909)</u>	<u>(75,909)</u>	<u>(271,577)</u>	<u>(195,668)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	150,924	150,924	71,098	(79,826)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>150,924</u>	<u>150,924</u>	<u>71,098</u>	<u>(79,826)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 75,015</u>	<u>\$ 75,015</u>	<u>(200,479)</u>	<u>\$ (275,494)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>(82,291)</u>	
End of year			<u>\$ (282,770)</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Gas Tax Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,004,500	\$ 1,004,500	\$ 1,051,055	\$ 46,555
Use of money and property	4,800	4,800	2,051	(2,749)
<b>TOTAL REVENUES</b>	<u>1,009,300</u>	<u>1,009,300</u>	<u>1,053,106</u>	<u>43,806</u>
<b>EXPENDITURES</b>				
Public works - streets	50,000	50,000	30,340	19,660
<b>TOTAL EXPENDITURES</b>	<u>50,000</u>	<u>50,000</u>	<u>30,340</u>	<u>19,660</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>959,300</u>	<u>959,300</u>	<u>1,022,766</u>	<u>63,466</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(959,300)	(959,300)	(922,434)	36,866
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(959,300)</u>	<u>(959,300)</u>	<u>(922,434)</u>	<u>36,866</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	100,332	<u>\$ 100,332</u>
<b>FUND BALANCES:</b>				
Beginning of year			(640)	
End of year			<u>\$ 99,692</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Traffic Congestion Relief Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ -	\$ 579,682	\$ 579,682
Use of money and property	-	-	432	432
<b>TOTAL REVENUES</b>	-	-	580,114	580,114
<b>EXPENDITURES</b>				
Public works - streets	-	499,500	120,394	379,106
<b>TOTAL EXPENDITURES</b>	-	499,500	120,394	379,106
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ (499,500)</u>	459,720	<u>\$ 959,220</u>
<b>FUND BALANCES:</b>				
Beginning of year			542,219	
End of year			<u>\$ 1,001,939</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Measure C Tax Fund Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 700,000	\$ 700,000	\$ 612,169	\$ (87,831)
Use of money and property	30,000	30,000	9,981	(20,019)
<b>TOTAL REVENUES</b>	<u>730,000</u>	<u>730,000</u>	<u>622,150</u>	<u>(107,850)</u>
<b>EXPENDITURES</b>				
Community development and services	30,000	30,000	14,810	15,190
General non-departmental	-	153,624	-	153,624
Capital outlay and improvements	-	38,000	-	38,000
<b>TOTAL EXPENDITURES</b>	<u>30,000</u>	<u>221,624</u>	<u>14,810</u>	<u>206,814</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>700,000</u>	<u>508,376</u>	<u>607,340</u>	<u>98,964</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(714,900)	(714,900)	(729,281)	(14,381)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(714,900)</u>	<u>(714,900)</u>	<u>(729,281)</u>	<u>(14,381)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (14,900)</u>	<u>\$ (206,524)</u>	<u>(121,941)</u>	<u>\$ 84,583</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,447,089</u>	
End of year			<u>\$ 1,325,148</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Lighting and Landscape Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Special assessments	\$ 2,740,000	\$ 2,740,000	\$ 2,674,280	\$ (65,720)
Use of money and property	-	-	1,241	1,241
Other revenues	-	-	3,006	3,006
<b>TOTAL REVENUES</b>	<u>2,740,000</u>	<u>2,740,000</u>	<u>2,678,527</u>	<u>(61,473)</u>
<b>EXPENDITURES</b>				
General Government	61,200	61,200	33,467	27,733
Public works - streets	3,667,046	3,667,046	3,287,048	379,998
<b>TOTAL EXPENDITURES</b>	<u>3,728,246</u>	<u>3,728,246</u>	<u>3,320,515</u>	<u>407,731</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(988,246)</u>	<u>(988,246)</u>	<u>(641,988)</u>	<u>346,258</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	994,200	994,200	564,200	(430,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>994,200</u>	<u>994,200</u>	<u>564,200</u>	<u>(430,000)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 5,954</u>	<u>\$ 5,954</u>	<u>(77,788)</u>	<u>\$ (83,742)</u>
<b>FUND BALANCES:</b>				
Beginning of year			511,992	
End of year			<u>\$ 434,204</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Lighting and Landscaping Oak Hill Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Special assessments	\$ 33,959	\$ 33,959	\$ 33,959	\$ -
Use of money and property	1,441	1,441	659	(782)
<b>TOTAL REVENUES</b>	<u>35,400</u>	<u>35,400</u>	<u>34,618</u>	<u>(782)</u>
<b>EXPENDITURES</b>				
Public works - streets	53,095	53,095	37,329	15,766
General non-departmental	-	38,560	-	38,560
Capital outlay and improvements	-	25,000	22,870	2,130
<b>TOTAL EXPENDITURES</b>	<u>53,095</u>	<u>116,655</u>	<u>60,199</u>	<u>56,456</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (17,695)</u>	<u>\$ (81,255)</u>	(25,581)	<u>\$ 55,674</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>112,313</u>	
End of year			<u>\$ 86,732</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Miscellaneous Grants Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 241,707	\$ 149,028	\$ (92,679)
Use of money and property	-	-	564	564
Other revenues	-	5,000	975	(4,025)
<b>TOTAL REVENUES</b>	<b>-</b>	<b>246,707</b>	<b>150,567</b>	<b>(96,140)</b>
<b>EXPENDITURES</b>				
Human resources	-	5,000	975	4,025
Community development and services	-	10,450	6,300	4,150
Public safety	-	332,083	143,292	188,791
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>347,533</b>	<b>150,567</b>	<b>196,966</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ -</b>	<b>\$ (100,826)</b>	<b>-</b>	<b>\$ 100,826</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	



**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**COPS Hiring Recovery Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 270,000	\$ 270,000	\$ 82,166	\$ (187,834)
<b>TOTAL REVENUES</b>	<u>270,000</u>	<u>270,000</u>	<u>82,166</u>	<u>(187,834)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(270,000)	(270,000)	(82,166)	187,834
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(270,000)</u>	<u>(270,000)</u>	<u>(82,166)</u>	<u>187,834</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Assets Seizure Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 3,500	\$ 3,500	\$ 699	\$ (2,801)
Other revenues	-	-	45,709	45,709
<b>TOTAL REVENUES</b>	<u>3,500</u>	<u>3,500</u>	<u>46,408</u>	<u>42,908</u>
<b>EXPENDITURES</b>				
Public safety	-	-	15,505	(15,505)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>15,505</u>	<u>(15,505)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 3,500</u>	<u>\$ 3,500</u>	30,903	<u>\$ 27,403</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>15,820</u>	
End of year			<u>\$ 46,723</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Marina Vista Field Replacement Special Revenue Fund**

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	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Service fees	\$ -	\$ -	\$ 34,460	\$ 34,460
Use of money and property	-	-	55	55
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>34,515</u>	<u>34,515</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ -</u>	34,515	<u>\$ 34,515</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 34,515</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Local Law Enforcement Block Grant Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 23,871	\$ 38,296	\$ 14,425
Use of money and property	-	-	417	417
<b>TOTAL REVENUES</b>	-	23,871	38,713	14,842
<b>EXPENDITURES</b>				
Community development and services	-	71,598	22,927	48,671
Public safety	-	17,112	15,786	1,326
<b>TOTAL EXPENDITURES</b>	-	88,710	38,713	49,997
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ (64,839)</u>	-	<u>\$ 64,839</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Southwest Pittsburg GHAD II Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Other taxes	\$ 490,000	\$ 490,000	\$ 510,811	\$ 20,811
Use of money and property	23,900	23,900	8,377	(15,523)
<b>TOTAL REVENUES</b>	<u>513,900</u>	<u>513,900</u>	<u>519,188</u>	<u>5,288</u>
<b>EXPENDITURES</b>				
Community development and services	324,800	324,800	228,199	96,601
General non-departmental	-	119,900	-	119,900
<b>TOTAL EXPENDITURES</b>	<u>324,800</u>	<u>444,700</u>	<u>228,199</u>	<u>216,501</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>189,100</u>	<u>69,200</u>	<u>290,989</u>	<u>221,789</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(40,000)	(169,900)	(40,000)	129,900
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(40,000)</u>	<u>(169,900)</u>	<u>(40,000)</u>	<u>129,900</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 149,100</u>	<u>\$ (100,700)</u>	250,989	<u>\$ 351,689</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,381,385</u>	
End of year			<u>\$ 1,632,374</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Storm Water Utility NPDES Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Other taxes	\$ 806,200	\$ 806,200	\$ 817,428	\$ 11,228
Use of money and property	1,000	1,000	286	(714)
Other revenues	-	-	2,952	2,952
<b>TOTAL REVENUES</b>	<u>807,200</u>	<u>807,200</u>	<u>820,666</u>	<u>13,466</u>
<b>EXPENDITURES</b>				
General Government	271,100	271,100	176,020	95,080
Public safety	31,900	31,900	19,640	12,260
Public works - streets	614,482	614,482	537,195	77,287
<b>TOTAL EXPENDITURES</b>	<u>917,482</u>	<u>917,482</u>	<u>732,855</u>	<u>184,627</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(110,282)</u>	<u>(110,282)</u>	<u>87,811</u>	<u>198,093</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	200,000	200,000	200,000	-
Transfers out	(90,000)	(90,000)	(90,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (282)</u>	<u>\$ (282)</u>	<u>197,811</u>	<u>\$ 198,093</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>204,845</u>	
End of year			<u>\$ 402,656</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**HUD Community Development Block Grant Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 647,235	\$ 927,319	\$ 592,644	\$ (334,675)
<b>TOTAL REVENUES</b>	<u>647,235</u>	<u>927,319</u>	<u>592,644</u>	<u>(334,675)</u>
<b>EXPENDITURES</b>				
Community development and services	490,674	753,324	403,501	349,823
<b>TOTAL EXPENDITURES</b>	<u>490,674</u>	<u>753,324</u>	<u>403,501</u>	<u>349,823</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>156,561</u>	<u>173,995</u>	<u>189,143</u>	<u>15,148</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(188,548)	(188,548)	(187,048)	1,500
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(188,548)</u>	<u>(188,548)</u>	<u>(187,048)</u>	<u>1,500</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (31,987)</u>	<u>\$ (14,553)</u>	2,095	<u>\$ 16,648</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>19,774</u>	
End of year			<u>\$ 21,869</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**HUD Veterans Affairs Supportive HSG Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 260,639	\$ 260,639	\$ 300,752	\$ 40,113
Use of money and property	4,640	4,640	2,687	(1,953)
<b>TOTAL REVENUES</b>	<u>265,279</u>	<u>265,279</u>	<u>303,439</u>	<u>38,160</u>
<b>EXPENDITURES</b>				
Community development and services	260,639	260,639	247,623	13,016
<b>TOTAL EXPENDITURES</b>	<u>260,639</u>	<u>260,639</u>	<u>247,623</u>	<u>13,016</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 4,640</u>	<u>\$ 4,640</u>	55,816	<u>\$ 51,176</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>371,386</u>	
End of year			<u>\$ 427,202</u>	



**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Neighborhood Stabilization Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,718,486	\$ 1,718,486	\$ 87,877	\$ (1,630,609)
Use of money and property	-	-	7	7
<b>TOTAL REVENUES</b>	<u>1,718,486</u>	<u>1,718,486</u>	<u>87,884</u>	<u>(1,630,602)</u>
<b>EXPENDITURES</b>				
Community development and services	1,632,562	1,632,562	42,095	1,590,467
<b>TOTAL EXPENDITURES</b>	<u>1,632,562</u>	<u>1,632,562</u>	<u>42,095</u>	<u>1,590,467</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>85,924</u>	<u>85,924</u>	<u>45,789</u>	<u>(40,135)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(85,924)	(85,924)	(45,789)	40,135
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(85,924)</u>	<u>(85,924)</u>	<u>(45,789)</u>	<u>40,135</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u><u>\$ -</u></u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**CalHome Program Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 585,000	\$ 585,000	\$ 242,000	\$ (343,000)
Use of money and property	-	-	273	273
Other revenues	15,000	15,000	-	(15,000)
<b>TOTAL REVENUES</b>	<u>600,000</u>	<u>600,000</u>	<u>242,273</u>	<u>(357,727)</u>
<b>EXPENDITURES</b>				
Community development and services	585,000	585,000	221,040	363,960
<b>TOTAL EXPENDITURES</b>	<u>585,000</u>	<u>585,000</u>	<u>221,040</u>	<u>363,960</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>15,000</u>	<u>15,000</u>	<u>21,233</u>	<u>6,233</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(15,000)	(15,000)	(2,880)	12,120
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(15,000)</u>	<u>(15,000)</u>	<u>(2,880)</u>	<u>12,120</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	18,353	<u>\$ 18,353</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ 18,353</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Energy Efficiency and Conservation Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 565,000	\$ 20,734	\$ (544,266)
NOT CODED	-	147,785	-	(147,785)
<b>TOTAL REVENUES</b>	-	712,785	20,734	(692,051)
<b>EXPENDITURES</b>				
Community development and services	-	762,785	20,734	742,051
<b>TOTAL EXPENDITURES</b>	-	762,785	20,734	742,051
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(50,000)	-	50,000
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	50,000	-	(50,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	50,000	-	(50,000)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**San Marco CFD 2004-1 Special Revenue Fund**

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	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Special assessments	\$ 162,000	\$ 162,000	\$ 206,156	\$ 44,156
Use of money and property	380	380	120	(260)
<b>TOTAL REVENUES</b>	<u>162,380</u>	<u>162,380</u>	<u>206,276</u>	<u>43,896</u>
<b>EXPENDITURES</b>				
Public safety	152,640	152,640	166,501	(13,861)
Interest and fiscal charges	7,000	7,000	4,355	2,645
<b>TOTAL EXPENDITURES</b>	<u>159,640</u>	<u>159,640</u>	<u>170,856</u>	<u>(11,216)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 2,740</u>	<u>\$ 2,740</u>	35,420	<u>\$ 32,680</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>21,981</u>	
End of year			<u>\$ 57,401</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Solid Waste Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Service fees	\$ 414,000	\$ 414,000	\$ 379,489	\$ (34,511)
Use of money and property	6,000	6,000	3,204	(2,796)
Other revenues	-	-	880	880
<b>TOTAL REVENUES</b>	<u>420,000</u>	<u>420,000</u>	<u>383,573</u>	<u>(36,427)</u>
<b>EXPENDITURES</b>				
Community development and services	175,296	175,296	151,842	23,454
Public safety	51,637	51,637	46,800	4,837
<b>TOTAL EXPENDITURES</b>	<u>226,933</u>	<u>226,933</u>	<u>198,642</u>	<u>28,291</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>193,067</u>	<u>193,067</u>	<u>184,931</u>	<u>(8,136)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(215,000)	(215,000)	(215,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(215,000)</u>	<u>(215,000)</u>	<u>(215,000)</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (21,933)</u>	<u>\$ (21,933)</u>	<u>(30,069)</u>	<u>\$ (8,136)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>483,491</u>	
End of year			<u>\$ 453,422</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Vista Del Mar CFD 2005-2 Special Revenue Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Other taxes	\$ 48,000	\$ 48,000	\$ 53,094	\$ 5,094
Use of money and property	180	180	19	(161)
<b>TOTAL REVENUES</b>	<u>48,180</u>	<u>48,180</u>	<u>53,113</u>	<u>4,933</u>
<b>EXPENDITURES</b>				
Public safety	57,010	57,010	60,956	(3,946)
Interest and fiscal charges	6,000	6,000	3,576	2,424
<b>TOTAL EXPENDITURES</b>	<u>63,010</u>	<u>63,010</u>	<u>64,532</u>	<u>(1,522)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (14,830)</u>	<u>\$ (14,830)</u>	(11,419)	<u>\$ 3,411</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>14,101</u>	
End of year			<u>\$ 2,682</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Public Safety CFD 2005-1 Special Revenue Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Other taxes	\$ 113,000	\$ 113,000	\$ 122,290	\$ 9,290
Use of money and property	550	550	31	(519)
<b>TOTAL REVENUES</b>	<u>113,550</u>	<u>113,550</u>	<u>122,321</u>	<u>8,771</u>
<b>EXPENDITURES</b>				
Public safety	123,130	123,130	131,503	(8,373)
Interest and fiscal charges	10,000	10,000	4,715	5,285
<b>TOTAL EXPENDITURES</b>	<u>133,130</u>	<u>133,130</u>	<u>136,218</u>	<u>(3,088)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (19,580)</u>	<u>\$ (19,580)</u>	(13,897)	<u>\$ 5,683</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>27,215</u>	
End of year			<u>\$ 13,318</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Park Maintenance CFD 2007-1 Special Revenue Fund**

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	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 30,000	\$ 30,000	\$ 27,273	\$ (2,727)
Special assessments	7,000	7,000	8,687	1,687
Use of money and property	1,100	1,100	178	(922)
<b>TOTAL REVENUES</b>	<u>38,100</u>	<u>38,100</u>	<u>36,138</u>	<u>(1,962)</u>
<b>EXPENDITURES</b>				
Public works - streets	56,330	56,330	48,524	7,806
Interest and fiscal charges	3,000	3,000	2,443	557
<b>TOTAL EXPENDITURES</b>	<u>59,330</u>	<u>59,330</u>	<u>50,967</u>	<u>8,363</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (21,230)</u>	<u>\$ (21,230)</u>	(14,829)	<u>\$ 6,401</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>(92,208)</u>	
End of year			<u>\$ (107,037)</u>	



**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Pension Obligations Debt Service Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Service fees	\$ 2,132,000	\$ 2,132,000	\$ 2,132,292	\$ 292
Use of money and property	3,309	3,309	3,880	571
<b>TOTAL REVENUES</b>	<u>2,135,309</u>	<u>2,135,309</u>	<u>2,136,172</u>	<u>863</u>
<b>EXPENDITURES</b>				
Principal retirement	348,911	348,911	283,911	65,000
Interest and fiscal charges	1,786,398	1,786,398	1,788,259	(1,861)
<b>TOTAL EXPENDITURES</b>	<u>2,135,309</u>	<u>2,135,309</u>	<u>2,072,170</u>	<u>63,139</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	64,002	<u>\$ 64,002</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>46,976</u>	
End of year			<u>\$ 110,978</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Inclusionary Housing Capital Projects Fund**

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	<u>Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance from Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Use of money and property	\$ 9,900	\$ 9,900	\$ 3,097	\$ (6,803)
<b>TOTAL REVENUES</b>	<u>9,900</u>	<u>9,900</u>	<u>3,097</u>	<u>(6,803)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 9,900</u>	<u>\$ 9,900</u>	3,097	<u>\$ (6,803)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>363,675</u>	
End of year			<u>\$ 366,772</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Traffic Impact Fair Share Capital Projects Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 19,800	\$ 19,800	\$ 5,367	\$ (14,433)
<b>TOTAL REVENUES</b>	<u>19,800</u>	<u>19,800</u>	<u>5,367</u>	<u>(14,433)</u>
<b>EXPENDITURES</b>				
Public works - streets	-	-	325,471	(325,471)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>325,471</u>	<u>(325,471)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 19,800</u>	<u>\$ 19,800</u>	(320,104)	<u>\$ (339,904)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>889,078</u>	
End of year			<u>\$ 568,974</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Proposition 1B Local ST Road Impr Capital Projects Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 936,000	\$ 936,000	\$ -	\$ (936,000)
Use of money and property	22,700	22,700	8,763	(13,937)
Other revenues	-	-	1,215	1,215
<b>TOTAL REVENUES</b>	<u>958,700</u>	<u>958,700</u>	<u>9,978</u>	<u>(948,722)</u>
<b>EXPENDITURES</b>				
Public works - streets	-	1,920,975	-	1,920,975
Capital outlay and improvements	-	-	1,007,272	(1,007,272)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>1,920,975</u>	<u>1,007,272</u>	<u>913,703</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>958,700</u>	<u>(962,275)</u>	<u>(97,294)</u>	<u>(35,019)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	153,624	14,381	(139,243)
Transfers out	(93,000)	(93,000)	(93,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(93,000)</u>	<u>60,624</u>	<u>(78,619)</u>	<u>(139,243)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 865,700</u>	<u>\$ (901,651)</u>	<u>(1,075,913)</u>	<u>\$ (174,262)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,888,693</u>	
End of year			<u>\$ 812,780</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Kirker Creek Drainage Fees Capital Projects Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Permits, licenses and fees	\$ -	\$ -	\$ 18,986	\$ 18,986
Use of money and property	31,700	31,700	7,960	(23,740)
<b>TOTAL REVENUES</b>	<u>31,700</u>	<u>31,700</u>	<u>26,946</u>	<u>(4,754)</u>
<b>EXPENDITURES</b>				
Public works - streets	-	217,216	-	217,216
Capital outlay and improvements	-	-	60,452	(60,452)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>217,216</u>	<u>60,452</u>	<u>156,764</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>31,700</u>	<u>(185,516)</u>	<u>(33,506)</u>	<u>152,010</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(16,288)	(16,288)	(8,144)	8,144
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(16,288)</u>	<u>(16,288)</u>	<u>(8,144)</u>	<u>8,144</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 15,412</u>	<u>\$ (201,804)</u>	<u>(41,650)</u>	<u>\$ 160,154</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,385,346</u>	
End of year			<u>\$ 1,343,696</u>	

**City of Pittsburg**  
**Budgetary Comparison Schedule**  
**Capital Improvement Capital Projects Fund**

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	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>EXPENDITURES</b>				
Public works - streets	\$ -	\$ 534,103	\$ -	\$ 534,103
Capital outlay and improvements	-	-	16,211	(16,211)
<b>TOTAL EXPENDITURES</b>	-	534,103	16,211	517,892
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	(534,103)	(16,211)	517,892
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	232,165	16,211	(215,954)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	232,165	16,211	(215,954)
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ (301,938)</u>	-	<u>\$ 301,938</u>
<b>FUND BALANCES:</b>				
Beginning of year			660,282	
End of year			<u>\$ 660,282</u>	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Traffic Mitigation Capital Projects Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 198,540	\$ 9,913	\$ (188,627)
Permits, licenses and fees	4,000	4,000	497,545	493,545
Use of money and property	82,000	82,000	26,005	(55,995)
Other revenues	-	154,600	1,079,662	925,062
<b>TOTAL REVENUES</b>	<b>86,000</b>	<b>439,140</b>	<b>1,613,125</b>	<b>1,173,985</b>
<b>EXPENDITURES</b>				
Public works - streets	-	2,299,870	-	2,299,870
Capital outlay and improvements	-	-	339,099	(339,099)
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>2,299,870</b>	<b>339,099</b>	<b>1,960,771</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>86,000</b>	<b>(1,860,730)</b>	<b>1,274,026</b>	<b>3,134,756</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	346,287	274,009	(72,278)
Transfers out	(50,000)	(688,765)	(500,053)	188,712
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(50,000)</b>	<b>(342,478)</b>	<b>(226,044)</b>	<b>116,434</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 36,000</b>	<b>\$ (2,203,208)</b>	<b>1,047,982</b>	<b>\$ 3,251,190</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,710,906	
End of year			\$ 4,758,888	

**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Park Dedication Capital Projects Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 2,909,214	\$ -	\$ (2,909,214)
Permits, licenses and fees	-	-	23,654	23,654
Use of money and property	94,500	94,500	19,674	(74,826)
Other revenues	-	-	2,115	2,115
<b>TOTAL REVENUES</b>	<u>94,500</u>	<u>3,003,714</u>	<u>45,443</u>	<u>(2,958,271)</u>
<b>EXPENDITURES</b>				
Public works - streets	-	8,994,727	5,407	8,989,320
Capital outlay and improvements	-	-	1,004,418	(1,004,418)
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>8,994,727</u>	<u>1,009,825</u>	<u>7,984,902</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>94,500</u>	<u>(5,991,013)</u>	<u>(964,382)</u>	<u>5,026,631</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	2,500,000	37,216	(2,462,784)
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(50,000)</u>	<u>2,450,000</u>	<u>(12,784)</u>	<u>(2,462,784)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 44,500</u>	<u>\$ (3,541,013)</u>	<u>(977,166)</u>	<u>\$ 2,563,847</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,579,370</u>	
End of year			<u>\$ 2,602,204</u>	



**City of Pittsburgh**  
**Budgetary Comparison Schedule**  
**Community Capital Improvement Capital Projects Fund**

	Budget	Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 56,449	\$ 56,449
Other revenues	-	-	3,740	3,740
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>60,189</b>	<b>60,189</b>
<b>EXPENDITURES</b>				
Community development and services	-	27,724,392	1,064,974	26,659,418
Capital outlay and improvements	-	-	945,128	(945,128)
NOT CODED	-	2,500,000	-	2,500,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>30,224,392</b>	<b>2,010,102</b>	<b>28,214,290</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(30,224,392)</b>	<b>(1,949,913)</b>	<b>28,274,479</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	30,224,392	17,456,675	(12,767,717)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>30,224,392</b>	<b>17,456,675</b>	<b>(12,767,717)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>15,506,762</b>	<b>\$ 15,506,762</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ 15,506,762	

# 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.

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

**City of Pittsburg**  
**Statement of Net Assets**  
**Non-Major Enterprise Funds**  
**June 30, 2010**

	Golf Course	Island Energy	Pittsburg Power
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 23,370	\$ 2,365,334	\$ 4,043,703
Restricted cash and investments	-	99,766	-
Receivables:			
Accounts	8,494	552,626	312,786
Interest	31	1,758	3,692
Loans/Notes	-	-	96,891
Prepaid items and other assets	-	60,112	2,003
Total current assets	<u>31,895</u>	<u>3,079,596</u>	<u>4,459,075</u>
Noncurrent assets:			
Advances to other funds	-	-	2,148,072
Capital assets:			
Non-depreciable assets	-	360,908	-
Depreciable assets, net	805,698	5,350,258	26,915
Total noncurrent assets	<u>805,698</u>	<u>5,711,166</u>	<u>2,174,987</u>
<b>TOTAL ASSETS</b>	<u>837,593</u>	<u>8,790,762</u>	<u>6,634,062</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,822	202,667	18,216
Salaries payable	-	7,794	5,685
Taxes payable	7,518	56,241	-
Refundable deposits	-	113,817	-
Unearned revenue	2,831	544,772	-
Compensated absences payable - due within one year	-	5,155	47,241
Advances from other funds	375,000	1,773,072	-
Compensated absences payable - due in more than one year	-	37,800	-
OPEB liability	-	405,693	162,677
<b>TOTAL LIABILITIES</b>	<u>394,171</u>	<u>3,147,011</u>	<u>233,819</u>
<b>NET ASSETS</b>			
Unrestricted	<u>443,422</u>	<u>5,643,751</u>	<u>6,400,243</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 443,422</u>	<u>\$ 5,643,751</u>	<u>\$ 6,400,243</u>

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<u>Water Front Operations</u>	<u>Total Non-Major Enterprise Funds</u>
\$ 1,094	\$ 6,433,501
-	99,766
-	873,906
2	5,483
-	96,891
-	62,115
1,096	7,571,662
-	2,148,072
-	360,908
-	6,182,871
-	8,691,851
1,096	16,263,513
-	229,705
-	13,479
-	63,759
-	113,817
-	547,603
-	52,396
-	2,148,072
-	37,800
-	568,370
-	3,775,001
1,096	12,488,512
\$ 1,096	\$ 12,488,512

**City of Pittsburg**  
**Supplementary Statement of Net Assets**  
**Non-Major Facility Reserves**  
**June 30, 2010**

	Water Fac Reserve WTP Expand	Water Fac Water Distribution	Water Fac Zone I/II Reservoir	Water Fac Reserve SE20" Trans
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 940,769	\$ 130,190	\$ 781,900	\$ 611,230
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Interest	775	182	644	856
Inventory	-	-	-	-
Prepaid items and other assets	-	-	-	-
Total current assets	941,544	130,372	782,544	612,086
Noncurrent assets:				
Non-depreciable assets	-	-	-	-
Depreciable assets, net	-	-	-	-
Total noncurrent assets	-	-	-	-
<b>TOTAL ASSETS</b>	<b>941,544</b>	<b>130,372</b>	<b>782,544</b>	<b>612,086</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	-	-	-	-
Salaries payable	-	-	-	-
Taxes payable	-	-	-	-
Accrued interest payable	-	-	-	-
Refundable deposits	-	-	-	-
Unearned revenue	-	-	-	-
Claims and judgments payable - due within one year	-	-	-	-
Compensated absences payable - due within one year	-	-	-	-
Long-term debt - due within one year	-	-	-	-
Total current liabilities	-	-	-	-
Noncurrent liabilities:				
Compensated absences payable - due in more than one year	-	-	-	-
OPEB liability	-	-	-	-
Long-term debt - due in more than one year	-	-	-	-
Total noncurrent liabilities	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	-	-	-	-
Restricted for:				
Debt service	-	-	-	-
Special purpose	-	-	-	-
Facility fees	941,544	130,372	782,544	612,086
Unrestricted	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>\$ 941,544</b>	<b>\$ 130,372</b>	<b>\$ 782,544</b>	<b>\$ 612,086</b>

Water Fac Reserve SW Hills CIP	Water Fac Reserve SW Hills III Pipe	Water Fac Reserve SW Hills III Pump	Sewer Fac Reserve Coll Sys Cap	Sewer Fac Reserve Hwy 4 Trunk	Total Non-Major Facility Reserve Funds
\$ 530,489	\$ 1,555,652	\$ 79,605	\$ 702,431	\$ 13,632	\$ 5,345,898
-	-	-	-	-	-
-	-	-	-	-	-
743	1,281	111	989	102	5,683
-	-	-	-	-	-
-	-	-	-	-	-
531,232	1,556,933	79,716	703,420	13,734	5,351,581
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
531,232	1,556,933	79,716	703,420	13,734	5,351,581
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,397	-	1,397
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,397	-	1,397
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,397	-	1,397
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
531,232	1,556,933	79,716	702,023	13,734	5,350,184
-	-	-	-	-	-
\$ 531,232	\$ 1,556,933	\$ 79,716	\$ 702,023	\$ 13,734	\$ 5,350,184

**City of Pittsburg**  
**Statement of Revenues and Expenditures**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2010**

	Golf Course	Island Energy	Pittsburg Power
<b>OPERATING REVENUES</b>			
Charges for services	\$ 763,427	\$ 3,764,452	\$ 1,416,195
Rents and concessions	339,583	-	-
Pro Shop Sales/Bookstore	77,973	-	-
Other operating revenues	3,693	51,924	498,236
<b>TOTAL OPERATING REVENUES</b>	<b>1,184,676</b>	<b>3,816,376</b>	<b>1,914,431</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	-	743,432	543,738
Department supplies	279,101	1,838,174	5,094
Rentals	3,092	27,140	573
Utilities	24,173	12,100	-
Maintenance and operations	722,800	123,428	209,963
Depreciation and amortization	127,346	350,119	7,021
Insurance premiums	-	130,192	9,572
Insurance deductible	-	5,568	5,496
Fringe benefits	-	633,429	434,185
Other operating expenses	155,524	234,893	935,183
<b>TOTAL OPERATING EXPENSES</b>	<b>1,312,036</b>	<b>4,098,475</b>	<b>2,150,825</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(127,360)</b>	<b>(282,099)</b>	<b>(236,394)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	114	13,817	38,349
Gain (loss) on disposal of assets	-	(2,263)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>114</b>	<b>11,554</b>	<b>38,349</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(127,246)</b>	<b>(270,545)</b>	<b>(198,045)</b>
<b>OPERATING TRANSFERS</b>			
Transfers in	-	-	1,011,929
Transfers out	-	(74,200)	(342,897)
<b>TOTAL OPERATING TRANSFERS</b>	<b>-</b>	<b>(74,200)</b>	<b>669,032</b>
<b>NET INCOME (LOSS)</b>	<b>(127,246)</b>	<b>(344,745)</b>	<b>470,987</b>
<b>NET ASSETS:</b>			
Beginning of year	570,668	5,988,496	5,929,256
End of year	\$ 443,422	\$ 5,643,751	\$ 6,400,243

Water Front Operations	Total Non-Major Enterprise Funds
\$ -	\$ 5,944,074
-	339,583
-	77,973
-	553,853
-	<u>6,915,483</u>
-	1,287,170
-	2,122,369
-	30,805
-	36,273
-	1,056,191
-	484,486
-	139,764
-	11,064
-	1,067,614
-	<u>1,325,600</u>
-	<u>7,561,336</u>
-	<u>(645,853)</u>
6	52,286
-	<u>(2,263)</u>
<u>6</u>	<u>50,023</u>
6	(595,830)
-	1,011,929
-	<u>(417,097)</u>
-	<u>594,832</u>
6	(998)
<u>1,090</u>	<u>12,489,510</u>
<u>\$ 1,096</u>	<u>\$ 12,488,512</u>



**City of Pittsburgh**  
**Supplemental Statement of Revenues and Expenditures**  
**Non-Major Facility Reserve Funds**  
**For the year ended June 30, 2010**

	Water Fac Reserve WTP Expand	Water Fac Water Distribution	Water Fac Zone I/II Reservoir	Water Fac Reserve SE20" Trans
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ -	\$ -	\$ -
Meter fees	-	-	-	-
Other fees	-	-	-	-
Facility Reserve Fees	91,000	15,360	47,840	37,760
Rents and concessions	-	-	-	-
Gas and oil sales	-	-	-	-
Other operating revenues	-	-	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>91,000</b>	<b>15,360</b>	<b>47,840</b>	<b>37,760</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	-	-	-	-
Department supplies	-	-	-	-
Rentals	-	-	-	-
Utilities	-	-	-	-
Maintenance and operations	-	-	-	-
Depreciation and amortization	-	-	-	-
Insurance deductible	-	-	-	-
Fringe benefits	-	-	-	-
Other operating expenses	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OPERATING INCOME (LOSS)</b>	<b>91,000</b>	<b>15,360</b>	<b>47,840</b>	<b>37,760</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Other operating expenses	-	-	-	-
Investment earnings	5,290	818	4,499	3,869
Interest and fiscal charges	-	-	-	-
Gain (loss) on disposal of assets	-	-	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>5,290</b>	<b>818</b>	<b>4,499</b>	<b>3,869</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>96,290</b>	<b>16,178</b>	<b>52,339</b>	<b>41,629</b>
<b>OPERATING TRANSFERS</b>				
Capital contributions	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OPERATING TRANSFERS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCOME (LOSS)</b>	<b>96,290</b>	<b>16,178</b>	<b>52,339</b>	<b>41,629</b>
<b>NET ASSETS:</b>				
Beginning of year	845,254	114,194	730,205	570,457
End of year	\$ 941,544	\$ 130,372	\$ 782,544	\$ 612,086

Water Fac Reserve SW Hills CIP	Water Fac Reserve SW Hills III Pipe	Water Fac Reserve SW Hills III Pump	Sewer Fac Reserve Coll Sys Cap	Sewer Fac Reserve Hwy 4 Trunk	Total Non-Major Facility Reserve Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
114,240	14,952	11,928	67,646	-	400,726
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114,240	14,952	11,928	67,646	-	400,726
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
114,240	14,952	11,928	67,646	-	400,726
-	-	-	-	-	-
3,149	8,996	483	4,471	570	32,145
-	-	-	-	-	-
-	-	-	-	-	-
3,149	8,996	483	4,471	570	32,145
117,389	23,948	12,411	72,117	570	432,871
-	-	-	(9,369)	-	(9,369)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	(9,369)	-	(9,369)
117,389	23,948	12,411	62,748	570	423,502
413,843	1,532,985	67,305	639,275	13,164	4,926,682
\$ 531,232	\$ 1,556,933	\$ 79,716	\$ 702,023	\$ 13,734	\$ 5,350,184

**City of Pittsburg**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Golf Course	Island Energy	Pittsburg Power
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 1,183,916	\$ 3,870,941	\$ 1,474,928
Cash payments to suppliers of goods and services	(1,037,602)	(2,230,276)	(347,324)
Cash payments to employees for services	0	(1,167,446)	(804,272)
Other operating revenue (expenses)	(151,831)	(182,969)	(436,947)
<b>Net cash provided (used) by operating activities</b>	<u>(5,517)</u>	<u>290,250</u>	<u>(113,615)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING:</b>			
Interfund payments	-	-	(221,915)
Transfers in	-	-	1,011,929
Transfers out	-	(74,200)	(342,897)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>-</u>	<u>(74,200)</u>	<u>447,117</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital asset acquisition	-	(42,994)	-
Proceeds from sale of capital assets	-	(2,263)	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>-</u>	<u>(45,257)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	114	13,817	38,349
<b>Net cash provided (used) by investing activities</b>	<u>114</u>	<u>13,817</u>	<u>38,349</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(5,403)</u>	<u>184,610</u>	<u>371,850</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	28,773	2,280,490	3,671,853
End of year	<u>\$ 23,370</u>	<u>\$ 2,465,100</u>	<u>\$ 4,043,703</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (127,360)	\$ (282,099)	\$ (236,394)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	127,346	350,119	7,021
Changes in operating assets and liabilities:			
Accounts receivable	4,385	66,992	58,733
Inventory	10,000		
Prepaid items	-	(60,112)	(2,003)
Accounts payable	(16,286)	(21,400)	(114,623)
Salaries payable	-	1,884	1,584
Taxes payable	(2,150)	(12,162)	-
Refundable deposits	-	121	-
Deferred Revenue	(1,452)	39,376	-
Compensated absences	-	6,238	9,389
OPEB liability	-	201,293	162,677
Total adjustments	<u>121,843</u>	<u>572,349</u>	<u>122,778</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ (5,517)</u>	<u>\$ 290,250</u>	<u>\$ (113,616)</u>

Water Front Operations	Total Non- Major Enterprise Funds
\$ -	\$ 6,529,785
-	(3,615,203)
-	(1,971,718)
-	(771,747)
<u>-</u>	<u>171,117</u>
-	(221,915)
-	1,011,929
-	(417,097)
<u>-</u>	<u>372,917</u>
-	(42,994)
-	(2,263)
<u>-</u>	<u>(45,257)</u>
8	52,288
<u>8</u>	<u>52,288</u>
	551,065
1,086	5,982,202
<u>\$ 1,094</u>	<u>\$ 6,533,267</u>
\$ -	\$ (645,853)
-	484,486
-	130,110
-	10,000
-	(78,401)
-	(136,023)
-	3,468
-	(14,312)
-	121
-	37,924
-	15,627
-	<u>363,970</u>
-	<u>816,970</u>
<u>\$ -</u>	<u>\$ 171,117</u>

# 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 Pittsburg**  
**Combining Statement of Net Assets**  
**All Internal Service Funds**  
**June 30, 2010**

	Fleet Maintenance	Building Maintenance	Insurance
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 1,043,485	\$ 624,924	\$ 1,302,447
Accounts	-	3,591	-
Interest	-	-	1,040
Loans/Notes	-	-	-
Inventory	25,300	9,955	-
Prepaid items and other assets	-	-	1,147
Total current assets	<u>1,068,785</u>	<u>638,470</u>	<u>1,304,634</u>
Noncurrent assets:			
Depreciable assets, net	<u>1,744,786</u>	<u>558,001</u>	<u>-</u>
Total noncurrent assets	<u>1,744,786</u>	<u>558,001</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>2,813,571</u>	<u>1,196,471</u>	<u>1,304,634</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	59,766	61,678	4,782
Salaries payable	2,573	1,534	-
Claims and judgments payable - due within one year	-	-	84,175
Compensated absences payable - due within one year	3,310	2,590	-
Compensated absences payable - due in more than one year	18,760	15,912	-
Capital lease - due in more than one year	-	-	-
<b>TOTAL LIABILITIES</b>	<u>84,409</u>	<u>81,714</u>	<u>88,957</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,744,786	558,001	-
Restricted for:			
Special purpose	25,300	9,955	1,147
Unrestricted	<u>959,076</u>	<u>546,801</u>	<u>1,214,530</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 2,729,162</u>	<u>\$ 1,114,757</u>	<u>\$ 1,215,677</u>

Information / Communication Services	Fringe Benefits	Total
\$ 637,296	\$ 1,308,393	\$ 4,916,545
3,875	32,991	40,457
-	1,082	2,122
22,428	-	22,428
-	-	35,255
101,571	22,400	125,118
<u>765,170</u>	<u>1,364,866</u>	<u>5,141,925</u>
<u>467,310</u>	<u>-</u>	<u>2,770,097</u>
<u>467,310</u>	<u>-</u>	<u>2,770,097</u>
<u>1,232,480</u>	<u>1,364,866</u>	<u>7,912,022</u>
118,243	(7,757)	236,712
756	(1,948)	2,915
-	-	84,175
1,076	-	6,976
6,100	-	40,772
359,041	-	359,041
<u>485,216</u>	<u>(9,705)</u>	<u>730,591</u>
108,269	-	2,411,056
101,571	22,400	160,373
<u>537,424</u>	<u>1,352,171</u>	<u>4,610,002</u>
<u>\$ 747,264</u>	<u>\$ 1,374,571</u>	<u>\$ 7,181,431</u>

**City of Pittsburgh**  
**Combining Statement of Revenues, Expenses and Changes in Net Assets**  
**All Internal Service Funds**  
**For the year ended June 30, 2010**

	Fleet Maintenance	Building Maintenance	Insurance
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,593,376	\$ 1,070,220	\$ 1,135,308
Other operating revenues	7,383	27,457	1,025,161
<b>TOTAL OPERATING REVENUES</b>	<b>1,600,759</b>	<b>1,097,677</b>	<b>2,160,469</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages	250,243	197,664	-
Department supplies	544,498	39,745	-
Rentals	29,195	1,033	-
Utilities	7,367	259,324	-
Maintenance and operations	157,878	267,238	-
Depreciation and amortization	534,413	175,179	-
Insurance premiums	18,147	94,659	874,991
Insurance deductible	9,072	13,992	1,064,509
Fringe benefits	146,884	142,932	-
Other operating expenses	(21,969)	1,740	-
<b>TOTAL OPERATING EXPENSES</b>	<b>1,675,728</b>	<b>1,193,506</b>	<b>1,939,500</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(74,969)</b>	<b>(95,829)</b>	<b>220,969</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment earnings	-	-	5,229
Gain (loss) on disposal of assets	24,362	-	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>24,362</b>	<b>-</b>	<b>5,229</b>
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	<b>(50,607)</b>	<b>(95,829)</b>	<b>226,198</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(200,000)	(200,000)	(100,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(100,000)</b>
<b>Net income (loss)</b>	<b>(250,607)</b>	<b>(295,829)</b>	<b>126,198</b>
<b>NET ASSETS:</b>			
Beginning of year	2,979,769	1,410,586	1,089,479
End of year	<b>\$ 2,729,162</b>	<b>\$ 1,114,757</b>	<b>\$ 1,215,677</b>



Information / Communication Services	Fringe Benefits	Total
\$ 967,416	\$ 2,414,076	\$ 7,180,396
15,500	42,164	1,117,665
<u>982,916</u>	<u>2,456,240</u>	<u>8,298,061</u>
65,654	-	513,561
134,821	-	719,064
1,493	-	31,721
-	-	266,691
514,093	26,125	965,334
187,236	-	896,828
-	-	987,797
2,412	-	1,089,985
35,707	3,262,393	3,587,916
70,629	-	50,400
<u>1,012,045</u>	<u>3,288,518</u>	<u>9,109,297</u>
<u>(29,129)</u>	<u>(832,278)</u>	<u>(811,236)</u>
-	9,159	14,388
-	-	24,362
-	9,159	38,750
<u>(29,129)</u>	<u>(823,119)</u>	<u>(772,486)</u>
-	92,295	92,295
-	(80,000)	(580,000)
-	12,295	(487,705)
<u>(29,129)</u>	<u>(810,824)</u>	<u>(1,260,191)</u>
<u>776,393</u>	<u>2,185,395</u>	<u>8,441,622</u>
<u>\$ 747,264</u>	<u>\$ 1,374,571</u>	<u>\$ 7,181,431</u>

**City of Pittsburgh**  
**Statement of Cash Flows**  
**All Internal Service Funds**  
**For the year ended June 30, 2010**

	Fleet Maintenance	Building Maintenance	Insurance
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 1,627,958	\$ 1,079,125	\$ 1,137,794
Cash payments to suppliers of goods and services	(832,930)	(656,478)	(2,090,766)
Cash payments to employees for services	(394,124)	(346,858)	
Other operating revenue (expenses)	29,352	25,717	1,025,161
<b>Net cash provided (used) by operating activities</b>	<u>430,256</u>	<u>101,506</u>	<u>72,189</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING:</b>			
Transfers in	-	-	-
Transfers out	(200,000)	(200,000)	(100,000)
<b>Net cash provided (used) by noncapital financing activities</b>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Capital asset acquisition	(329,185)	-	-
Proceeds from issuance of capital leases	-	-	-
Proceeds from sale of assets	24,362	-	-
Interest expense	-	-	-
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(304,823)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest on investments	-	-	5,229
<b>Net cash provided (used) by investing activities</b>	<u>-</u>	<u>-</u>	<u>5,229</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(74,567)</u>	<u>(98,494)</u>	<u>(22,583)</u>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	1,118,052	723,418	1,325,030
End of year	<u>\$ 1,043,485</u>	<u>\$ 624,924</u>	<u>\$ 1,302,447</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (74,969)	\$ (95,829)	\$ 220,969
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	534,413	175,179	-
Changes in operating assets and liabilities:			
Accounts receivable	34,582	8,905	2,485
Loans receivable	-	-	-
Due from other funds	-	-	-
Inventory	(25,300)	-	-
Prepaid items	-	-	43
Accounts payable	(41,473)	19,513	(26,714)
Salaries and wages payable	626	(195)	-
Due to other funds	-	-	-
Compensated absences	2,377	(6,067)	-
Insurance claims payable	-	-	(124,594)
Total adjustments	<u>505,225</u>	<u>197,335</u>	<u>(148,780)</u>
<b>Net cash provided (used) by operating activities</b>	<u>\$ 430,256</u>	<u>\$ 101,506</u>	<u>\$ 72,189</u>

Information / Communication Services	Fringe Benefits	Total
\$ 982,388	\$ 2,389,023	\$ 7,216,288
(494,623)	(90,154)	(4,164,951)
(95,602)	(3,262,393)	(4,098,977)
(55,129)	42,164	1,067,265
<u>337,034</u>	<u>(921,360)</u>	<u>19,625</u>
-	92,295	92,295
-	(80,000)	(580,000)
-	12,295	(487,705)
(284,091)	-	(613,276)
-	-	-
-	-	24,362
-	-	-
<u>(284,091)</u>	<u>-</u>	<u>(588,914)</u>
-	9,159	14,388
-	9,159	14,388
<u>52,943</u>	<u>(899,906)</u>	<u>(1,042,606)</u>
584,352	2,208,299	5,959,151
<u>\$ 637,295</u>	<u>\$ 1,308,393</u>	<u>\$ 4,916,545</u>
\$ (29,129)	\$ (832,278)	\$ (811,236)
187,236	-	896,828
(3,875)	(25,053)	17,044
18,847	-	18,847
58,040	-	32,740
-	-	43
100,156	(60,756)	(9,274)
252	-	683
-	-	-
5,507	-	1,817
-	(3,273)	(127,867)
<u>366,163</u>	<u>(89,082)</u>	<u>830,861</u>
<u>\$ 337,034</u>	<u>\$ (921,360)</u>	<u>\$ 19,625</u>

# 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, 2010**

	Beginning Balance July 1, 2009	Additions	Deletions	Ending Balance June 30, 2010
<b><u>Assessment Districts Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 2,801,080	\$ 2,530,906	\$ (2,300,916)	\$ 3,031,070
Cash and investments held by fiscal agent	2,543,670	2,262,956	(2,366,521)	2,440,105
Assessment receivable	2,274,341	26,432	(25,714)	2,275,059
Interest receivable	30,425	32,319	(37,938)	24,806
<b>Total assets</b>	<b>\$ 7,649,516</b>	<b>\$ 4,852,613</b>	<b>\$ (4,731,089)</b>	<b>\$ 7,771,040</b>
<b>Liabilities:</b>				
Accounts payable	\$ 32,491	\$ 335,752	\$ (337,555)	\$ 30,688
Deferred assessment	2,274,341	26,432	(25,714)	2,275,059
Due to bondholders	5,342,684	143,591	(20,982)	5,465,293
<b>Total liabilities</b>	<b>\$ 7,649,516</b>	<b>\$ 505,775</b>	<b>\$ (384,251)</b>	<b>\$ 7,771,040</b>
<b><u>Environmental Impact Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,871	\$ 18	\$ (2)	\$ 1,887
Interest receivable	6	8	(11)	3
<b>Total assets</b>	<b>\$ 1,877</b>	<b>\$ 26</b>	<b>\$ (13)</b>	<b>\$ 1,890</b>
<b>Liabilities:</b>				
Due to other parties	\$ 1,253	\$ 1	\$	\$ 1,254
Due to bondholders	624	12		636
<b>Total liabilities</b>	<b>\$ 1,877</b>	<b>\$ 13</b>	<b>\$ 0</b>	<b>\$ 1,890</b>
<b><u>Other Impact Fees Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 285,695	\$ 2,877,224	\$ (3,042,318)	\$ 120,601
<b>Total assets</b>	<b>\$ 285,695</b>	<b>\$ 2,877,224</b>	<b>\$ (3,042,318)</b>	<b>\$ 120,601</b>
<b>Liabilities:</b>				
Accounts payable	\$ 262,397	\$ 3,186,456	\$ (3,330,233)	\$ 118,620
Due to other parties	23,298	2,877,224	(2,898,541)	1,981
<b>Total liabilities</b>	<b>\$ 285,695</b>	<b>\$ 6,063,680</b>	<b>\$ (6,228,774)</b>	<b>\$ 120,601</b>
<b><u>Vista Del Mar &amp; San Marco CFD's</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 608,628	\$ 1,729,175	\$ (1,724,906)	\$ 612,897
Cash and investments held by fiscal agent	3,667,915	13,136	(16,129)	3,664,922
Interest receivable	3,295	2,695	(4,574)	1,416
<b>Total assets</b>	<b>\$ 4,279,838</b>	<b>\$ 1,745,006</b>	<b>\$ (1,745,609)</b>	<b>\$ 4,279,235</b>
<b>Liabilities:</b>				
Accounts payable	\$ 12,055	\$ 29,427	\$ (41,336)	\$ 146
Due to bondholders	4,267,783	11,306		4,279,089
<b>Total liabilities</b>	<b>\$ 4,279,838</b>	<b>\$ 40,733</b>	<b>\$ (41,336)</b>	<b>\$ 4,279,235</b>
<b><u>Total Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 3,697,274	\$ 7,137,323	\$ (7,068,142)	\$ 3,766,455
Cash and investment held by fiscal agent	6,211,585	2,276,092	(2,382,650)	6,105,027
Assessment receivable	2,274,341	26,432	(25,714)	2,275,059
Interest receivable	33,726	35,022	(42,523)	26,225
<b>Total assets</b>	<b>\$ 12,216,926</b>	<b>\$ 9,474,869</b>	<b>\$ (9,519,029)</b>	<b>\$ 12,172,766</b>
<b>Liabilities:</b>				
Accounts payable	\$ 306,943	\$ 3,551,635	\$ (3,709,124)	\$ 149,454
Deferred assessment	2,274,341	26,432	(25,714)	2,275,059
Due to other parties	24,551	2,877,225	(2,898,541)	3,235
Due to bondholders	9,611,091	154,909	(20,982)	9,745,018
<b>Total liabilities</b>	<b>\$ 12,216,926</b>	<b>\$ 6,610,201</b>	<b>\$ (6,654,361)</b>	<b>\$ 12,172,766</b>

# 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.

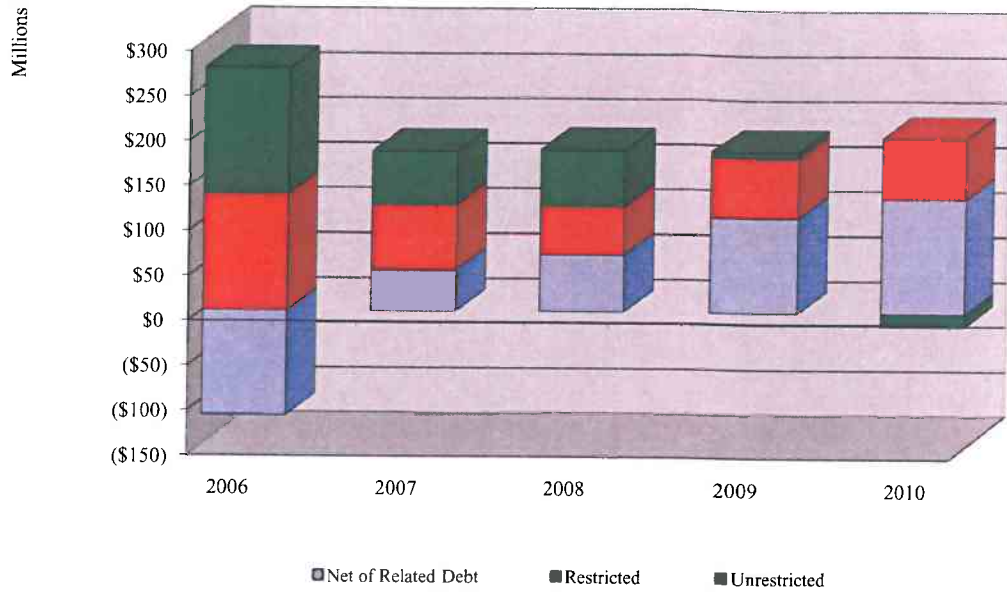
## **Demographic and Economic Information**

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,**

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Governmental activities</b>					
Invested in Capital Assets,					
Net of related debt	(\$153,333,826)	\$3,247,946	\$18,733,410	\$32,357,570	\$59,908,182
Restricted	124,840,230	58,131,686	28,890,295	46,826,571	51,627,971
Unrestricted	99,416,697	28,994,097	50,069,992	(5,009,852)	(38,861,513)
<b>Total governmental activities net assets</b>	<b>\$70,923,101</b>	<b>\$90,373,729</b>	<b>\$97,693,697</b>	<b>\$74,174,289</b>	<b>\$72,674,640</b>
<b>Business-type activities</b>					
Invested in Capital Assets,					
Net of related debt	\$36,566,114	\$42,643,385	\$44,780,703	\$73,704,658	\$67,603,197
Restricted	3,602,121	13,474,928	24,190,306	20,189,744	16,057,202
Unrestricted	41,341,654	30,681,028	12,931,446	11,345,116	25,075,506
<b>Total business-type activities net assets</b>	<b>\$81,509,889</b>	<b>\$86,799,341</b>	<b>\$81,902,455</b>	<b>\$105,239,518</b>	<b>\$108,735,905</b>
<b>Primary government</b>					
Invested in capital assets,					
net of related debt	(\$116,767,712)	\$45,891,331	\$63,514,113	\$106,062,228	\$127,511,379
Restricted	128,442,351	71,606,614	53,080,601	67,016,315	67,685,173
Unrestricted	140,758,351	59,675,125	63,001,438	6,335,264	(13,786,007)
<b>Total primary government net assets</b>	<b>\$152,432,990</b>	<b>\$177,173,070</b>	<b>\$179,596,152</b>	<b>\$179,413,807</b>	<b>\$181,410,545</b>

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

	<b>Fiscal Year Ended June 30,</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>Expenses</b>					
Governmental Activities:					
General Government	\$60,157,154	\$14,254,413	\$21,504,808	\$11,842,142	\$18,568,935
Public Safety	15,997,395	16,949,031	19,147,330	37,075,329	20,844,081
Public Works	17,075,898	17,949,516	16,356,492	15,020,101	13,685,011
Community Development	16,451,856	25,815,463	31,332,797	37,032,108	22,565,100
Culture and Recreation	1,772,570	1,892,674	1,854,555	1,741,484	733,417
Interest on Long Term Debt	15,117,640	20,495,286	23,435,995	35,950,401	19,671,322
<b>Total Governmental Activities Expenses</b>	<b>126,572,513</b>	<b>97,356,383</b>	<b>113,631,977</b>	<b>138,661,565</b>	<b>96,067,866</b>
Business-Type Activities:					
Water	13,136,590	13,372,173	14,316,223	14,013,116	13,614,034
Wastewater	1,830,382	1,929,214	1,972,310	2,218,519	2,407,534
Marina	1,629,567	2,378,869	2,112,615	2,320,709	2,139,241
Other-Non-Major Enterprise Funds	6,466,498	6,663,142	7,430,302	7,607,155	7,563,600
<b>Total Business-Type Activities Expenses</b>	<b>23,063,037</b>	<b>24,343,398</b>	<b>25,831,450</b>	<b>26,159,499</b>	<b>25,724,409</b>
<b>Total Primary Government Expenses</b>	<b>\$149,635,550</b>	<b>\$121,699,781</b>	<b>\$139,463,427</b>	<b>\$164,821,064</b>	<b>\$121,792,275</b>
<b>Program Revenues</b>					
Governmental Activities:					
Charges for Services:					
General Government	\$786,511	\$8,362,348	\$114,718	\$2,165,995	\$6,451,351
Public Safety	198,240	633,513	750,286	1,054,367	1,287,433
Public Works	4,554,972	4,077,620	2,930,076	1,186,331	5,733,983
Community Development	4,106,077	90,302	4,318,365	8,392,107	5,914,983
Culture and Recreation	509,709	533,114	419,320	198,873	212,184
Operating Grants and Contributions	3,923,284	19,357,391	18,175,592	15,252,456	14,022,072
Capital Grants and Contributions	3,307,936	948,905	5,243,189	2,193,823	1,119,989
<b>Total Governmental Activities Program Revenues</b>	<b>17,386,729</b>	<b>34,003,193</b>	<b>31,951,546</b>	<b>30,443,952</b>	<b>34,741,995</b>
Business-Type Activities:					
Charges for Services:					
Water	15,614,242	15,974,805	15,780,234	15,121,036	16,695,089
Wastewater	3,668,052	3,864,420	3,305,065	3,846,151	4,471,813
Marina	1,318,081	1,653,350	1,732,960	1,829,397	1,681,500
Other-Non-Major Enterprise Funds	5,702,392	6,242,843	7,369,613	7,965,358	6,915,483
Operating Grants and Contributions					
Capital Grants and Contributions	3,619,190	197,903	331,649	18,110,472	591,456
<b>Total Business-Type Activities Program Revenue</b>	<b>29,921,957</b>	<b>27,933,321</b>	<b>28,519,521</b>	<b>46,872,414</b>	<b>30,355,341</b>
<b>Total Primary Government Program Revenues</b>	<b>\$47,308,686</b>	<b>\$61,936,514</b>	<b>\$60,471,067</b>	<b>\$77,316,366</b>	<b>\$65,097,336</b>
<b>Net (Expense)/Revenue</b>					
Governmental Activities	(\$109,185,784)	(\$63,353,190)	(\$81,680,431)	(\$108,217,613)	(\$61,325,871)
Business-Type Activities	6,858,920	3,589,923	2,688,071	20,712,915	4,630,932
<b>Total Primary Government Net Expense</b>	<b>(\$102,326,864)</b>	<b>(\$59,763,267)</b>	<b>(\$78,992,360)</b>	<b>(\$87,504,698)</b>	<b>(\$56,694,939)</b>

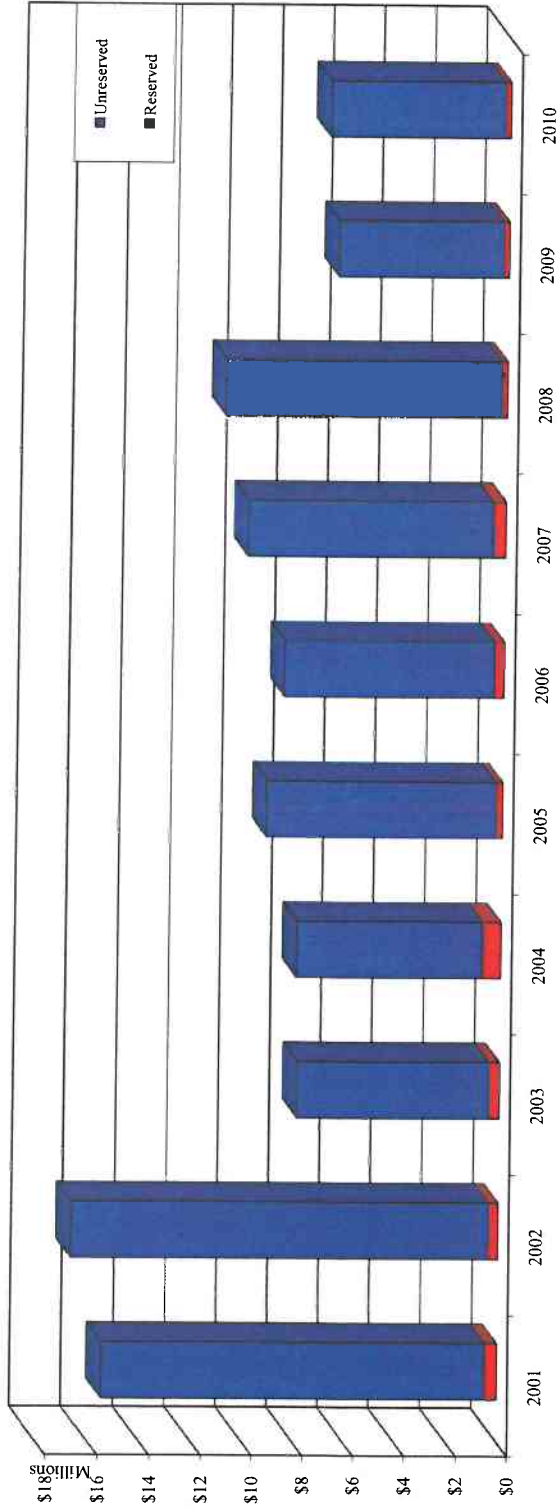
\* PRE-GASB 34 Reporting



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

	Fiscal Year Ended June 30,				
	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental Activities:					
Taxes:					
Property Taxes	\$43,852,448	\$50,917,360	\$51,782,902	\$49,448,715	\$39,995,052
Sales Taxes	8,490,042	7,953,283	7,295,549	7,167,394	5,998,652
Motor Vehicle In-Lieu	4,376,374	6,042,275	4,871,681	4,714,411	4,019,459
Transient Occupancy Tax	152,204	149,393	172,734	185,120	256,226
Inter Governmental Revenues	21,371,198	0	0	0	0
Nonregulatory Franchise and Business	2,181,141	2,246,603	3,544,661	3,025,968	2,378,602
Interest Earnings	7,594,655	11,146,109	11,718,198	10,602,828	2,414,528
Other	11,393,786	2,134,499	940,352	1,166,245	3,309,593
Transfers	47,719,563	563,960	10,773,070	6,242,560	1,454,110
<b>Total Government Activities</b>	<b>147,131,412</b>	<b>81,153,482</b>	<b>91,099,147</b>	<b>82,553,241</b>	<b>59,826,222</b>
Business-Type Activities:					
Interest Earnings	1,047,319	2,263,490	1,961,224	1,093,600	321,967
Transfers	2,076,052	(563,960)	(8,688,861)	(6,242,560)	(1,454,110)
<b>Total Business-Type Activities</b>	<b>3,123,371</b>	<b>1,699,530</b>	<b>(6,727,637)</b>	<b>(5,148,960)</b>	<b>(1,132,143)</b>
<b>Total Primary Government</b>	<b>\$150,254,783</b>	<b>\$82,853,012</b>	<b>\$84,371,510</b>	<b>\$77,404,281</b>	<b>\$58,694,079</b>
<b>Change in Net Assets</b>					
Governmental Activities	\$37,945,628	\$17,800,292	\$9,418,716	(\$25,664,372)	(\$1,499,649)
Business-Type Activities	9,982,291	5,289,453	(4,039,566)	15,563,955	3,498,789
<b>Total Primary Government</b>	<b>\$47,927,919</b>	<b>\$23,089,745</b>	<b>\$5,379,150</b>	<b>(\$10,100,417)</b>	<b>\$1,999,140</b>

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



	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$ 482,218	\$ 382,331	\$ 426,978	\$ 722,510	\$ 245,280	\$ 372,186	\$ 492,681	\$ 208,767	\$ 202,586	\$ 215,249
Unreserved	14,950,790	16,264,525	7,456,583	7,235,268	8,952,718	8,183,807	9,566,686	10,793,012	6,428,850	6,798,062
<b>Total General Fund</b>	<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>	<u>6,631,436</u>	<u>7,013,311</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 23,287,001	\$ 33,890,596	\$ 34,513,856	\$ 62,362,398	\$ 150,732,011	\$ 138,881,219	\$ 236,888,018	\$ 203,272,346	\$ 142,074,124	\$ 156,737,984
Unreserved, designated			\$63,778,404	24,060,758	42,695,263	\$29,455,358	41,043,642	33,855,453	45,107,266	(777,130)
Unreserved, reported in:										
Special Revenue Funds	4,999,526	3,476,844	3,524,346	7,287,439	2,162,348	9,204,969	2,526,959	0	0	0
Capital Project Funds	20,774,255	16,314,171	4,964,337	6,393,824	931,032	10,007,934	0	0	0	0
<b>Total all other governmental funds</b>	<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>	<u>187,181,390</u>	<u>155,960,854</u>

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

**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,				
	2001	2002	2003	2004	2005
<b>Revenues</b>					
Taxes	\$36,209	\$45,388	\$42,240	\$47,650	\$49,003
Licenses, permits and fees	3,374	1,361	4,506	2,402	4,632
Fines and forfeitures	169	165	395	283	295
Use of money and property	4,536	5,458	9,619	2,248	4,733
Intergovernmental revenues	11,167	12,884	20,570	23,542	20,523
Charges for services	3,087	3,062	3,339	4,322	5,666
Other	2,876	1,409	4,437	1,540	1,843
<b>Total Revenues</b>	<b>61,418</b>	<b>69,727</b>	<b>85,106</b>	<b>81,987</b>	<b>86,695</b>
<b>Expenditures</b>					
Current:					
General government	14,236	11,555	15,259	14,882	20,419
Public safety	10,769	12,057	14,672	14,585	14,346
Public works	5,313	5,384	5,682	5,635	10,530
Community development	10,737	13,937	23,858	18,074	25,996
Culture and recreation	1,314	1,408	1,181	1,522	1,574
Capital outlay	11,431	12,738	10,384	19,949	13,750
Debt service:					
Principal repayment	4,215	4,505	4,510	4,240	4,100
Interest and fiscal charges	10,758	12,159	11,806	9,454	13,577
<b>Total Expenditures</b>	<b>68,773</b>	<b>73,743</b>	<b>87,352</b>	<b>88,341</b>	<b>104,292</b>
Excess (deficiency) of revenues over (under) expenditures	(7,355)	(4,016)	(2,246)	(6,354)	(17,597)
<b>Other Financing Sources (Uses)</b>					
Transfers in	38,104	32,102	90,901	37,092	43,733
Transfers (out)	(35,185)	(31,795)	(93,154)	(38,556)	(52,248)
Capital Contributions					
Refunding tax allocation bonds	(60,913)		(36,495)		(21,166)
Payment to escrow Account					
Tax allocation bonds issued	62,730	7,500	88,375		146,605
Special assessment bonds issued					(3,936)
Bond Issuance Costs					
Payments to refunded bond escrow					
Sale of capital assets	15	1,274	1,004	1,215	2,264
<b>Total other financing sources (uses)</b>	<b>4,751</b>	<b>9,081</b>	<b>50,631</b>	<b>(249)</b>	<b>115,252</b>
<b>Net Change in fund balances</b>	<b>(\$2,604)</b>	<b>\$5,065</b>	<b>\$48,385</b>	<b>(\$6,603)</b>	<b>\$97,655</b>
Debt service as a percentage of noncapital expenditures					
	(a)	(a)	21.2%	20.0%	19.5%

NOTE:

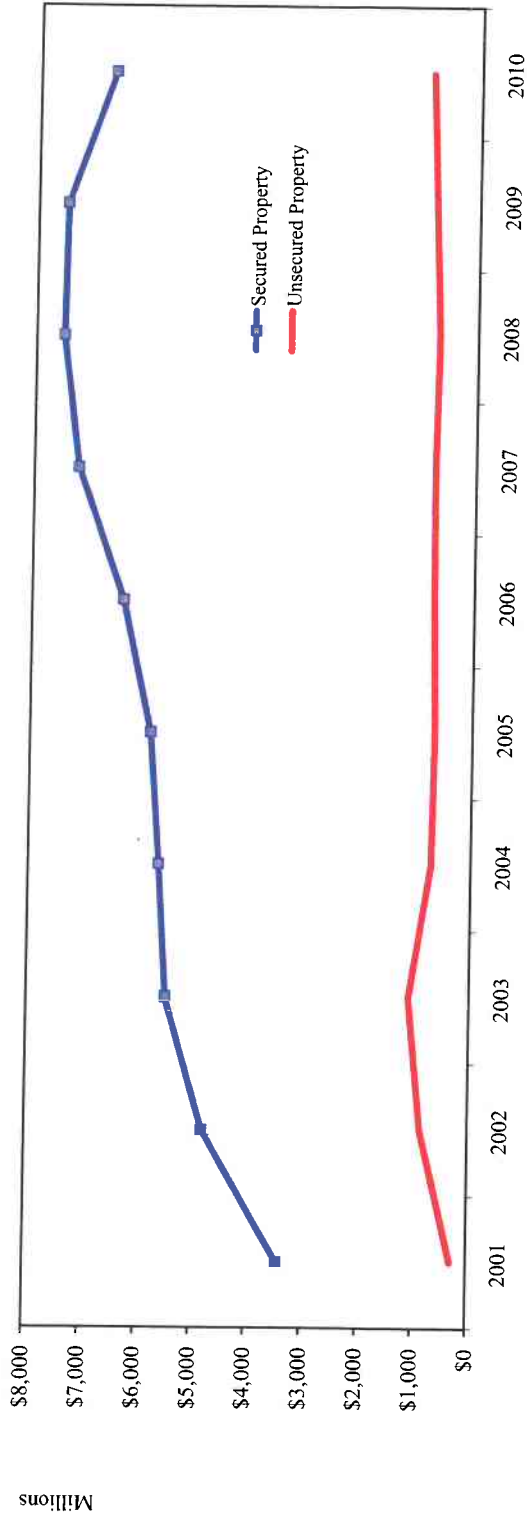
(a) The City implemented GASB Statement 34 in fiscal year 2002. Therefore this calculation is included only for fiscal years subsequent to that date.

Fiscal Year Ended June 30,

2006	2007	2008	2009	2010
\$55,803	\$65,549	\$65,453	\$62,819	\$54,174
2,016	8,620	2,091	599	1,145
170	249	880	670	185
7,594	10,899	11,444	10,602	2,780
21,896	21,277	25,119	23,692	21,089
3,692	5,584	4,810	5,705	4,879
4,992	1,626	2,360	2,641	7,470
96,163	113,804	112,157	106,728	91,722
60,290	19,986	20,127	18,473	16,766
15,900	16,572	18,141	18,819	19,334
7,472	10,998	8,889	8,295	8,394
18,724	24,232	37,243	33,465	23,809
1,773	1,893	1,855	1,741	733
23,649	47,903	49,763	29,245	24,467
4,790	4,960	7,550	9,311	8,269
15,525	18,221	25,261	32,089	23,205
148,123	144,765	168,829	151,438	124,977
(51,960)	(30,961)	(56,672)	(44,710)	(33,255)
47,720	75,014	94,537	87,911	111,605
(51,305)	(74,999)	(83,373)	(82,193)	(110,316)
3,208	(180)	(15)	0	
			(79,665)	
	(44,218)	0	0	
39,566	169,820	0	61,661	
(248)	(4,171)	(13)	0	
3,193	4,109	2,315	2,680	1,127
42,134	125,375	13,451	(9,606)	2,416
(\$9,826)	\$94,414	(\$43,221)	(\$54,316)	(\$30,839)
16.3%	23.9%	27.6%	33.9%	31.3%

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

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



Fiscal Year	Total Before Exemptions				HOPTR (1)	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Land	Improvements	Person Property	GRAND Total					
2001	719,493,211	2,316,291,798	96,055,194	3,131,840,203	64,914,955	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	67,034,225	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	68,588,456	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	69,854,212	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	69,378,527	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	68,931,232	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	67,070,432	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	66,662,966	690,209,596	6,601,742,515	6,601,742,515	1%
2009	1,900,179,131	4,641,377,192	134,495,806	6,676,052,129	66,141,210	776,320,539	6,471,729,308	6,471,729,308	1%
2010	1,368,193,784	4,249,265,527	130,709,789	5,748,169,100	65,495,515	861,905,073	5,534,225,314	5,534,225,314	1%

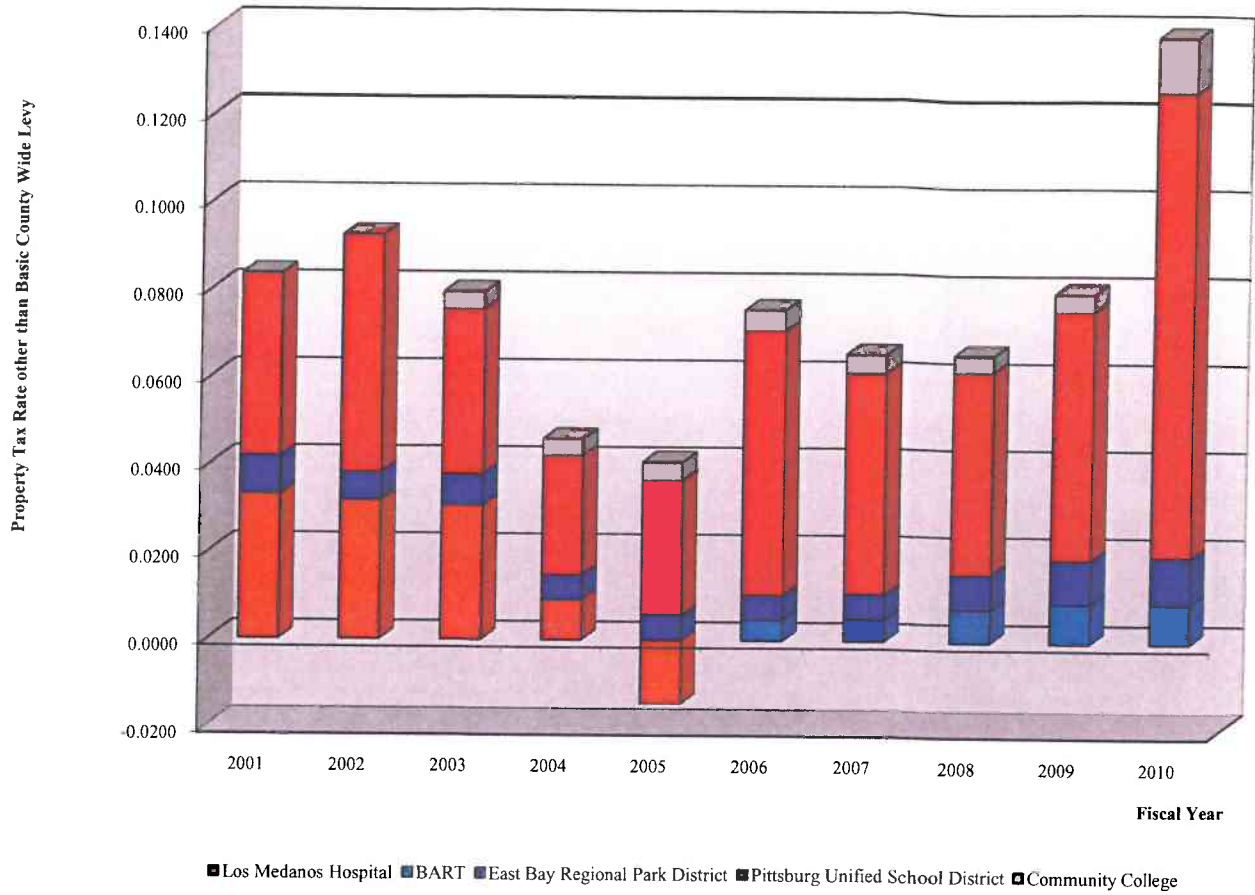
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

(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**



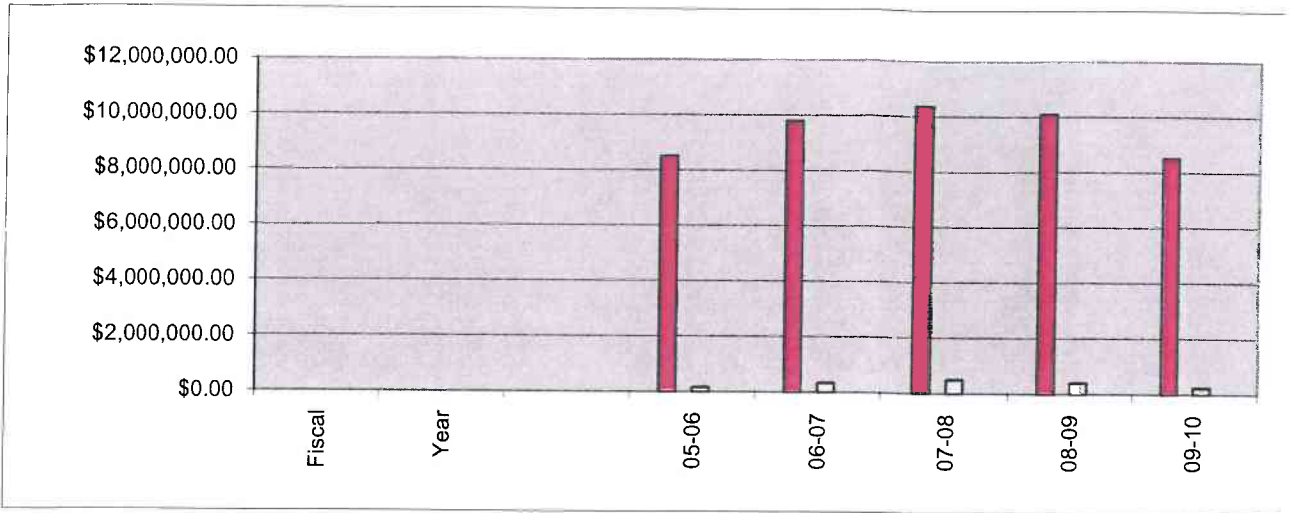
Fiscal Year	Basic County Wide Levy	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
2001	1.0000	0.0331	-	0.0088	0.0417	-	1.0836
2002	1.0000	0.0318	-	0.0065	0.0542	-	1.0925
2003	1.0000	0.0307	-	0.0072	0.0377	0.0040	1.0796
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
2009	1.0000	0.0000	0.0090	0.0100	0.0571	0.0040	1.0787
2010	1.0000	0.0000	0.0057	0.0108	0.1066	0.0126	1.1357

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

Taxpayer	2009-10			1999-00		
	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	439,900,000	1	9.29%			
USS - Posco Industries	303,868,260	2	6.41%	\$406,579,224	1	15.92%
Dow Chemical Company	108,844,034	3	2.30%	123,190,456	2	4.82%
Sierra Pacific Properties	60,914,758	6	1.29%	53,580,076	3	2.10%
Kirker Creek Limited Partnership	30,000,000	5	0.63%	30,000,000	6	1.17%
Century Plaza Corporation	40,278,162	4	0.85%	40,278,162	4	1.58%
Albert D Seeno Construction Co.	19,965,950	10	0.42%	16,749,082	9	0.66%
Fund VIII PR Pittsburg, LLC	23,029,619	8	0.49%			
West Coast Home Builders Inc				14,891,042	10	0.58%
FRG Presidents Park III LLC	21,129,810	9	0.45%			
				30,234,985	5	1.18%
GWF Power System Limited Partner	48,683,172	7	1.03%	28,970,208	7	1.13%
ACG - Pittsburg Investors LLC				22,030,113	8	0.86%
						0.00%
Subtotal	\$656,713,765		13.86%	\$766,503,348		30.01%
Total Net Assessed Valuation:						
Fiscal Year 2009-2010	\$4,737,707,841					
Fiscal Year 1999-2000	\$2,554,045,064					

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

**CITY OF PITTSBURG**  
**Secured Tax Charges and Amount Delinquent June 30**  
**Last Five Fiscal Years**

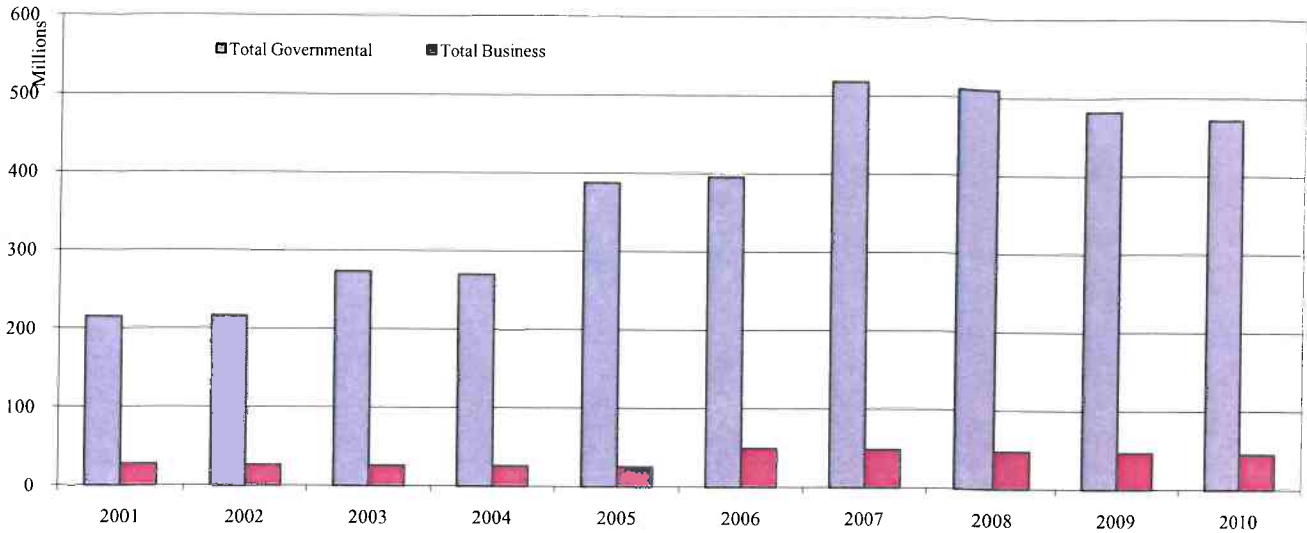


<b>Fiscal Year</b>	<b>Secured Tax Charges</b>	<b>Amount Delinquent Collections</b>	<b>Percent % Delinquent</b>
05-06	\$8,509,194	\$160,291	1.88%
06-07	\$9,789,806	\$332,716	3.40%
07-08	\$10,360,164	\$496,480	4.79%
08-09	\$10,091,171	\$403,142	3.99%
09-10	\$8,502,712	\$227,589	2.68%

Source: CA Municipal Statistics



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



**Governmental Activities**

Fiscal Year	Tax	Pass	Special	Landfill	Total
	Allocation	Through	Assessment	Containment	
	Bonds	Obligations	Debt		
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
2009	438,152,213	8,050,000	35,675,000	N/A	481,877,213
2010	430,167,213	6,488,051	34,650,000	N/A	471,305,264

**Business-Type Activities**

Fiscal Year	Water	Sewer	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Revenue Bonds	Revenue Bonds				
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
2009	37,260,000	9,185,000	46,445,000	528,322,213	14.71%	8,178
2010	36,425,000	8,615,000	45,040,000	516,345,264	12.61%	7,948

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

Sources: City of Pittsburg  
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**

<b>Fiscal Year</b>	<b>General Bonded Debt Outstanding</b>		<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
	<b>Assessment Bonds</b>	<b>Total</b>		
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
2009	438,152,213	438,152,213	6.77%	6,782.54
2010	430,167,213	430,167,213	7.77%	6,621.32

**CITY OF PITTSBURG**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2010**

2009-10 Assessed Valuation \$1,854,750,819  
(After deducting \$3,744,970,010 Redevelopment Incremental Valuation)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt Outstanding 6/30/2010	Percentage Applicable To City of Pittsburg	Amount Applicable To City of Pittsburg
Bay Area Rapid Transit District	\$420,000,000	0.425%	\$1,785,000
Contra Costa Community College District	245,795,000	1.437%	3,532,074
Antioch Unified School District Facilities Improvement District No. 1	20,000,000	1.730%	346,000
Mount Diablo Unified School District	207,525,000	0.976%	2,025,444
Mount Diablo Unified School District Communities Facilities Dist No. 1	60,080,000	0.976%	586,381
Pittsburg Unified School District	106,295,000	94.681%	100,641,169
City of Pittsburg Community Facilities District No. 2005-2	11,410,000	100%	11,410,000
City of Pittsburg 1915 Act Bonds	23,240,000	100%	23,240,000
East Bay Regional Park District	196,775,000	0.647%	1,273,134
<b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b><u>\$1,291,120,000</u></b>		<b>144,839,202</b>
<b>OVERLAPPING GENERAL FUND DEBT:</b>			
Contra Costa County General Fund Obligations	\$270,430,000	1.432%	3,872,558
Contra Costa County Pension Obligations	435,310,000	1.432%	6,233,639
Contra Costa Community College District Certificates of Participation	990,000	1.437%	14,226
Antioch Unified School District Certificates of Participation	21,910,000	0.895%	193,904
Mount Diablo Unified School District Certificates of Participation	5,440,000	0.976%	53,094
Pittsburg Unified School District Certificates of Participation	44,035,000	94.681%	41,692,778
City of Pittsburg Pension Obligation Bonds	39,266,056	100%	39,266,056
Contra Costa Fire Protection District Pension Obligations	120,180,000	3.227%	3,878,209
Less: Contra Costa County revenue supported obligations			(1,805,213)
<b>TOTAL OVERLAPPING GENERAL FUND DEBT</b>	<b><u>\$937,561,056</u></b>		<b><u>\$93,399,251</u></b>
<b>GROSS COMBINED TOTAL DEBT</b>			<b>(1) <u>\$240,043,666</u></b>
<b>NET COMBINED TOTAL DEBT</b>			<b><u>\$238,238,453</u></b>

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

**RATIOS TO 2009-10 ASSESSED VALUATION:**

Total Overlapping and Tax Assessment Debt 2.59%

**RATIOS TO ADJUSTED ASSESSED VALUATION:**

Combined Direct Debt (\$39,266,056) 2.12%

Gross Combined Total Debt 12.94%

Net Combined Total Debt 12.84%

Source: California Municipal Statistics, Inc.

**CITY OF PITTSBURG**  
**Computation of Legal Bonded Debt Margin**  
**June 30, 2010**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$1,854,750,819 (1)</u>
(1) Net of \$3,744,970,010 Redevelopment Incremental Valuation	

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$69,553,156</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>

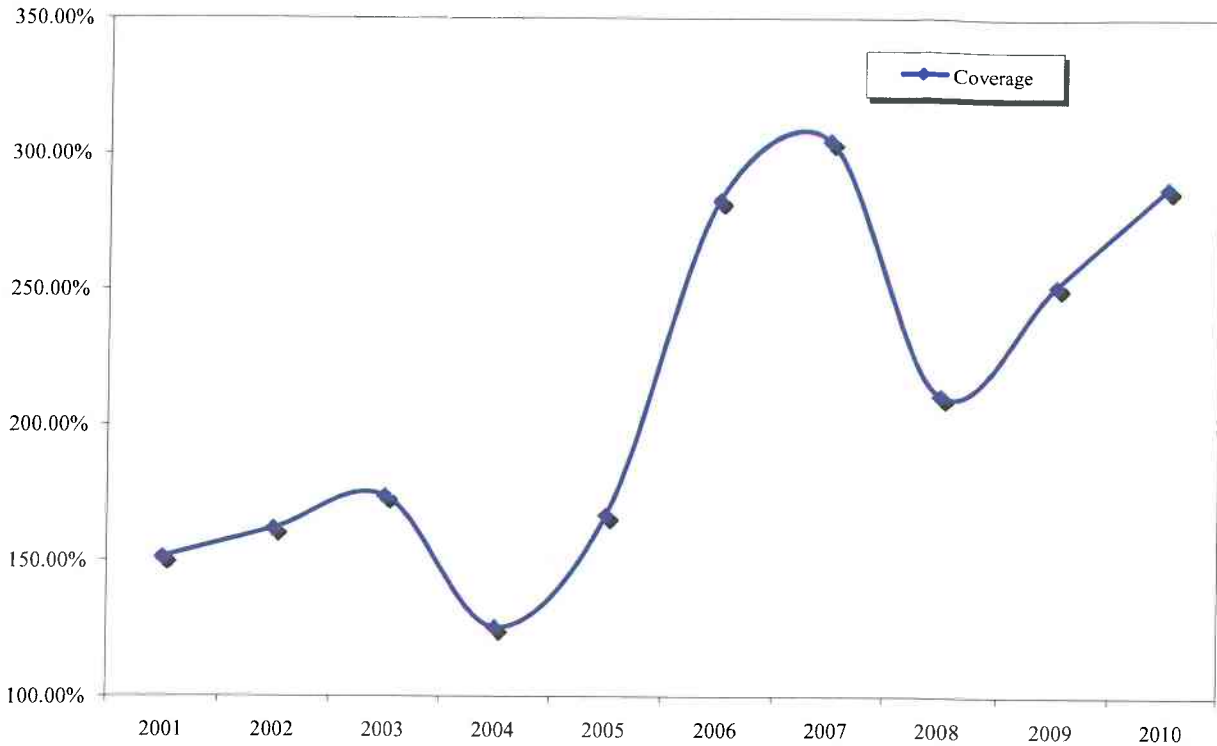
LEGAL BONDED DEBT MARGIN	<u><u>\$69,553,156</u></u>
--------------------------	----------------------------

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
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%
2009	79,517,400	0	79,517,400	0.00%
2010	69,553,156	0	69,553,156	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	
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	1,440,933	475,000	674,157	1,149,157	125.39%
2005	2,767,970	1,222,907	1,545,063	510,000	416,557	926,557	166.75%
2006	3,929,540	1,358,969	2,570,571	520,000	388,978	908,978	282.80%
2007	4,203,414	1,436,161	2,767,253	530,000	378,578	908,578	304.57%
2008	3,555,333	1,630,263	1,925,070	545,000	367,978	912,978	210.86%
2009	3,966,361	1,671,827	2,294,534	555,000	357,078	912,078	251.57%
2010	4,507,019	1,881,181	2,625,838	570,000	343,203	913,203	287.54%

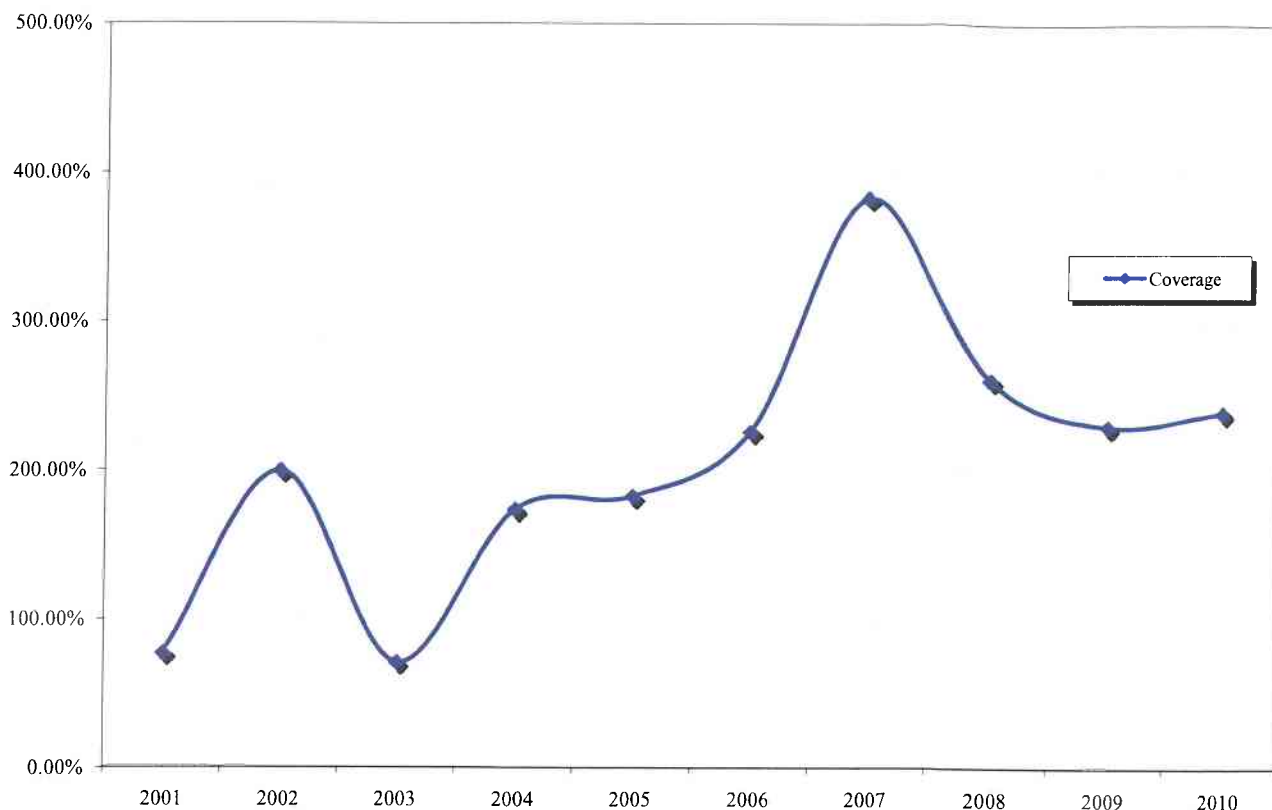
Notes: (1)

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

Source: City of Pittsburgh Annual Financial Statements

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

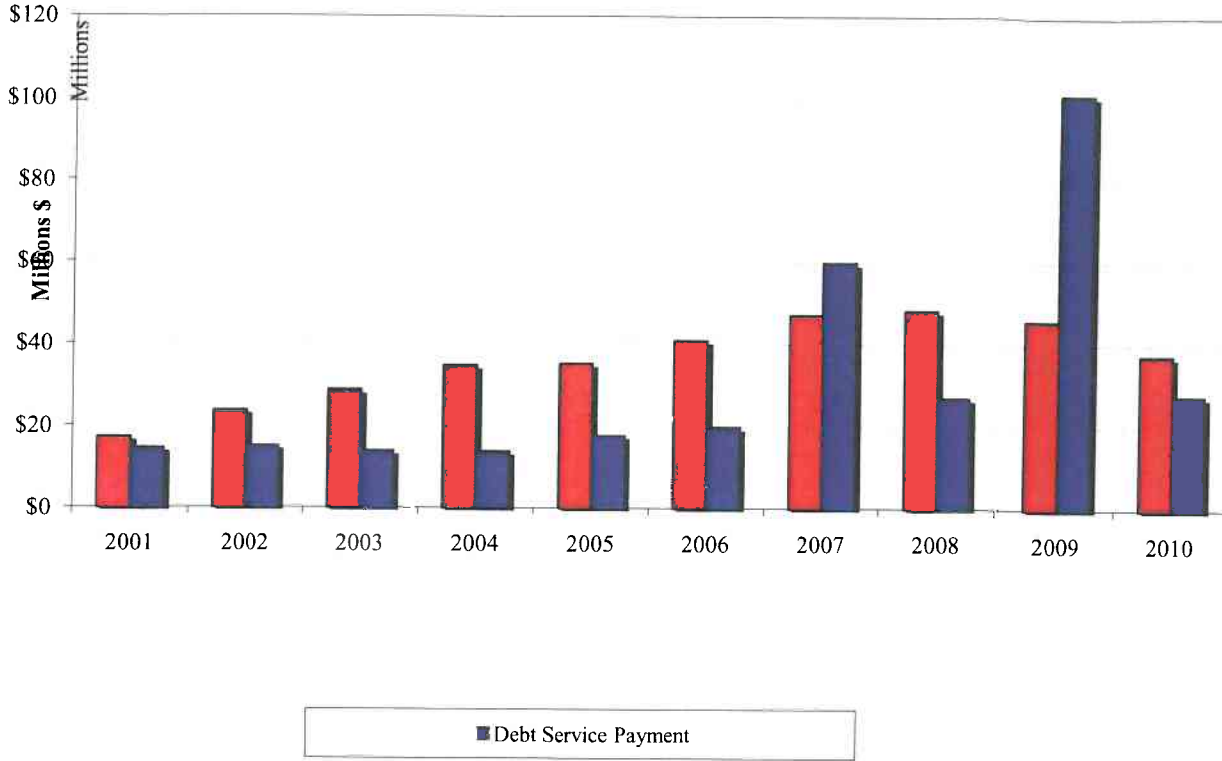


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2001	9,511,873	8,915,565	596,308		775,604	775,604	76.88%
2002	10,413,098	8,864,354	1,548,744		777,674	777,674	199.15%
2003	11,381,346	10,632,175	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%
2009	16,211,046	11,346,449	4,864,597	685,000	1,432,139	2,117,139	229.77%
2010	16,936,588	11,715,714	5,220,874	835,000	1,346,949	2,181,949	239.28%

- 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**



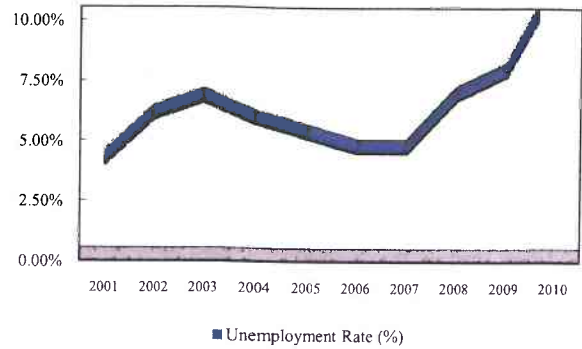
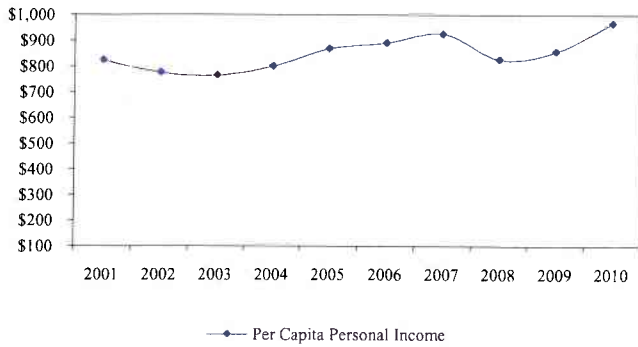
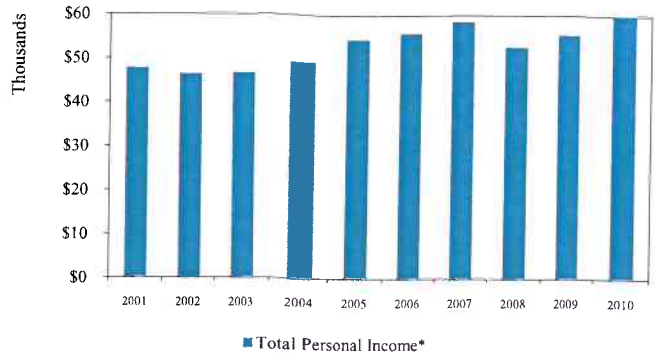
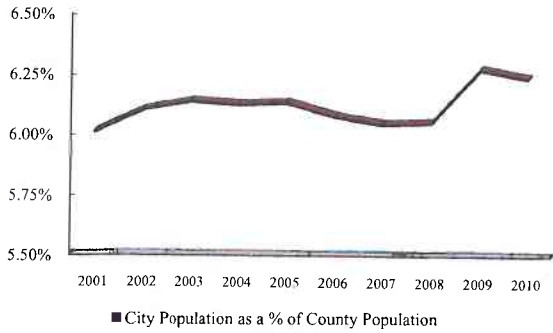
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2001	17,187,171	4,215,000	10,378,601	14,593,601	1.18
2002	23,744,133	4,505,000	10,582,784	15,087,784	1.57
2003	28,663,760	4,510,000	9,330,885	13,840,885	2.07
2004	34,730,440	4,240,000	9,454,394	13,694,394	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	44,845,000 <sup>1</sup>	14,888,380	59,733,381	0.79
2008	48,211,302	7,550,000	19,390,241	26,940,241	1.79
2009	45,913,508	84,335,000 <sup>2</sup>	16,727,258	101,062,260	0.45
2010	37,493,101	7,985,000	19,873,150	27,858,150	1.35

<sup>1</sup> The 1993 Series B Redevelopment Agency Tax Allocation Refunding Bonds were totally defeased.

<sup>2</sup> The 2006 Series B Redevelopment Agency Tax Allocation Refunding Bonds were totally defeased.

Source: City of Pittsburgh Annual Financial Statements

**CITY OF PITTSBURG**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**



Fiscal Year	City Population	Total Personal Income*	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	Pittsburg Population % of County
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%
2009	64,600	55,580	860	7.7%	1,029,703	6.27%
2010	64,967	63,039	970	11.3%	1,041,274	6.24%

Source: California Municipal Statistics

\*US Department of Commerce - Bureau of Economic Analysis (Contra Costa County)  
Pittsburg Chamber of Commerce



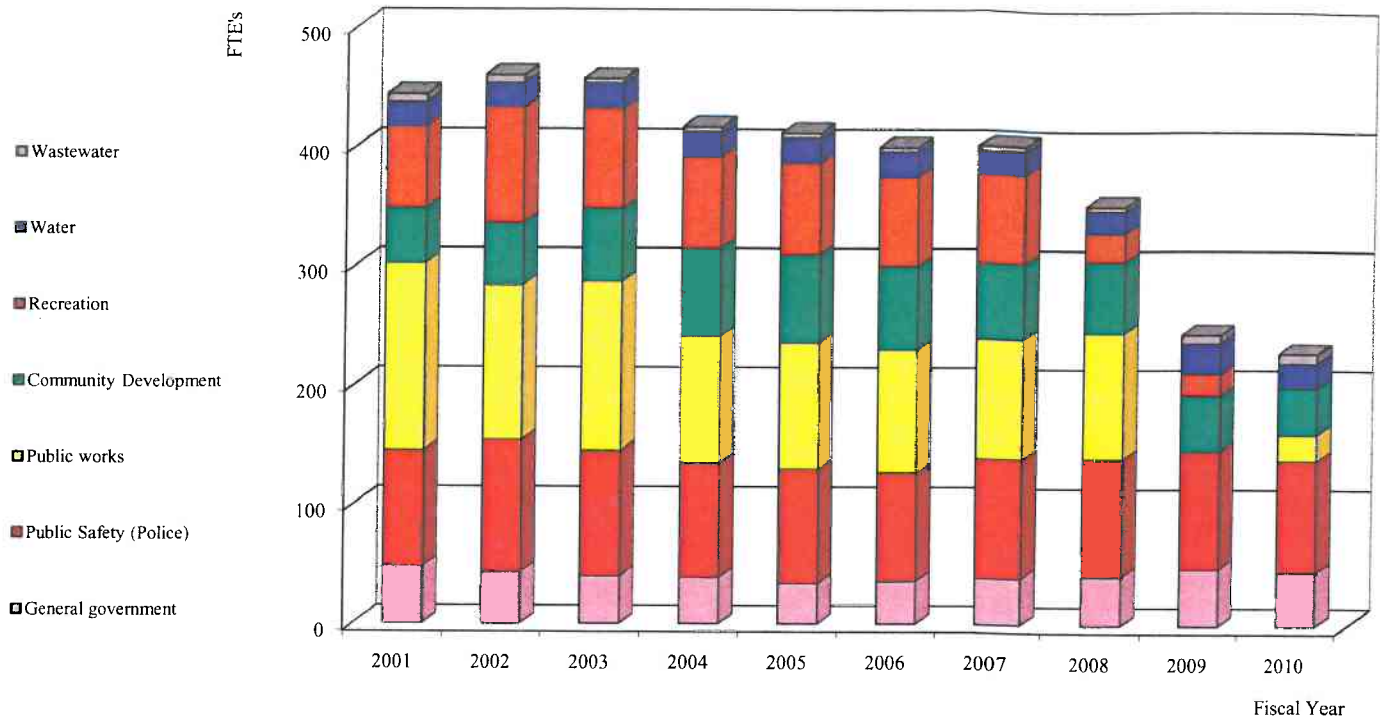
**CITY OF PITTSBURG**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2009-10</u>			<u>1990-00</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
USS - Posco Industries	1,000	1	7.8%	1,200	1	2.3%
Pittsburg Unified School District	868	2	6.8%	775	2	1.5%
Los Medanos Community College	520	3	4.1%	700	3	1.3%
Dow Chemical Company	425	4	3.3%	600	4	1.3%
Walmart Stores	320	5	2.5%			
Contra Costa Health Center	300	6	2.4%			
Pittsburg City Offices	275	7	2.2%			
Safeway	180	8	1.4%			
Target	154	9	1.2%			
Best Buy Stores	150	10	1.2%			
Continental Forest Industry				160	6	0.3%
Cal Color Printing Corporation				150	7	0.3%
General Chemical Corporation				120	8	0.2%
Subtotal	<u>4,192</u>		<u>32.8%</u>	<u>2,505</u>		<u>8.9%</u>
Employees in the City of Pittsburg	<u>12,783</u>					

Source: HDL/ Coren & Cone Consultants

1999-00 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, 2010									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	48	43	40	39	34	36	39	41	48	45
Public Safety (Police)	97	111	105	96	96	91	100	99	99	94
Public works	157	130	142	106	106	103	101	106	23 *	22
Community Development	46	52	61	74	74	70	63	60	47	39
Recreation	69	97	84	77	77	75	75	24 *	18	0
Water	20	20	21	21	21	21	20	18	26	21
Wastewater	7	7	4	4	4	4	4	4	7	8
<b>Total</b>	<b>444</b>	<b>460</b>	<b>457</b>	<b>417</b>	<b>412</b>	<b>400</b>	<b>402</b>	<b>352</b>	<b>268</b>	<b>245</b>

\* Prior Years (2000-2007) Included Summer Staff

\* 2009 was a realignment of staff time and also elimination of many part-time PW staff

Source: City of Pittsburgh

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

Function/Program	2001	2002	2003	2004
<b>Public safety:</b>				
Police:				
Police calls for Service	65,043	74,438	68,050	64,659
Law violations:				
Part I and Part II crimes	9,581	10,678	9,597	8,076
Physical arrests (adult and juvenile)	4,166	5,014	4,892	3,411
Traffic violations (VC14601 & VC12500)	262	660	1,112	871
 (1) Do not include Dec 2006 DOJ Monthly Report Traffic Violations reported to 12/18/06				
 (Fire Protection is Contra Costa County)				
 <b>Public works</b>				
Street Re-surfacing (Miles)				
Streets Repaired (square feet)	30,468	149,813	96,023	62,472
 <b>Leisure Services:</b>				
Community Services: *				
Recreation Class Participants	n/a	559	822	317
Swim Participants	8,535	11,697	8,345	8,503
Softball Participants	n/a	n/a	649	210
Small World Park Gate Attendance	n/a	n/a	24,105	21,238
Senior Center Nutrition/Exercise Class	n/a	n/a	0	7,769
 (1) Senior Center Opened March 2004 January 2006 Senior Center flooded Closed 7.5 weeks				
 <b>Water</b>				
Number of Meters Served	14,048	15,023	15,425	15,587
Water Main Breaks	108	n/a	n/a	n/a
Average Daily Consumption (millions of gallons)	9.345	9.261	9.487	9.769
 <b>Wastewater</b>				
Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A)	145.52	148.02	150.22	155.72
Average daily treatment (thousands of gallons)	n/a	n/a	n/a	n/a
 <b>Solid Waste</b>				
Refuse Landfilled (tons per year)	66,812	66,936	76,595	70,535
Recyclables Processed (tons per year)	31,929	27,666	27,709	31,946
Source: City of Pittsburg Divisions & Prior Year CAFR's	* Leisure Services Data not Available due			
Note: n/a denotes information not available.	City Reorganization and Early Retirements			

Fiscal Year					
2005	2006	2007	2008	2009	2010
67,778	67,591	71,643	70,707	74,487	69,078
8,244	8,308	8,923	8,117	8,545	7,568
3,401	3,688	4,042	3,955	4,406	3,512
568 (1)	636	901	1,163	1,613	1,502
78,411	42,509	76,240	133,103	86,553	0
509	517	564	404	N/A	N/A
8,837	8,737	9,135	9,134	N/A	N/A
145	320	429	465	N/A	N/A
19,227	18,600	18,660	17,376	N/A	15,833
22,690	21,423	18,777	15,735	N/A	16,777
15,894	16,291	16,731	16,579	16,718	17,097
65	61	102	76	65	74
9.155	9.508	10.320	10.36	8.86	8.48
155.72	157.72	159.12	159.12	159.12	
n/a	27	34	34	34	34
85,034	90,500	68,000	85,700	77,817	N/A
33,037	35,000	42,000	43,425	25,750	N/A

N/A Not Available at time of CAFR

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

	Fiscal Year			
	2001	2002	2003	2004
<b>Function/Program</b>				
<b>Public safety:</b>				
Police stations	1	1	1	1
Police patrol units (Includes Unmarked)	27	34	43	44
<b>Public works</b>				
Miles of streets (Center Line)	144.6	144.8	145.8	147.7
Street lights (Total)	3,428	3,503	3,580	3,741
Traffic Signals	42	46	50	50
<b>Culture and recreation:</b>				
<b>Community services:</b>				
City Parks	11	14	16	16
City parks acreage	114	114	122	122
Roadway landscaping acreage	11.6	12.5	12.9	13.2
Regional park acreage	42.5	46.1	46.4	47.7
<b>Regional park facilities:</b>				
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
<b>Water</b>				
Storage capacity (millions of gallons)	16.9	16.9	16.9	16.9
<b>Wastewater</b>				
Miles of sanitary sewers	146	148	150	165

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

Note: n/a denotes information is not available.

Fiscal Year					
2005	2006	2007	2008	2009	2010
1	1	1	1	1	1
51	52	52	52	52	52
149.6	154.0	154.8	156.8	156.8	157.0
3,766	3,796	3,975	4,008	4,107	4,194
51	52	59	60	60	61
16	17	21	21	21	21
122	125	145	145	145	145
13.2	13.2	13.2	15	17	19
53.2	54.0	56.0	56.0	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	3
16.9	16.9	16.9	16.9	16.3	19.3
156	158	159	159	159	159



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

We have audited the basic financial statements of the City of Pittsburg (City) as of and for the year ended June 30, 2010, and have issued our report thereon dated June 9, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We consider the deficiency, described in the accompanying schedule of findings and responses to be a material weakness as item FS 2010-01.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item FS2010-02 to be a material weakness.

The City's written response to the deficiency identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Caporicci & Larson, Inc.*

Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
San Francisco, California  
June 9, 2011



**City of Pittsburg**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2010**

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**FS 2010-01 Internal Controls over Financial Reporting (Material Weakness)**

**Condition:**

We have determined that processes utilized for closing and reporting of financial activity for the fiscal year ended June 30, 2010 were not sufficient to identify errors timely resulting in the reissuance of the current year financial statements issuances.

**Criteria:**

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information and compliance with laws and regulations.

**Cause:**

The City's policies and procedures for preparing financial transactions were disrupted due to the changes in the financial reporting system.

**Effect:**

During the performance of our audit for the year ended June 30, 2010, we noted that reviews of the account groupings and financial statement preparations of the Redevelopment Agency were not performed timely resulting in changes that were required to correct the financial statement presentation after the financial statements had been issued.

**Recommendation:**

We recommend that the City close its books in a timely manner and have all accounts reconciled and balanced to the general ledger, and a detailed reviewing of all financial statements be conducted prior to issuance of any reports. We also recommend that all reconciliations and detailed listings be reviewed to ensure accuracy.

**Management Corrective Action Plan:**

The Finance Department will apply a "team approach" to the year end closing of the ledgers. The Finance Department will also schedule year end closing functions earlier. There has also been additional system training of staff to utilize the new reporting system. Closing functions will be documented and by team approach summaries will be reviewed for thoroughness.

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**FS2010-02 Internal Control over Compliance (Material Weakness)**

**Criteria:**

The California State Controller's Office (SCO) performed reviews of 18 Redevelopment Agencies in California to ascertain the degree of the redevelopment agencies' compliance with administrative, financial, and reporting requirements. The SCO issued its report on the analysis of administrative, financial, and reporting practices of the selected redevelopment agencies for the period of July 1, 2009 through June 30, 2010 on March 7, 2011.

**Condition:**

The report issued by the SCO indentified eight findings and four observations. A finding is an assessment of the conditions found against certain standards or criteria such as statutory provisions, adopted policies, and established industry practices. An observation is a condition which they believe may be of interest or useful to potential users of the reports. The result of the review indentified various findings relating to questionable expenditures for the Redevelopment Agency of the City of Pittsburg (Lack of Documentation and Undocumented Loan) and a SERAF payment.

**Cause:**

In response to the SCO's findings about lack of documentation, the City asserted that the SCO made a factual error and suggested that the documents were available but weren't requested during the audit per City's response reported in the Review Report.

**Context and Effect:**

The City needs to ensure that the Redevelopment Agency is in compliance with all administrative, financial and reporting requirements.

**Questioned Costs:**

No questioned costs were identified.

**Recommendation:**

The City should continue its efforts to resolve the findings with SCO to ensure compliance with the Redevelopment Agency laws and regulations.

**Management Corrective Action Plan:**

The City has responded to SCO on a letter dated March 3, 2011 to clarify the findings on the factual errors and comments on the draft report prior to issuance.