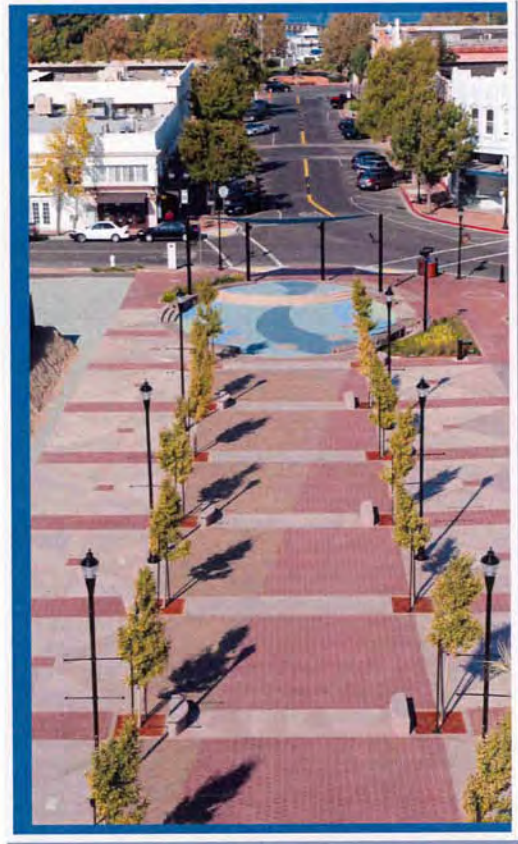
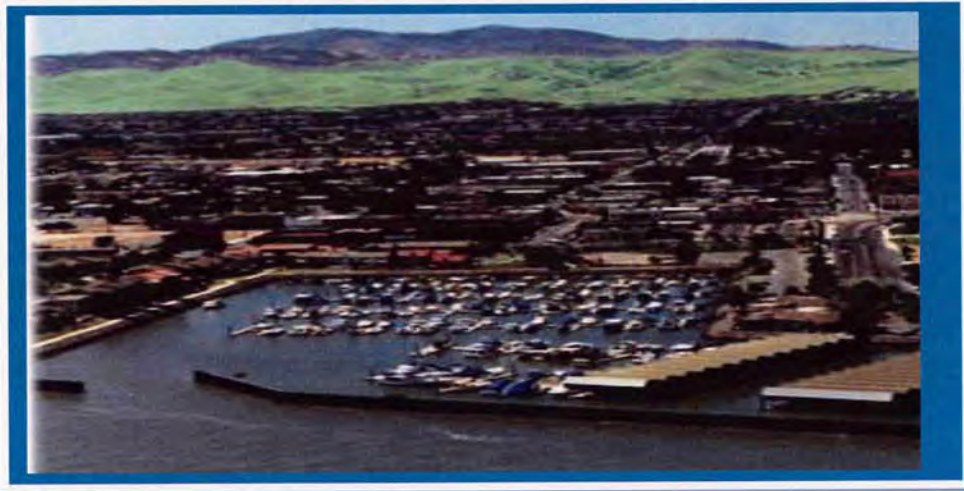


# City of Pittsburg, California



**Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2012**

# City of Pittsburg California

## Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2012



Prepared by the Finance Department

Karen Chang  
*Division Manager, Financial Reporting*

Tina Olson  
*Director of Finance and Administration*



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**City of Pittsburg**  
**Basic Financial Statements**  
**For the Year Ended June 30, 2012**  
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**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*



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

December 16, 2012

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, 2012. 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, 2012. City management is responsible for the accuracy of the data, the fairness and completeness of the presentation, and the inclusion of all disclosures that are necessary to enable the reader to understand the City's operations. This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with "generally accepted accounting principles" (GAAP) in the United States of America.

### **Major Changes in Reporting**

In an effort to balance its budget, the State of California adopted ABX1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolves Redevelopment Agencies on January 31, 2012.

Under the provision of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Successor Agency Housing Special Revenue Fund. The City also elected to become the Successor Agency to the former Redevelopment Agency and on February 1, 2012, the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency.

The activities of the Housing Successor are reported in the Successor Agency Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

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



Redevelopment Agency. The activities and net assets information for Private-Purpose Trust Fund can be found in Fiduciary Fund Financial Statements section.

### General Information about City of Pittsburg

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, 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.

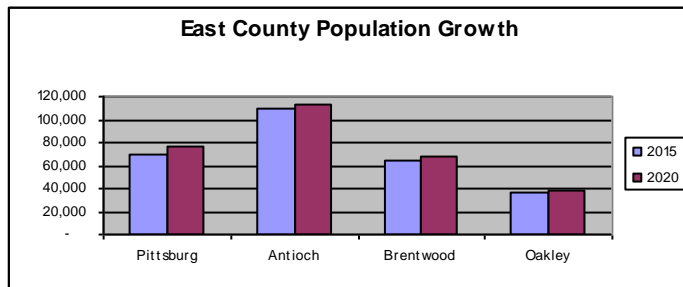
### Reporting Entities

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), Housing Authority, 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 the 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.

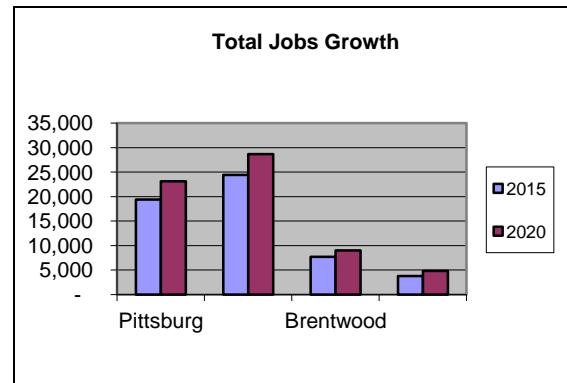
<b>POPULATION GROWTH</b>			
<i>ABAG Projects 2009</i>			
	2015	2020	Change
<b>Pittsburg</b>	<b>70,100</b>	<b>76,200</b>	<b>6,100</b>
Antioch	110,200	112,700	2,500
Brentwood	64,200	67,500	3,300
Oakley	37,250	39,050	1,800
	281,750	295,450	13,700
Contra Costa County:	1,130,700	1,177,400	46,700



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 produces updated forecasts every 2 years.

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 2009 is at 19,390 by the year 2015 and at 23,140 by the year 2020. 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 Projects 2009</i>			
	<u>2015</u>	<u>2020</u>	<u>Change</u>
<b>Pittsburg</b>	<b>19,390</b>	<b>23,140</b>	<b>3,750</b>
Antioch	24,390	28,670	4,280
Brentwood	7,700	8,980	1,280
Oakley	3,770	4,790	1,020
	55,250	65,580	10,330
Contra Costa County:	409,650	445,550	35,900



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 2009 highlighted the Pittsburg Railroad Avenue eBART Station and the Old Town Pittsburg areas as 'Priority Development Areas' in Contra Costa County.

The City of Pittsburg is entering the fifth fiscal year since the start of the Great Recession in 2007-08. While the Bay Area economy is rapidly improving, particularly in San Francisco and the South Bay, Pittsburg's economy is recovering much more slowly. There are positive signs: The City's unemployment rate has declined from 17% in May of 2011 to 14.5% in April of 2012 and Sales Tax revenues are 12% greater in FY 2011-12 than in FY 2010-11. However, property values remain relatively flat, resulting in stagnant property tax-related revenues. During this same period, the City has experienced increases in cost to provide health insurance and pension benefits to its employees.

The City has responded to the revenue shortfalls and employee benefit cost increases by reducing costs, including modifying labor contracts to require employees to pay their portion of pension contributions and a portion of health benefit premiums, contracting out recreational programs including the golf course, and streamlining administrative services through automation and consolidation that reduced administrative expenses. In addition, the City established a Budget Stabilization Fund in 2004 to which it has deposited one-time revenues. Including the FY 2011-12 \$2 million allocation, the Budget Stabilization Fund currently has a balance of approximately \$10 million.

City Staff has developed a 7-year Balancing Plan ("the Plan") that will result in a balanced General Fund budget by end of FY 2017-18.

## **Major Initiatives**

Pursuant to ABx 1 26 (“AB 26), approved by Governor Jerry Brown on June 28, 2011 and upheld by the California State Supreme Court on December 29, 2011, the Redevelopment Agency of the City of Pittsburg (“Agency”) was dissolved on February 1, 2012. The former Agency is now administered under the name Successor Agency for Redevelopment Agency of the City of Pittsburg whose main purpose is to wind down its affairs.

Prior to the dissolution, the Agency entered into contractual obligations to either construct or assist in the construction of various projects to help reduce blight in the Los Medanos Community Development Project Area. The projects completed in Fiscal Year 2011-2012 are the following:

- La Almenara-affordable housing
- Siena Court-affordable housing
- Cumberland Service Access
- Civic Center Phase IVB
- Recycled Water Marina Walk Park (should all be grant funded but there were RDA funds in the account for non-reimbursable expenses)
- Fire Prevention Bureau

Projects not on the CIP list that commenced in Fiscal Year 2011-2012 but will finish in Fiscal Year 2012-2013:

- Santa Fe Commons (scattered sites)-affordable housing
- California Theatre-commenced 2010
- MOMO Restaurant

## **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, 2011 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 2010-11 and 2011-12 amounted to \$109,119,619 and \$112,977,107 respectively. The 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, 2012 was .36%, a decrease of .09% compared to the same period of last fiscal year (June 30, 2011) .45%. Total LAIF interest earnings were \$119,277 for the fiscal year 2010-12, a decrease \$59,227 from the fiscal year 2010-11. At June 30, 2012, 22% 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 \$29 million per occurrence. The City also maintains statutory excess workers' compensation insurance through the Municipal Pooling Authority (MPA).

## **Independent Audit**

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

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, 2012 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 Karen Chang invested in completing the City's FY 2011-2012 Audited Financial Statements.

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,

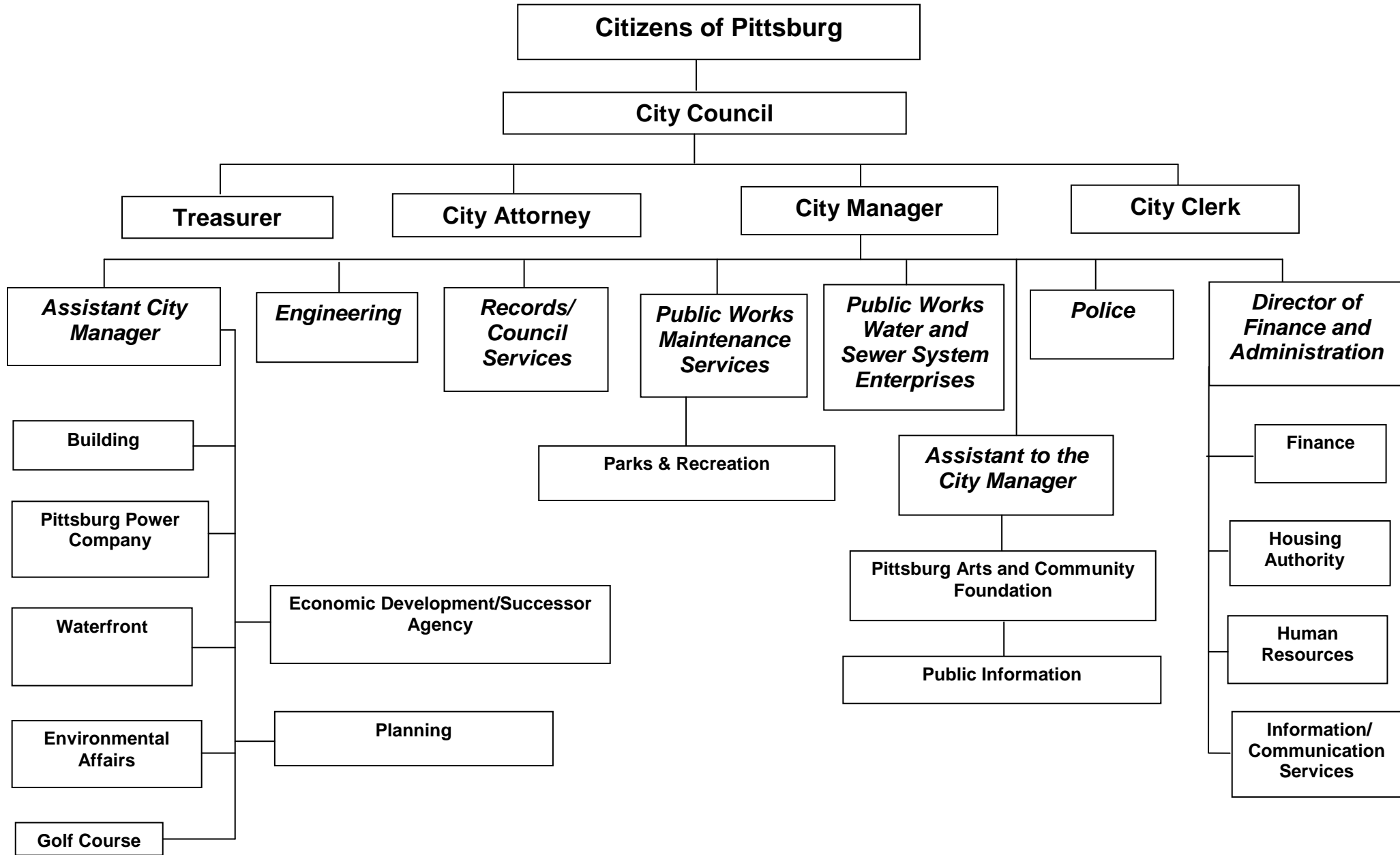


Joe Sbranti  
City Manager



Tina Olson  
Director of Finance and Administration

# ➤ CITY GOVERNMENT



**City of Pittsburgh  
Comprehensive Annual Financial Report  
Fiscal Year Ended June 30, 2012**

**◆ ◆ ◆ City Council**

Ben Johnson, Mayor  
Nancy Parent, Vice Mayor  
Salvatore Evola, Council Member  
Will Casey, Council Member  
Pete Longmire, Council Member

**◆ ◆ ◆ Other Elected Officials**

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

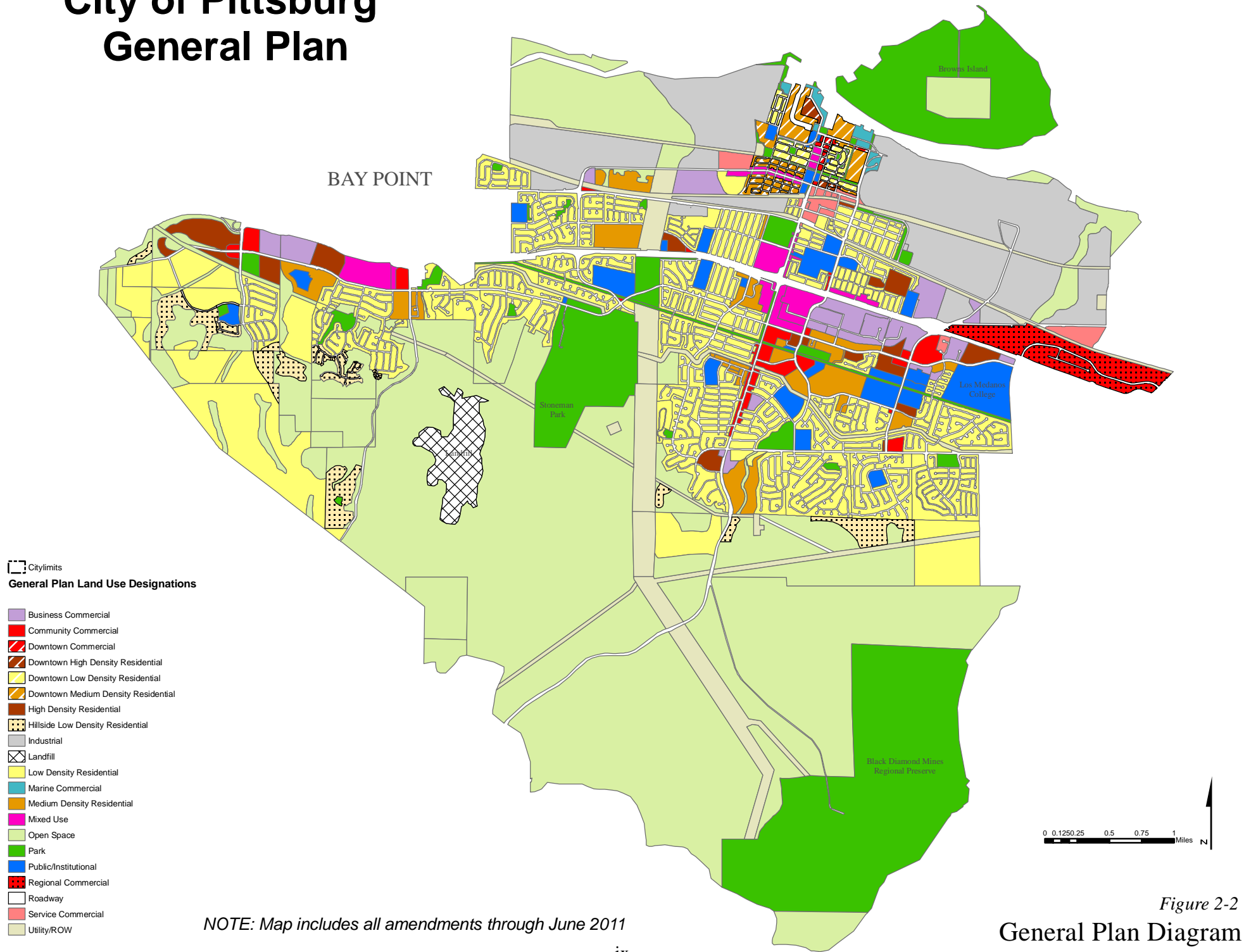
**◆ ◆ ◆ City Attorney**

Ruthann G. Ziegler, Esquire, City Attorney

**◆ ◆ ◆ Management Staff**

Joe Sbranti, City Manager  
Garrett Evans, Assistant City Manager – Development Services  
  
Aaron Baker, Chief of Police  
Don Buchanan, Director of Recreation and Maintenance Services  
Van dePiero, Harbormaster  
Alice E. Evenson, Director of Records and Council Services  
Keith Halvorson, City Engineer  
Sharon Jackson, Supervisor of Housing Authority  
Tina Olson, Director of Finance and Administration  
Walter C. Pease, Director of Water and Sewer System Enterprises

# City of Pittsburg General Plan







**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the basic 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, 2012, as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 for financial audits contained in *Governmental Auditing Standards* issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

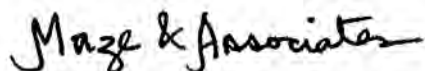
In our opinion, the basic financial statements referred to above present fairly in all material respects the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pittsburg at June 30, 2012 and the respective changes in financial position and cash flow, where applicable, thereof for the year then ended, in conformity with generally accepted accounting principles in the United States of America.

As discussed in Note 14, pursuant to ABx1 26 adopted by the State of California which was validated by the California Supreme Court on December 28, 2011, the Redevelopment Agency of the City has been dissolved and its assets turned over to and liabilities assumed by Successor Agencies effective January 31, 2012.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2012 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.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the City of Pittsburg's financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section are presented for purposes of additional analysis and are not a required part of the financial statements. The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with generally accepted auditing standards in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole. The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "Maze & Associates".

October 23, 2012

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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**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, 2012. 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 2011-2012 by \$436.1M (*net assets*).

The City's total net assets of \$436.1M increased from the prior fiscal year 2011-2012 by \$273.7M. The increase was due to transfer of net assets and liabilities to Successor Agency as of February 1, 2012. The total capital assets decreased \$26M in governmental activities was due to assets transferred to Successor Agency. There were an increased of \$1,473K in business-type capital assets.

As of June 30, 2012, the City's governmental funds reported combined ending fund balances of \$42.9M, a decrease of \$(104.0)M in comparison with the prior fiscal year of \$146.9M. Most of the decrease in the governmental fund balances can be attributed to the extraordinary loss recognized by the dissolution of Redevelopment Agency.

- As of June 30, 2012, the fund balance for the General Fund, which includes the Budget Stabilization and Economic Development funds, was \$19M, of which \$305,497 is designated as "Nonspendable" for items that are not in spendable form such as deposits, interfund advances, and inventory; \$2.2M is designated as "Assigned" for economic development activities and encumbrances, which is intended to use for specific purposes designated by the City Council. This leaves a total unassigned balance of \$16.5M, of which 7.1M is available for spending at the government's discretion and \$9.4M will be used to balance future budgets.
- Last year, there were nine major funds in the Governmental Funds section of the Comprehensive Annual Financial Report. RDA budget stabilization and RDA Debt stabilization were removed from reporting in this year's report due to zero fund balances. For the fiscal year ended June 30, 2012, there are eight (8) major funds, with the Housing Successor Agency being newly designated as a major fund.

When compared to the prior fiscal year, the City's total liabilities decreased by \$445M primarily because of transfer of \$426M liability from former Redevelopment Agency to Successor Agency. Please refer to Note 14 Redevelopment Agency dissolution and Successor Agency Activities for additional information.

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-Wide Financial Statements** - The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements consist of:

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

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

The Government-Wide Financial Statements include not only the City itself but also the Redevelopment Agency, Housing Authority (formerly known as the Community Access) and Housing Successor Agency. Financial information for these component units are blended with the financial statements of the primary government itself.

Pursuant to ABx 1 26 ("AB 26"), approved by Governor Brown on June 28, 2011 and upheld by the California State Supreme Court on December 29, 2011, the Redevelopment Agency of the City of Pittsburg ("Agency") was dissolved on January 31, 2012. The former Agency is now administered under the name Successor Agency for Redevelopment Agency of the City of Pittsburg. The Government-Wide Financial Statements for fiscal year 2011-2012 includes activities of Agency for the seven months ended January 31, 2012 and had reported the asset transferred to Successor Agency as extraordinary items. Please refer to Note 14 for a more detail discussion of the activities and assets and liabilities transferred as of January 31, 2012. The activities and assets of Successor Agency from February through June 2012 can be found in Fiduciary Fund Section of the Financial Statements.

**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.

**City of Pittsburgh**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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- *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 44 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 eight funds that are considered to be major funds. These funds consist of the General Fund, Low/Moderate Income Housing I, Low/Moderate Income Housing II, Redevelopment Special Revenue, Housing Authority (Section 8), Redevelopment Debt Service, and Redevelopment Capital Projects, and the Successor Agency Housing Fund. Data from the other 36 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 Pittsburgh Power Company operations, and the Water Front Operations. 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, so the Golf Course is still a reportable proprietary fund.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for its fleet of vehicles maintenance, building maintenance, information and communication systems management, risk management/insurance and employee fringe benefits activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within “governmental activities” in the government-wide financial statements.

Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Water Fund, the Sewer Fund and the Marina Fund, all of which are considered to be major funds. Data from the other four 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. With the dissolution of Redevelopment Agency per ABx 1484, the activities of the Successor Agency to the Former Redevelopment Agency are reported as Private Purpose Trust Fund in the Fiduciary Fund section.

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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**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.

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

**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 \$436.1M at the close of the Fiscal Year ended June 30, 2012, which is \$273.70 more than fiscal year 2010-2011.

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, 2012 with the comparative data for the Fiscal Year ended June 30, 2011.

**City of Pittsburg**  
**Summary of Net Assets**  
**As of June 30, 2012**

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Current Assets	\$ 218,294,405	\$ 93,111,658	\$ 43,357,563	\$ 39,767,835	\$ 261,651,968	\$ 132,879,493
Non-Current Assets	17,406,632	-	2,468,394	7,734,430	19,875,026	7,734,430
Capital Assets	315,385,908	288,997,575	120,323,889	121,796,698	435,709,797	410,794,273
Total Assets	<u>551,086,945</u>	<u>382,109,233</u>	<u>166,149,846</u>	<u>169,298,963</u>	<u>717,236,791</u>	<u>551,408,196</u>
Current Liabilities	45,177,365	8,833,998	6,639,735	12,860,955	51,817,100	21,694,953
Non-Current Liabilities	458,145,507	49,600,942	44,846,860	44,016,960	502,992,367	93,617,902
Total Liabilities	<u>503,322,872</u>	<u>58,434,940</u>	<u>51,486,595</u>	<u>56,877,915</u>	<u>554,809,467</u>	<u>115,312,855</u>
Investments in Capital Assets Net of Related Debt	46,622,103	250,271,519	73,188,754	79,796,698	119,810,857	330,068,217
Restricted	63,967,311	31,591,442	20,709,344	23,822,296	84,676,655	55,413,738
Unrestricted	(62,825,341)	41,811,332	20,765,153	8,802,054	(42,060,188)	50,613,386
Total Net Assets	<u>\$ 47,764,073</u>	<u>\$ 323,674,293</u>	<u>\$ 114,663,251</u>	<u>\$ 112,421,048</u>	<u>\$ 162,427,324</u>	<u>\$ 436,095,341</u>

At the end of the Fiscal Year 2011-2012 the total assets exceeded total liabilities by \$436.1M.

**Changes in Net Assets** – In the Fiscal Year 2011-2012, the City's total revenues, transfers, and extraordinary items of \$322.40 for governmental activities exceeds its expenditure of \$92.3M by \$230.10; \$269.1M was resulted from the net assets / liabilities transferred from dissolved Redevelopment Agency to its Successor Agency. The City's expenses cover a range of services. Of the Governmental Activities, the largest expenses were in the Community Development and Services category (\$29.6M), Public Safety (\$23.7M), Interest on Long-term Debt (12.4M), and Public Works (\$18.4M). These expenses include capital outlays, which are now reflected in the City's capital assets. Further analysis is provided within the governmental and business-type sections on the following pages. For additional information on the Capital Assets, please refer to Note 6 – Capital Assets disclosure.

**Governmental Activities** – Governmental Activities reflects an increase of \$275.9M in net assets and Business Activities reflects a decrease of \$(2.2)M in net assets for the Fiscal Year 2011-2012. 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 2010-2011.



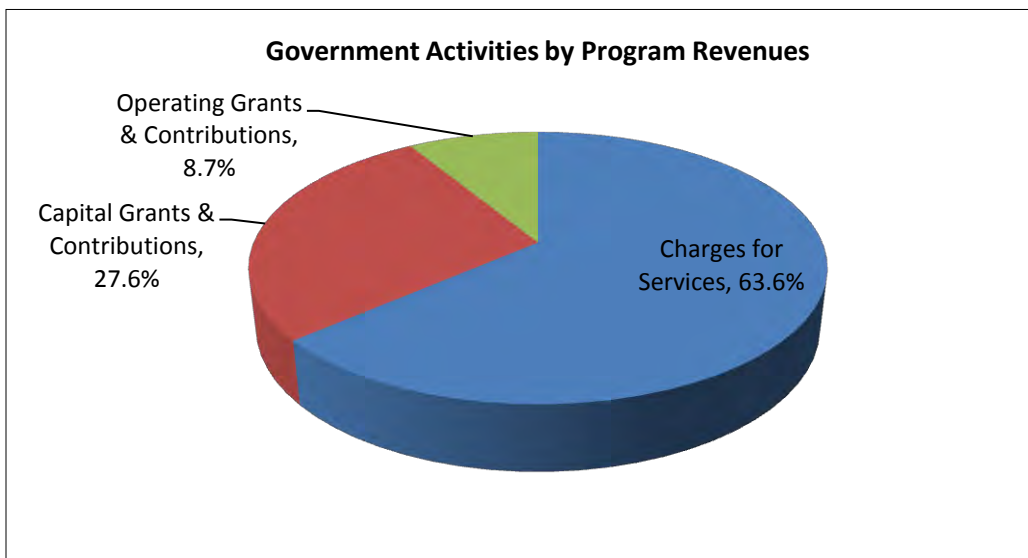
**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

**Statement of Changes in Net Assets**  
**Fiscal Year Ended June 30, 2012**  
**With comparative data for fiscal year ended June 30, 2011**

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$ 16,114,017	\$ 29,140,215	\$ 33,616,730	\$ 29,781,594	\$ 49,730,747	\$ 58,921,809
Operating Grants and Contributions	16,926,790	12,661,955			16,926,790	12,661,955
Capital Grants and Contributions	929,465	3,997,403	309,021	205,675	1,238,486	4,203,078
Sub-Total	33,970,272	45,799,573	33,925,751	29,987,269	67,896,023	75,786,842
<i>General Revenues:</i>						
Property Taxes	40,456,473	23,507,704	-	-	40,456,473	23,507,704
Sales Taxes	5,438,354	6,168,690	-	-	5,438,354	6,168,690
Franchise Fees	2,660,883	3,103,823	-	-	2,660,883	3,103,823
Motor Vehicle in lieu fees	3,936,649	4,470,104	-	-	3,936,649	4,470,104
Gas Taxes	1,620,661	1,814,537	-	-	1,620,661	1,814,537
Other Taxes	6,034,535	5,369,372	-	-	6,034,535	5,369,372
Investment Earnings - Unrestricted	2,314,878	1,182,954	447,506	400,199	2,762,384	1,583,153
Sub-Total	62,462,433	45,617,184	447,506	400,199	62,909,939	46,017,383
Total Revenues	96,432,705	91,416,757	34,373,257	30,387,468	130,805,962	121,804,225
Expenses:						
General Government	11,509,249	3,708,090	-	-	11,509,249	3,708,090
City Council	72,261	68,774	-	-	72,261	68,774
City Manager and City Clerk	339,475	480,049	-	-	339,475	480,049
City Attorney	439,510	477,870	-	-	439,510	477,870
Human Resources	648,127	710,874	-	-	648,127	710,874
Finance and Services	2,256,434	2,720,333	-	-	2,256,434	2,720,333
Community Development & Services	25,958,715	29,578,105	-	-	25,958,715	29,578,105
Public Safety	20,111,317	23,744,135	-	-	20,111,317	23,744,135
Public Works	19,975,441	18,409,616	-	-	19,975,441	18,409,616
Interest on Long-Term Debt	23,519,241	12,406,317	-	-	23,519,241	12,406,317
Gain (loss) on sale of assets	18,539,878	-	-	-	18,539,878	-
Water Utility	-	-	14,449,902	14,904,479	14,449,902	14,904,479
Sewer Utility	-	-	2,317,726	2,443,497	2,317,726	2,443,497
Marina	-	-	2,168,789	2,414,479	2,168,789	2,414,479
Golf Course	-	-	170,279	153,666	170,279	153,666
Island Energy	-	-	3,802,125	3,828,566	3,802,125	3,828,566
Pittsburg Power	-	-	1,579,980	978,522	1,579,980	978,522
Water Front Operations	-	-	-	186,419	-	186,419
Total Expenses	123,369,648	92,304,163	24,488,801	24,909,628	147,858,449	117,213,791
Increase in Net Assets before Transfers	(26,936,943)	(887,406)	9,884,456	5,477,840	(17,052,487)	4,590,434
Transfers	3,957,110	7,720,043	(3,957,110)	(7,720,043)	-	-
Change in Net Assets	(22,979,833)	6,832,637	5,927,346	(2,242,203)	(17,052,487)	4,590,434
Extraordinary Items:						
Net Liabilities Transferred to Successor Agency		269,077,583		-		269,077,583
Net assets - Beginning of Year	70,743,906	47,764,073	108,735,905	114,663,251	179,479,811	162,427,324
Net assets - End of Year	\$ 47,764,073	\$ 323,674,293	\$ 114,663,251	\$ 112,421,048	\$ 162,427,324	\$ 436,095,341

**City of Pittsburgh**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

Total Program Revenues from Governmental Activities were \$46M in Fiscal Year 2011-2012. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizen. Program Revenues reduce the net cost of the function to be financed from the government's general revenues. As reflected in the pie chart below, 63.6% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 27.7% 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 8.7% are from Capital Grants and Contributions. The program revenues were increased by \$12M mainly due to deferred revenue adjustment associated with the dissolution of redevelopment agency.



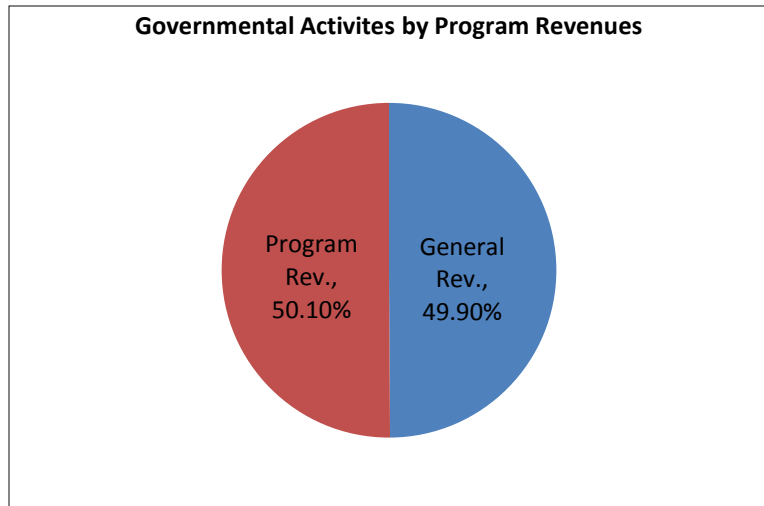
As graphically depicted, 50.4% of General Government services are funded by General Revenues. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. Most of the interest on long-term debt is paid through general revenues, 48.1% of Public Safety services are supported through general revenues, as is 0.1% of Community development and services are supported through general revenues.

General Revenues from Governmental Activities represented 49.9% of total City revenues, and Program revenues reflected 50.1% of total City revenues. Total General Revenues from Governmental Activities were \$45.6M in Fiscal Year 2011-2012. Property Taxes comprised the largest percentage of General Revenues, 51.5% or \$23.5M, received during the fiscal year was Property Taxes.

Program Revenues	\$	45,799,573	50.1 %
General Revenues	\$	<u>45,617,184</u>	49.9 %
		91,416,757	

**City of Pittsburgh**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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**Business-Type Activities** – Net assets for Business-Type Activities were \$112M, a net decrease of \$(2)M from the prior fiscal year. Total program revenues for Business-Type Activities were \$30.0M. Total expenses for the Business-Type Activities were \$24.9M for the Fiscal Year 2011-2012. The decrease of the charges for services in Business Type activities was mainly due to a one time settlement charges of \$5.5M received by Pittsburgh Power Fund in FY 2010-2011.

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

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

As of the end of the current fiscal year, the City's Governmental Funds reported combined ending fund balances of \$42.9M a decrease of \$(104.0)M, in comparison with the prior year. Approximately 5% percent of this total amount or \$7M constitutes unassigned general fund balance, which is available for spending at the government's discretion and \$9.4M designated to balance future budget. The remainder of fund balance is either designated as "Nonspendable" (\$685K) to indicate that it is not available for new spending because it is not in a spendable form or, designated as "Restricted" to fulfill future work on the special activities and capital improvement projects or debt service commitments (\$21M), or designated as "Committed" for capital improvement projects (\$3.3M), or designated as "Assigned" due to being committed to liquidate contracts (encumbrances) and various departmental reservations (\$2.3M). However, the "Assigned" balance is an internal designation and can be altered to become unassigned, if needed. For a detail breakdown of fund balances and designation, please refer to Note 9 Fund Balance.

The Housing Authority (Section 8), which was reported as a Special Revenue Fund, had a net decrease of \$647,057 in revenue. This is due to program funding reduction from Housing Urban Department (HUD) as a measure for the Housing Authority to utilize the existing available fund balance starting in FY 2011-2012.

Successor Agency Housing was formed as a result of provision of ABx 1484. The City has elected to become the Housing Successor and retain the housing assets as of February 1, 2012. The assets will be used in accordance with the low and moderate income housing provisions of California Law. The Successor Agency Housing has assumed assets of \$1,451,670 from the former Low and Moderate Income Housing II special revenue fund.

As mentioned earlier, pursuant to ABx 1484, Redevelopment Agency was dissolved as of January 31, 2012. The Government Fund statement contains only seven months activities for the following funds. The February through June 2012 activities can be found in Fiduciary Fund section of the Financial Statements. Please refer to Note 14 for more detail information.

Low and Moderate Income Housing I and II Special Revenue Fund transferred a balance of \$1,451,670 to Housing Successor and \$2,001,533 to Successor Agency as of February 1, 2012 respectively.

The Redevelopment Agency, which was reported as a Special Revenue fund, had transferred its fund balance of \$3,230,472 as of February 1 to Successor Agency.

Redevelopment Agency Debt Service fund had transferred \$93,874,550 to Successor Agency as of February 1, 2012.

Redevelopment Agency Capital Projects had transferred \$823,485 to Successor Agency as of February 1, 2012.

**City of Pittsburgh**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

**General Fund Budgetary Highlights** – The final amended budget totaled \$30.4M, including \$201,557 for prior fiscal year budget carry forward totals and new appropriation amendments to the originally adopted budget, these amendments are briefly summarized below.

Per Resolutions 11-11678 the City Council adopted the approval of the follow additional appropriations and project carry-forwards:

**Budget Carry Forwards**

\$	9,000	Other Special Department Supplies (City Clerk)
	18,028	Contractual and Professional Services (Finance)
	7,234	Contractual and Professional Services (Planning)
	13,059	Contractual and Professional Services (Engineering)
	10,000	Contractual and Professional Services (Recreation)
	2,325	Advertising and Promotion (Recreation)
	14,000	Maintenance Agreements (Public Works)
	1,700	Special Departmental Supplies (Swim Center)
	10,500	Auditing Expenses (Non-Departmental)
	41,198	Contractual and Professional Services (Non-Departmental)
	41,921	Economic Development
	32,592	Contingency
\$	<u>201,557</u>	<b>Sub-Total Budget Carry Over</b>

**Approved Amendments**

\$	409,636	Economic Development - Enterprise Zone
\$	<u>409,636</u>	<b>Sub-Total Approved Appropriations</b>
\$	<u>611,193</u>	<b>Total Budget Carry Forwards and Approved Appropriations</b>

There was a \$17K amendment to the General Fund estimated revenues for the Fiscal Year 2011-2012. This increase was for the Aquatic Programs.

As the economy has yet to recover, a couple of the General Fund revenues did not reach their budgeted forecasts. Property Taxes for the City fell short \$213,209 of its budgeted projection and franchise taxes were short by \$378,925 of its budgeted forecast. On a positive note, sales taxes and other taxes exceeded their budget forecasts by \$458,690 and \$72,077 respectively and governmental service fees exceed its estimated budget by \$559,298.

There is a total deferral of revenue of \$491.5K in the General Fund. With \$436,308 being set aside for future Engineering related construction activity, such as inspections fees and plan check fees. Other deferrals can be attributed to business license fees of \$15,210, deferred interest loans of \$15,000, future GIS mapping fees of \$7,783, and various donations to the Leisure Services for Teen activities, the Senior Center, Sister City donations and recycling containers of \$17,182.

At the end of the fiscal year, the total actual expenses in the General Fund were \$1,385,325 under the total amended budget. This is the result of most of the General Fund operating departments and projects, prudently operating under budget. A smaller than budgeted public safety employee pension expense increase was also a major factor to the lowered expenditure. The two largest under budget divisions were Public Safety under budget by \$1,052,279 and General Government under budget by \$216,029.

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but in more detail. According to standardized Governmental reporting standard, the Water Fund, Sewer Fund are major funds. The Marina Fund is no longer considered to be major fund, however, the City has elected to continue to report the Marina Funds as a major fund to maintain continuity with the prior year reporting format.

Pittsburg Power was reported as major Enterprise Fund in FY 2010-2011 due to receipt of one-time settlement revenue of \$5.5M. For FY 2011-2012, it is no longer considered as major fund and is reported as part of the Non-Major Enterprise fund.

Total net assets of the Proprietary Funds at the end of the year were \$112.4M; a decrease of \$(2.2)M from the prior fiscal year, in which \$79.8M 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, 2012, amounts to \$410.8M (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 decrease in the City's investment in capital assets net of depreciation for the current fiscal year was \$(26)M. Most of the decrease can be attributed to the net assets transferred to Successor Agency.

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

**City of Pittsburg**  
**Capital Assets**  
**(Net of Depreciation)**  
**June 30, 2012**

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Non-depreciable assets:						
Land	\$ 57,619,061	\$ 33,828,944	\$ 1,143,506	\$ 1,143,506	\$ 58,762,567	\$ 34,972,450
Construction in progress	69,582,565	77,262,342	4,339,159	8,725,637	73,921,724	85,987,979
Total	<u>127,201,626</u>	<u>111,091,286</u>	<u>5,482,665</u>	<u>9,869,143</u>	<u>132,684,291</u>	<u>120,960,429</u>
Depreciable assets (net of depreciation):						
Buildings and improvements	42,353,341	36,935,646	14,020,381	11,500,931	56,373,722	48,436,577
Machinery and equipment	3,262,064	2,570,556	2,006,822	1,906,361	5,268,886	4,476,917
Infrastructure	142,568,877	138,400,087	98,814,021	98,520,263	241,382,898	236,920,350
Total	<u>188,184,282</u>	<u>177,906,289</u>	<u>114,841,224</u>	<u>111,927,555</u>	<u>303,025,506</u>	<u>289,833,844</u>
<b>Total capital assets</b>	<u>\$ 315,385,908</u>	<u>\$ 288,997,575</u>	<u>\$ 120,323,889</u>	<u>\$ 121,796,698</u>	<u>\$ 435,709,797</u>	<u>\$ 410,794,273</u>

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

**Debt Service Administration** – A complete detail of all outstanding debt is contained in Note 7 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 \$39M for 2006 Pension Obligation Bonds. \$42M in Business-Type Activities represents two revenue bonds in the Water and Sewer Funds. In fiscal year 2011-2012, we have transferred \$409,772,163 long term debt to Successor Agency to former Redevelopment Agency. Please see more detailed information regarding Successor Agency in Note 14 of the basic Financial Statement.

**City of Pittsburg**  
**Long-Term Debt**  
**June 30, 2012**

	Governmental Activities		Business-Type Activities		Total	
	2011	2012	2011	2012	2011	2012
Tax Allocation Bonds	\$ 420,857,213	\$ -	\$ -	\$ -	\$ 420,857,213	\$ -
-Unamortized Premium	3,978,809	-	-	-	3,978,809	-
Pension Obligation Bonds	39,026,056	38,726,056	-	-	39,026,056	38,726,056
Deferred Refunding						
2006C	(3,586,194)	-	-	-	(3,586,194)	-
Revenue Bonds	-	-	43,540,000	42,000,000	43,540,000	42,000,000
Total	<u>\$ 460,275,884</u>	<u>\$ 38,726,056</u>	<u>\$ 43,540,000</u>	<u>\$ 42,000,000</u>	<u>\$ 503,815,884</u>	<u>\$ 80,726,056</u>

**City of Pittsburg**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2012**

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Economic Factors and Next Year's Budget –the Bay Area economy is rapidly improving, particularly in San Francisco and the South Bay. However, Pittsburg's economy is recovering much more slowly. To balance the FY 2012-2013, the City continues to implement cost reduction measures such as staff reductions, and an increase in recoveries for staff time from capital project accounts. Unfortunately, even with the above measures and the temporary sales tax increase passed by Measure P, the City's General Fund continues to experience a structural imbalance. With the dissolution of Redevelopment Agency, the City's General Fund will have to absorb almost \$2 million in expenses comprised of staff and services formerly funded by the Agency. Consistent with the City Council's direction, we are using approximately \$1.8 million from the Budget Stabilization fund to help balance the FY 2012- 2013 General Fund budget. City staff has developed a 7-year Balancing Plan that will result in a balanced General Fund budget by end of FY 2017-18.

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.

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





**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**BASIC  
FINANCIAL  
STATEMENTS**



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**GOVERNMENT-WIDE  
FINANCIAL  
STATEMENTS**



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**CITY OF PITTSBURG**  
**Statement of Net Assets**  
**June 30, 2012**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments (Note 2)	\$ 42,753,326	\$ 25,796,155	\$ 68,549,481
Restricted cash and investments (Note 2)	3,962,138	5,020,507	8,982,645
Receivables:			
Accounts	6,169,748	4,740,720	10,910,468
Interest	23,870	18,530	42,400
Loans/notes (Note 3)	43,488,748	56,685	43,545,433
Internal balances (Note 1H)	(3,800,000)	3,800,000	-
Inventory	411,493	261,786	673,279
Prepaid items and other assets	102,335	73,452	175,787
Total current assets	<u>93,111,658</u>	<u>39,767,835</u>	<u>132,879,493</u>
Noncurrent assets:			
Deferred outflow of resources (Note 7)	-	7,734,430	7,734,430
Capital assets (Note 6)			
Land and nondepreciable assets	111,091,286	9,869,143	120,960,429
Depreciable capital assets, net of accumulated depreciation	<u>177,906,289</u>	<u>111,927,555</u>	<u>289,833,844</u>
Total capital assets	<u>288,997,575</u>	<u>121,796,698</u>	<u>410,794,273</u>
Total noncurrent assets	<u>288,997,575</u>	<u>129,531,128</u>	<u>418,528,703</u>
 Total Assets	 <u>382,109,233</u>	 <u>169,298,963</u>	 <u>551,408,196</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	2,920,374	1,296,391	4,216,765
Salaries payable	770,425	72,591	843,016
Interest payable (Note 1J)	1,357,519	126,083	1,483,602
Refundable deposits	715,566	321,479	1,037,045
Taxes payable	20,710	160,252	180,962
Loans payable	174,123	145,400	319,523
Due to other agencies	233,160	-	233,160
Unearned revenue (Note 4)	1,558,228	1,061,545	2,619,773
Derivative instrument (Note 7)	-	7,734,430	7,734,430
Claims and judgment payable-due within one year (Note 10)	117,713	24,480	142,193
Compensated absences - due within one year (Note 1M)	591,180	120,167	711,347
Long-term debt - due within one year (Note 7)	375,000	1,580,000	1,955,000
Total current liabilities	<u>8,833,998</u>	<u>12,642,818</u>	<u>21,476,816</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year (Note 1M)	1,182,582	218,137	1,400,719
OPEB liability (Note 12)	10,067,304	3,596,960	13,664,264
Long-term debt - due in more than one year (Note 7)	<u>38,351,056</u>	<u>40,420,000</u>	<u>78,771,056</u>
Total noncurrent liabilities	<u>49,600,942</u>	<u>44,235,097</u>	<u>93,836,039</u>
 Total Liabilities	 <u>58,434,940</u>	 <u>56,877,915</u>	 <u>115,312,855</u>
NET ASSETS (Note 9)			
Invested in capital assets, net of related debt	<u>250,271,519</u>	<u>79,796,698</u>	<u>330,068,217</u>
Restricted for:			
Capital projects	16,844,854	7,121,574	23,966,428
Debt service	1,930,087	3,212,220	5,142,307
Special revenue projects (Note 9B)	12,816,501	8,836,888	21,653,389
Facility fee reserve	-	4,651,614	4,651,614
Total restricted net assets	<u>31,591,442</u>	<u>23,822,296</u>	<u>55,413,738</u>
Unrestricted	<u>41,811,332</u>	<u>8,802,054</u>	<u>50,613,386</u>
 Total Net Assets	 <u>\$ 323,674,293</u>	 <u>\$ 112,421,048</u>	 <u>\$ 436,095,341</u>

See accompanying notes to financial statements

**City of Pittsburgh**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental Activities:</b>							
General government	\$ 3,708,090	\$ 6,552,818	\$ -	\$ (40,000)	\$ 2,804,728	\$ -	\$ 2,804,728
City Council	68,774	-	-	-	(68,774)	-	(68,774)
City Manager and City Clerk	480,049	896	-	-	(479,153)	-	(479,153)
City Attorney	477,870	-	-	-	(477,870)	-	(477,870)
Human Resources	710,874	5,915	-	-	(704,959)	-	(704,959)
Finance and services	2,720,333	292,070	-	-	(2,428,263)	-	(2,428,263)
Community development and services	29,578,105	17,647,646	11,897,021	81,191	47,753	-	47,753
Public safety	23,744,135	1,044,743	764,934	-	(21,934,458)	-	(21,934,458)
Public works	18,409,616	3,596,127	-	3,956,212	(10,857,277)	-	(10,857,277)
Interest and long-term debt	12,406,317	-	-	-	(12,406,317)	-	(12,406,317)
<b>Total Governmental Activities</b>	<b>92,304,163</b>	<b>29,140,215</b>	<b>12,661,955</b>	<b>3,997,403</b>	<b>(46,504,590)</b>	<b>-</b>	<b>(46,504,590)</b>
<b>Business-type Activities:</b>							
Water Utility	14,904,479	17,295,760	-	162,091	-	2,553,372	2,553,372
Sewer Utility	2,443,497	4,567,622	-	7,435	-	2,131,560	2,131,560
Marina	2,414,479	1,951,872	-	36,149	-	(426,458)	(426,458)
Golf Course	153,666	815	-	-	-	(152,851)	(152,851)
Island Energy	3,828,566	4,075,417	-	-	-	246,851	246,851
Pittsburg Power	978,521	1,380,188	-	-	-	401,667	401,667
Water Front Operations	186,419	509,919	-	-	-	323,500	323,500
<b>Total Business-type Activities</b>	<b>24,909,627</b>	<b>29,781,593</b>	<b>-</b>	<b>205,675</b>	<b>-</b>	<b>5,077,641</b>	<b>5,077,641</b>
<b>Total</b>	<b>\$ 117,213,790</b>	<b>\$ 58,921,808</b>	<b>\$ 12,661,955</b>	<b>\$ 4,203,078</b>	<b>(46,504,590)</b>	<b>5,077,641</b>	<b>(41,426,949)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					23,507,704	-	23,507,704
Sales taxes					6,168,690	-	6,168,690
Franchise taxes					3,103,823	-	3,103,823
Motor vehicle (unrestricted)					4,470,104	-	4,470,104
Gas taxes					1,814,537	-	1,814,537
Other taxes					5,369,372	-	5,369,372
Investments earnings-unrestricted					1,182,954	400,199	1,583,153
Transfers (Note 5C)					7,720,043	(7,720,043)	-
Extraordinary item (Note 14)							
Assets transferred to/liabilities assumed by Successor Agency					269,077,583	-	269,077,583
<b>Total general revenues, transfers and extraordinary item</b>					<b>322,414,810</b>	<b>(7,319,844)</b>	<b>315,094,966</b>
Change in Net Assets					275,910,220	(2,242,203)	273,668,017
Net Assets-Beginning of year					47,764,073	114,663,251	162,427,324
Net Assets-End of year					<b>\$ 323,674,293</b>	<b>\$ 112,421,048</b>	<b>\$ 436,095,341</b>

See accompanying notes to financial statements

# FUND FINANCIAL STATEMENTS

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*





**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

*Low and Moderate Income Housing I Special Revenue Fund* accounted for the allocation of the costs of low/moderate income housing programs qualified for the Housing Set-Aside efforts owed to the Agency. Due to the dissolution of the Redevelopment Agency, this fund was closed as of January 31, 2012.

*Low and Moderate Income Housing II Special Revenue Fund* accounted 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. Due to the dissolution of the Redevelopment Agency, this fund was closed as of January 31, 2012.

*Redevelopment Agency Special Revenue Fund* accounted for the tax increment revenue received and expenditures to carry out general operations within project areas. Due to the dissolution of the Redevelopment Agency, this fund was closed as of January 31, 2012.

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

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

*Redevelopment Agency Debt Service Fund* accounted for the accumulation of resources for payment of principal, interest and related costs of the Agency's long-term debt. Due to the dissolution of the Redevelopment Agency, this fund was closed as of January 31, 2012.

*Redevelopment Agency Capital Projects Fund* accounted 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. Due to the dissolution of the Redevelopment Agency, this fund was closed as of January 31, 2012.

**City of Pittsburgh**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2012**

	General Fund	Low and Moderate Income Housing I Special Revenue	Low and Moderate Income Housing II Special Revenue	Redevelopment Agency Special Revenue
<b>ASSETS</b>				
Cash and investments (Note 2)	\$ 18,278,797	\$ -	\$ -	\$ -
Restricted cash and investments (Note 2)	84,840	-	-	-
Receivables:				
Accounts	2,415,574	-	-	-
Interest	13,191	-	-	-
Loans and notes (Note 3)	3,611,364	-	-	-
Due from other funds (Note 5A)	685,958	-	-	-
Inventory	127,934	-	-	-
Prepaid items and other assets	19,868	-	-	-
<b>Total assets</b>	<b>\$ 25,237,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,093,409	\$ -	\$ -	\$ -
Salaries payable	698,935	-	-	-
Taxes payable	18,506	-	-	-
Refundable deposits	631,424	-	-	-
Loans payable	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds (Note 5A)	-	-	-	-
Advances from other funds (Note 5B)	3,230,000	-	-	-
Deferred revenue (Note 4)	491,483	-	-	-
<b>Total liabilities</b>	<b>6,163,757</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances (Deficit) (Note 9):</b>				
Nonspendable	305,497	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	2,254,797	-	-	-
Unassigned	16,513,475	-	-	-
<b>Total fund balances (deficits)</b>	<b>19,073,769</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 25,237,526</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying notes to basic financial statements

Housing Authority (Section 8) Special Revenue	Successor Agency Housing	Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ 1,547,422	\$ 1,222,700	\$ -	\$ -	\$ 17,441,205	\$ 38,490,124
-	-	-	-	3,877,298	3,962,138
33,302	-	-	-	3,698,094	6,146,970
722	571	-	-	8,412	22,896
-	33,501,020	-	-	6,376,364	43,488,748
-	221,670	-	-	-	907,628
1,374	-	-	-	102,739	232,047
-	-	-	-	54,067	73,935
<u>\$ 1,582,820</u>	<u>\$ 34,945,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,558,179</u>	<u>\$ 93,324,486</u>
\$ 32,980	\$ -	\$ -	\$ -	\$ 1,578,884	\$ 2,705,273
8,049	-	-	-	26,443	733,427
-	-	-	-	2,204	20,710
2,449	-	-	-	81,693	715,566
-	-	-	-	174,123	174,123
-	-	-	-	233,160	233,160
-	-	-	-	907,628	907,628
110,200	-	-	-	361,000	3,701,200
19,781	33,501,020	-	-	7,211,618	41,223,902
<u>173,459</u>	<u>33,501,020</u>	<u>-</u>	<u>-</u>	<u>10,576,753</u>	<u>50,414,989</u>
1,374	221,670	-	-	156,806	685,347
1,407,987	1,223,271	-	-	18,327,044	20,958,302
-	-	-	-	3,317,275	3,317,275
-	-	-	-	84,505	2,339,302
-	-	-	-	(904,204)	15,609,271
<u>1,409,361</u>	<u>1,444,941</u>	<u>-</u>	<u>-</u>	<u>20,981,426</u>	<u>42,909,497</u>
<u>\$ 1,582,820</u>	<u>\$ 34,945,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,558,179</u>	<u>\$ 93,324,486</u>



**CITY OF PITTSBURG**  
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**City of Pittsburg**  
**Reconciliation of the**  
**Governmental Funds Balance Sheet**  
**with the Statement of Net Assets**  
**June 30, 2012**

Total fund balances reported on the governmental funds balance sheet \$ 42,909,497

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

**CAPITAL ASSETS**

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 286,905,387

**LONG TERM ASSETS AND LIABILITIES**

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

Long-term debt	(38,726,056)
Interest payable	(1,357,519)
Bond issuance costs	-
Non-current portion of compensated absences	(1,727,269)
OPEB Liability	(10,067,304)

**ACCRUAL OF NON-CURRENT ITEMS**

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

Deferred revenue	39,701,595
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**ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY**

**ALLOCATION OF INTERNAL SERVICE FUND NET ASSETS**

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

Cash and investments	4,263,202
Accounts receivable	22,778
Interest	974
Inventory	179,446
Prepaid/other assets	33,719
Capital assets	2,086,869
Accounts payable	(215,101)
Salaries payable	(36,998)
Compensated absences	(46,493)
Advance from other funds	(98,800)
Unearned revenue	(35,921)
Claims and judgments payable	(117,713)

<b>NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 323,674,293</b>
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See accompanying notes to financial statements

**City of Pittsburgh**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2012**

	General Fund	Low and Moderate Income Housing I Special Revenue	Low and Moderate Income Housing II Special Revenue	Redevelopment Agency Special Revenue
<b>REVENUES:</b>				
Property taxes	\$ 2,619,791	\$ -	\$ 1,832,526	\$ 18,731,405
Sales tax	6,168,690	-	-	-
Franchise tax	3,392,575	-	-	-
Other taxes	1,441,077	-	-	6,029
Intergovernmental revenues	5,710,799	-	-	(40,000)
Permits, licenses, and fees	598,054	-	-	-
Fines and forfeitures	187,037	-	-	-
Special assessments	-	-	-	-
Service fees	2,845,331	-	-	-
Use of money and property	371,575	-	55,007	103,446
Other revenues	1,223,374	-	43,562	727,980
<b>Total revenues</b>	<b>24,558,303</b>	<b>-</b>	<b>1,931,095</b>	<b>19,528,860</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,690,684	-	-	642,884
City Council	68,410	-	-	-
City Manager and City Clerk	401,790	-	-	-
City Attorney	477,870	-	-	-
Human resources	536,552	-	-	-
Finance and services	2,046,329	-	-	-
Community development and services	3,448,196	-	656,025	965,927
Public safety	18,620,779	-	-	-
Public works - administration	54,788	-	-	-
Public works - streets	1,662,767	-	-	-
Public works - parks	39,231	-	-	-
Capital outlay and improvements	-	-	-	165,414
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>29,047,396</b>	<b>-</b>	<b>656,025</b>	<b>1,774,225</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,489,093)</b>	<b>-</b>	<b>1,275,070</b>	<b>17,754,635</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	62,834	-	2,178,928	(11,830)
Transfers in (Note 5C)	5,298,021	7,831,615	471,599	316,234
Transfers out (Note 5C)	(593,668)	-	(1,927,039)	(28,519,984)
<b>Total other financing sources (uses)</b>	<b>4,767,187</b>	<b>7,831,615</b>	<b>723,488</b>	<b>(28,215,580)</b>
<b>NET CHANGE IN FUND BALANCES BEFORE EXTRAORDINARY ITEMS</b>	<b>278,094</b>	<b>7,831,615</b>	<b>1,998,558</b>	<b>(10,460,945)</b>
<b>EXTRAORDINARY ITEMS (NOTE 14)</b>				
Assets transferred to Housing Successor	-	-	(1,451,670)	-
Assets transferred to/liabilities assumed by Successor Agency	-	-	(2,001,533)	(3,230,472)
<b>NET CHANGE IN FUND BALANCES</b>	<b>278,094</b>	<b>7,831,615</b>	<b>(1,454,645)</b>	<b>(13,691,417)</b>
<b>FUND BALANCES (DEFICITS) (Note 9):</b>				
Beginning of year	18,795,675	(7,831,615)	1,454,645	13,691,417
End of year	\$ 19,073,769	\$ -	\$ -	\$ -

See accompanying notes to basic financial statements

Housing Authority (Section 8) Special Revenue	Successor Agency Housing	Redevelopment Agency Debt Service	Redevelopment Agency Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,183,722
-	-	-	-	-	6,168,690
-	-	-	-	11,248	3,403,823
-	-	-	-	3,323,189	4,770,295
10,589,082	-	-	175,000	11,148,993	27,583,874
-	-	-	-	2,196,014	2,794,068
-	-	-	-	-	187,037
-	-	-	-	3,055,190	3,055,190
1,007,198	-	-	-	3,621,636	7,474,165
19,138	46,205	875,675	134	218,100	1,689,280
62,934	142,917	5,275	879,435	1,067,976	4,153,453
<u>11,678,352</u>	<u>189,122</u>	<u>880,950</u>	<u>1,054,569</u>	<u>24,642,346</u>	<u>84,463,597</u>
-	-	-	-	22,338	2,355,906
-	-	-	-	-	68,410
-	-	-	-	28,487	430,277
-	-	-	-	-	477,870
-	-	-	-	141,227	677,779
-	-	-	-	493,177	2,539,506
12,325,409	195,851	-	-	14,593,490	32,184,898
-	-	-	-	4,333,381	22,954,160
-	-	-	-	-	54,788
-	-	-	-	8,145,589	9,808,356
-	-	-	-	-	39,231
-	-	-	1,472,226	443,247	2,080,887
-	-	11,185,000	-	300,000	11,485,000
-	-	11,031,038	-	2,566,823	13,597,861
<u>12,325,409</u>	<u>195,851</u>	<u>22,216,038</u>	<u>1,472,226</u>	<u>31,067,759</u>	<u>98,754,929</u>
<u>(647,057)</u>	<u>(6,729)</u>	<u>(21,335,088)</u>	<u>(417,657)</u>	<u>(6,425,413)</u>	<u>(14,291,332)</u>
-	-	(13,178)	-	(6,023)	2,210,731
-	-	21,528,115	1,241,141	8,640,269	45,326,994
-	-	(3,160,212)	-	(3,141,705)	(37,342,608)
-	-	18,354,725	1,241,141	5,492,541	10,195,117
<u>(647,057)</u>	<u>(6,729)</u>	<u>(2,980,363)</u>	<u>823,484</u>	<u>(932,872)</u>	<u>(4,096,215)</u>
-	1,451,670	-	-	-	-
-	-	(93,874,550)	(823,485)	-	(99,930,040)
<u>(647,057)</u>	<u>1,444,941</u>	<u>(96,854,913)</u>	<u>(1)</u>	<u>(932,872)</u>	<u>(104,026,255)</u>
2,056,418	-	96,854,913	1	21,914,298	146,935,752
<u>\$ 1,409,361</u>	<u>\$ 1,444,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,981,426</u>	<u>\$ 42,909,497</u>



**City of Pittsburgh**  
**Reconciliation of the**  
**Net Change in Fund Balances-Total Governmental Funds**  
**with the Statement of Activities**  
**For the year ended June 30, 2012**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (104,026,255)

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

**CAPITAL ASSETS TRANSACTIONS**

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

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

Capital outlay	2,080,887
Amounts charged to Community Services department	12,102,202
Depreciation expense is deducted from the fund balance (Depreciation expense is net of Internal Service Fund depreciation \$828,184 which has already been allocated to serviced funds.)	(8,965,700)
Retirements of capital assets are deducted from the fund balance	(7,344,004)

**LONG TERM DEBT AND PAYMENTS**

Repayment of debt principal is added back to fund balance	11,485,000
Amortization of bond issuance costs	292,665
Amortization of bond premiums	(257,887)

**ACCRUAL OF NON-CURRENT ITEMS**

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

Interest payable	1,156,766
Deferred revenue	(12,140,117)
Compensated absences	103,607
OPEB liability	(1,723,213)

**ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY**

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

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

Change in Net Assets - All Internal Service Funds	(1,166,998)
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**EXTRAORDINARY ITEMS**

Transfer to Successor Agency:

Capital assets transferred to Successor Agency upon dissolution of Redevelopment Agency	(35,409,203)
Land transferred from Successor Agency to City by Oversight Committee	11,477,745
Long-term debt assumed by the Successor Agency	408,177,000
Compensated absences balances	67,725

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 275,910,220

# PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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

**City of Pittsburg**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	Major Enterprise Funds		
	Water	Sewer	Marina
	Utility	Utility	
<b>ASSETS</b>			
Current assets			
Cash and investments (Note 2)	\$ 8,972,379	\$ 8,536,365	\$ 682,986
Restricted cash and investments (Note 2)	3,979,355	939,829	-
Receivables:			
Accounts	2,925,465	705,707	40,883
Interest	9,361	5,263	308
Loans/ notes (Note 3)	-	-	-
Due from other funds (Note 5A)	-	-	-
Inventory	111,703	40,452	9,149
Prepaid items and other assets	-	-	-
Total current assets	<u>15,998,263</u>	<u>10,227,616</u>	<u>733,326</u>
Noncurrent assets:			
Advance to other funds (Note 5B)	3,800,000	-	-
Deferred outflow of resources (note 7)	7,734,430	-	-
Capital assets (Note 6):			
Land & nondepreciable assets	6,023,955	910,482	158,643
Depreciable assets, net	69,402,800	23,613,417	13,521,230
Total noncurrent assets	<u>86,961,185</u>	<u>24,523,899</u>	<u>13,679,873</u>
<b>Total assets</b>	<u>102,959,448</u>	<u>34,751,515</u>	<u>14,413,199</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,020,442	29,458	50,497
Salaries payable	35,832	10,948	6,909
Refundable deposits	217,499	5,000	73,071
Loans payable - due within one year	-	-	-
Taxes payable	-	-	99,070
Accrued interest payable	100,145	25,938	-
Unearned revenue (Note 4)	3,411	-	-
Due to other funds (Note 5A)	-	-	-
Compensated absences payable - due within one year (Note 11)	50,911	16,806	19,660
Claims and judgments payable - due within one year (Note 10C)	24,480	-	-
Long-term debt - due within one year (Note 7)	960,000	620,000	-
Total current liabilities	<u>2,412,720</u>	<u>708,150</u>	<u>249,207</u>
Noncurrent liabilities:			
Advance from other funds (Note 5B)	-	-	-
Derivative instrument (Note 7)	7,734,430	-	-
Compensated absences payable - due in more than one year (Note 11)	89,519	31,211	36,511
OPEB liability (Note 12)	1,726,540	431,635	431,635
Long-term debt - due in more than one year (Note 7)	33,620,000	6,800,000	-
Total noncurrent liabilities	<u>43,170,489</u>	<u>7,262,846</u>	<u>468,146</u>
<b>Total liabilities</b>	<u>45,583,209</u>	<u>7,970,996</u>	<u>717,353</u>
<b>NET ASSETS (Notes 1K and 9)</b>			
Invested in capital assets, net of related debt	40,846,755	17,103,899	13,679,873
Restricted for:			
Capital Project	4,112,076	982,862	18,119
Debt service	2,300,630	911,590	-
Special purpose	3,979,355	939,829	-
Facility fees	3,933,657	717,957	-
Unrestricted	2,203,766	6,124,382	(2,146)
<b>Total net assets</b>	<u>\$ 57,376,239</u>	<u>\$ 26,780,519</u>	<u>\$ 13,695,846</u>

See accompanying notes to basic financial statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 7,604,425	\$ 25,796,155	\$ 4,263,202
101,323	5,020,507	-
1,068,665	4,740,720	22,778
3,598	18,530	974
56,685	56,685	-
111,250	111,250	-
100,482	261,786	179,446
73,452	73,452	33,719
<u>9,119,880</u>	<u>36,079,085</u>	<u>4,500,119</u>
3,594,829	7,394,829	-
-	7,734,430	-
2,776,063	9,869,143	-
5,390,108	111,927,555	2,086,869
<u>11,761,000</u>	<u>136,925,957</u>	<u>2,086,869</u>
<u>20,880,880</u>	<u>173,005,042</u>	<u>6,586,988</u>
195,994	1,296,391	215,101
18,902	72,591	36,998
25,909	321,479	-
145,400	145,400	-
61,182	160,252	-
-	126,083	-
1,058,134	1,061,545	35,921
111,250	111,250	-
32,790	120,167	-
-	24,480	117,713
-	1,580,000	-
<u>1,649,561</u>	<u>5,019,638</u>	<u>405,733</u>
3,594,829	3,594,829	98,800
-	7,734,430	-
60,896	218,137	46,493
1,007,150	3,596,960	-
-	40,420,000	-
<u>4,662,875</u>	<u>55,564,356</u>	<u>145,293</u>
<u>6,312,436</u>	<u>60,583,994</u>	<u>551,026</u>
8,166,171	79,796,698	2,086,869
2,008,517	7,121,574	-
-	3,212,220	-
3,917,704	8,836,888	-
-	4,651,614	-
476,052	8,802,054	3,949,093
<u>\$ 14,568,444</u>	<u>\$ 112,421,048</u>	<u>\$ 6,035,962</u>

**City of Pittsburg**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2012**

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 16,090,651	\$ 4,474,602	\$ 1,146,617
Meter fees	17,055	-	-
Other fees	320,780	-	150
Facility reserve fees	284,375	7,332	-
Rent and concessions	-	-	79,645
Gas and oil sales	-	-	705,620
Other operating revenues	582,899	85,688	19,840
<b>Total operating revenues</b>	<b>17,295,760</b>	<b>4,567,622</b>	<b>1,951,872</b>
<b>OPERATING EXPENSES:</b>			
Salaries and wages	2,297,873	568,134	395,472
Department supplies	5,362,389	41,062	687,219
Rentals	11,503	620	10,224
Utilities	832,601	6,860	142,985
Maintenance and operations	292,672	164,598	185,574
Depreciation and amortization (Note 6)	1,409,626	688,639	475,317
Insurance premiums	-	-	-
Insurance deductible	40,008	13,560	34,476
Fringe benefits	1,946,934	498,613	393,331
Other operating expenses	942,445	140,238	80,690
<b>Total operating expenses</b>	<b>13,136,051</b>	<b>2,122,324</b>	<b>2,405,288</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,159,709</b>	<b>2,445,298</b>	<b>(453,416)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Investment earnings	204,738	91,636	8,609
Interest and fiscal charges	(1,748,709)	(320,198)	-
Gain (loss) on disposal of assets	(19,719)	(975)	(9,191)
<b>Total nonoperating revenues (expenses)</b>	<b>(1,563,690)</b>	<b>(229,537)</b>	<b>(582)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>2,596,019</b>	<b>2,215,761</b>	<b>(453,998)</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>			
Capital contributions	162,091	7,435	36,149
Transfers in (Note 5C)	51,400	103,466	-
Transfers out (Note 5C)	(5,543,544)	(761,507)	(217,645)
<b>Total contributions and transfers</b>	<b>(5,330,053)</b>	<b>(650,606)</b>	<b>(181,496)</b>
<b>Change in net assets</b>	<b>(2,734,034)</b>	<b>1,565,155</b>	<b>(635,494)</b>
<b>NET ASSETS:</b>			
Beginning of year	60,110,273	25,215,364	14,331,340
End of year	\$ 57,376,239	\$ 26,780,519	\$ 13,695,846

See accompanying notes to basic financial statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 4,161,329	\$ 25,873,199	\$ 6,616,871
-	17,055	-
574,457	895,387	-
-	291,707	-
576,875	656,520	-
-	705,620	-
425,350	1,113,777	267,248
<u>5,738,011</u>	<u>29,553,265</u>	<u>6,884,119</u>
1,079,328	4,340,807	538,382
1,461,655	7,552,325	767,510
43,016	65,363	35,412
14,158	996,604	248,374
443,259	1,086,103	970,175
508,168	3,081,750	828,184
165,266	165,266	610,853
19,056	107,100	132,949
1,012,784	3,851,662	3,630,519
400,482	1,563,855	66,590
<u>5,147,172</u>	<u>22,810,835</u>	<u>7,828,948</u>
590,839	6,742,430	(944,829)
95,216	400,199	23,403
-	(2,068,907)	-
228,328	198,443	18,771
<u>323,544</u>	<u>(1,470,265)</u>	<u>42,174</u>
914,383	5,272,165	(902,655)
-	205,675	-
23,964	178,830	-
<u>(1,376,177)</u>	<u>(7,898,873)</u>	<u>(264,343)</u>
<u>(1,352,213)</u>	<u>(7,514,368)</u>	<u>(264,343)</u>
(437,830)	(2,242,203)	(1,166,998)
15,006,274	114,663,251	7,202,960
<u>\$ 14,568,444</u>	<u>\$ 112,421,048</u>	<u>\$ 6,035,962</u>

**City of Pittsburg**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2012**

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 16,834,644	\$ 4,537,214	\$ 1,909,722
Cash payments to suppliers of goods and services	(7,218,752)	(360,035)	(1,156,879)
Cash payments to employees for services	(3,764,237)	(947,591)	(670,073)
Other operating revenues	582,899	85,688	19,840
<b>Net cash provided (used) by operating activities</b>	<b>6,434,554</b>	<b>3,315,276</b>	<b>102,610</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Interfund transactions	(2,760,000)	-	-
Transfers in	51,400	103,466	-
Transfers out	(5,543,544)	(761,507)	(217,645)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(8,252,144)</b>	<b>(658,041)</b>	<b>(217,645)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Principal paid on long-term debt	(935,000)	(605,000)	-
Interest and fiscal charges paid on long-term debt	(1,662,485)	(320,198)	-
Proceeds from sale of capital assets	(19,719)	(975)	(9,191)
Capital contributions	162,091	7,435	36,149
Acquisition of capital assets	(3,366,747)	(156,650)	(42,344)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(5,821,860)</b>	<b>(1,075,388)</b>	<b>(15,386)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Payments made on capital lease	-	-	-
Interest on investments	204,738	91,636	8,609
<b>Net cash provided (used) by investing activities</b>	<b>204,738</b>	<b>91,636</b>	<b>8,609</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(7,434,712)</b>	<b>1,673,483</b>	<b>(121,812)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	20,386,446	7,802,711	804,798
End of year	<u>\$ 12,951,734</u>	<u>\$ 9,476,194</u>	<u>\$ 682,986</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 4,159,709	\$ 2,445,298	\$ (453,416)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,409,626	688,639	475,317
Changes in operating assets and liabilities:			
Accounts receivable	94,981	31,278	(17,210)
Interest receivable	9,868	2,527	521
Loans receivable	-	-	-
Inventory	16,566	16,475	(5,621)
Prepaid items	80	5,000	-
Accounts payable	95,816	6,903	(27,020)
Salaries and wages payable	8,660	4,211	1,935
Loans payable	-	-	-
Refundable deposits	167,050	-	1,383
Taxes payable	-	-	9,926
Deferred revenue	288	-	-
Compensated absences	(2,090)	(3,555)	(1,705)
OPEB liability	474,000	118,500	118,500
Insurance claims payable	-	-	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 6,434,554</b>	<b>\$ 3,315,276</b>	<b>\$ 102,610</b>
<b>SCHEDULE OF NON CASH ACTIVITY:</b>			
Capital contributions	\$ 162,091	\$ 7,435	\$ 36,149

See accompanying notes to basic financial statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 4,555,863	\$ 27,837,443	\$ 6,523,496
(2,340,694)	(11,076,360)	(4,169,238)
(2,106,333)	(7,488,234)	(2,266,634)
1,002,225	1,690,652	267,248
<u>1,111,061</u>	<u>10,963,501</u>	<u>354,872</u>
(821,735)	(3,581,735)	-
23,964	178,830	98,800
(1,376,177)	(7,898,873)	(264,343)
<u>(2,173,948)</u>	<u>(11,301,778)</u>	<u>(165,543)</u>
-	(1,540,000)	-
-	(1,982,683)	-
228,328	198,443	18,771
-	205,675	-
(988,818)	(4,554,559)	(499,481)
<u>(760,490)</u>	<u>(7,673,124)</u>	<u>(480,710)</u>
-	-	(157,279)
95,216	400,199	23,403
<u>95,216</u>	<u>400,199</u>	<u>(133,876)</u>
(1,728,161)	(7,611,202)	(425,257)
9,433,909	38,427,864	4,688,459
<u>\$ 7,705,748</u>	<u>\$ 30,816,662</u>	<u>\$ 4,263,202</u>
\$ 590,839	\$ 6,742,430	\$ (944,829)
508,168	3,081,750	828,184
(361,391)	(252,342)	(12,743)
6,516	19,432	-
23,212	23,212	52
(32,341)	(4,921)	(114,065)
(11,935)	(6,855)	33,381
(96,986)	(21,287)	601,185
4,555	19,361	9,242
145,400	145,400	-
(93,321)	75,112	-
(5,203)	4,723	-
163,675	163,963	-
(6,627)	(13,977)	(9,579)
276,500	987,500	-
-	-	(35,956)
<u>\$ 1,111,061</u>	<u>\$ 10,963,501</u>	<u>\$ 354,872</u>
\$ -	\$ 205,675	\$ -





**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

# FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

**City of Pittsburgh**  
**Statement of Fiduciary Net Assets**  
**June 30, 2012**

<b>ASSETS</b>	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Agency Funds
Cash and investments (Note 2)	\$ 17,847,115	\$ 4,497,284
Cash and investments held by fiscal agent (Note 2)	75,738,709	20,624,181
Assessment receivable	-	2,066,930
Accounts receivable	619,384	-
Interest receivable	67,662	2,248
Inventory	16,821	-
Prepaid items and other assets	140,917	-
Deferred outflow of resources (Note 14)	24,135,358	-
Loans receivable (Notes 3 and 14)	14,792,317	-
Deferred charges	4,994,478	-
Capital Assets (Note 14):		
Land and construction in progress	22,017,046	-
Depreciable capital assets, net	1,851,381	-
<b>Total assets</b>	<b>\$ 162,221,188</b>	<b>\$ 27,190,643</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 731,185	\$ 40,078
Salaries payable	17,161	-
Interest payable	5,336,912	-
Refundable deposits	101,520	-
Deferred assessments	-	2,066,930
Due to other parties	-	6,680
Due to other governments	788,450	-
Due to bondholders	-	25,076,955
Derivative instrument (Note 14)	24,135,358	-
Compensated absences payable:		
Due in one year	21,725	
Due in more than one year	45,550	
Long-term obligations (Note 14):		
Due in one year	15,887,665	-
Due in more than one year	393,884,498	-
<b>Total liabilities</b>	<b>440,950,024</b>	<b>\$ 27,190,643</b>
<b>NET ASSETS</b>		
Held in trust for private purpose	<b>\$ (278,728,836)</b>	

See accompanying notes to financial statements

**City of Pittsburgh**  
**Statement of Changes in Fiduciary Net Assets**  
**For the Year Ended June 30, 2012**

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ADDITIONS	Successor Agency to the Redevelopment Agency Private-Purpose Trust
Property tax	\$ 10,282,814
Other tax	1,564
Intergovernmental revenues	1,454,821
Investment earnings	629,465
Other revenues	15,888,433
Total additions	<u>28,257,097</u>
<b>DEDUCTIONS</b>	
General administration	21,910,112
Depreciation expense	63,031
Interest and fiscal charges	15,935,207
Total deductions	<u>37,908,350</u>
Net change in net assets before extraordinary item	(9,651,253)
<b>EXTRAORDINARY ITEM (NOTE 14)</b>	
Assets transferred to/liabilities assumed by Successor Agency	<u>(269,077,583)</u>
<b>NET ASSETS HELD IN TRUST</b>	
Beginning of year	-
End of year	<u>\$ (278,728,836)</u>

See accompanying notes to financial statements



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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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 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 for redevelopment purposes and for operational purposes. Property tax and other revenues of the agencies are used to repay the loans to the City.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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

*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. As discussed in Note 14, the Agency was dissolved effective January 31, 2012.

*Housing Authority*

Housing Authority Section 8 formerly known as Community Access, in the accompanying financial statements, was established to account for Federal funds for low income housing under both certificate and voucher programs. Housing Authority is reported in the special revenue fund of the City. No separate financial report is issued by Housing Authority.

*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 to 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 Pittsburg Power enterprise fund of the City. No separate financial report is issued by the Company.

*Pittsburg Arts and Community Foundation*

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

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

Since the City of Pittsburgh and PACF have the same governing board, it is required to be reported as a blended component unit of the City. Its financial information can be found as a special revenue fund under non-major Governmental Funds.

***B. Basis of Accounting and Measurement Focus***

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

*Government-Wide Financial Statements*

The Government-Wide Financial Statements include a Statement of Net Assets and a Statement of Activities. 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



**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences 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 and 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 and 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 operations within project areas.

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.

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

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.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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 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.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

The following are descriptions of the major enterprise funds.

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

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

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

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

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

Building 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.

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.

The City also reports fiduciary fund types.

Fiduciary Fund Financial Statements - Fiduciary fund financial statements include a Statement of Fiduciary Net Assets and a Statement of Change in Fiduciary Net Assets. The City's fiduciary funds represent a private purpose trust fund and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Fiduciary funds are accounted for on the accrual basis of accounting as are the Proprietary funds explained above.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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

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

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

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

**E. Cash and Investments**

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

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

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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

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

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

**F. Restricted Cash and Investments**

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects.

**G. Property Taxes**

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

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

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

**H. Interfund Balances/Internal Balances**

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

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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

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

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

**I. Capital Assets**

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

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.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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.

***J. Interest Payable***

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

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

***K. Long-Term Debt***

*Government-Wide Financial Statements*

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

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

*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.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

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

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

***L. Unearned and Deferred Revenue***

*Government-Wide Financial Statements*

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

*Fund Financial Statements*

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

***M. Compensated Absences***

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

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, 2012**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)**

The change in compensated absences was as follows:

	Governmental Activities	Business-Type	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Beginning Balance	\$ 1,954,673	\$ 352,281	\$ 2,306,954
Additions	528,668	156,169	684,837
Payments	<u>(709,579)</u>	<u>(170,146)</u>	<u>(879,725)</u>
Ending Balance	<u>\$ 1,773,762</u>	<u>\$ 338,304</u>	<u>\$ 2,112,066</u>
Current Portion	<u>\$ 591,180</u>	<u>\$ 120,167</u>	<u>\$ 711,347</u>

***N. Estimates and Assumptions***

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

***O. New and Closed Funds***

During fiscal year 2011-2012, the City set up the Hillview Jr. High Athletic Field Special Fund, the Public, Education and Government Fees (PEG) Special Revenue Fund, the Successor Agency Housing Special Revenue Fund, and the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fiduciary Fund.

The Redevelopment Agency Low and Moderate Income Housing I , Redevelopment Agency Low and Moderate Income Housing Fund II, Redevelopment Agency Special Revenue Fund, Redevelopment Agency Capital Projects Fund, and the Redevelopment Agency Debt Service Fund were closed as of January 31, 2012 as the result of the dissolution of the Redevelopment Agency discussed in Note 14.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 2 - CASH AND INVESTMENTS**

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

*A. Policies*

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

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

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			Separate Statement	
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds	Total
Cash and investments	\$ 42,753,326	\$ 25,796,155	\$ 68,549,481	\$ 22,344,399	\$ 90,893,880
Restricted cash and investments	3,962,138	5,020,507	8,982,645	96,362,890	105,345,535
Total cash and	<u>\$ 46,715,464</u>	<u>\$ 30,816,662</u>	<u>\$ 77,532,126</u>	<u>\$ 118,707,289</u>	<u>\$ 196,239,415</u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

*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/P1	40%	40%
State and Local Obligations	5 years	"A"	30%	none
Commercial Paper	270 days	A1/P1/F1	25%	25%
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	\$50 million	none
California Asset Management Program	n/a	n/a	none	none

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

The City's investments with Local Agency Investment Fund (LAIF), a State of California external investment pool, at June 30, 2012, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

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

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

As of June 30, 2012, the City had \$37,872,804 invested in LAIF, which had invested 2.75% of the pool investment funds in Structured Notes and Medium-term Asset-Backed Securities. The LAIF fair value factor of 1.0012196430 was used to calculate the fair value of the investments in LAIF. The fair value of the City's position in the pool is materially equivalent to the value of the pool share.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

*D. Investments Authorized by Debt Agreements*

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
U.S. Treasury Obligations	n/a	none
U.S. Agencies	n/a	AAA
Bankers' Acceptances	360 days	A-1/A-1+
Commercial Paper	270 days	A-1+
Money Market Fund	n/a	AAAm
State of California Obligations	n/a	A
Municipal Obligations	n/a	AAA
Pre-refunded Municipal Obligations	n/a	AAA
Medium Term Notes	5 years	A
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	n/a	none

*E. Interest Rate Risk*

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

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Investment Type	Investment Maturities (in years)			Total
	1 year or less	1 - 5 years	More than 5 years	
Securities Of US Government	\$ 48,672,833	\$ 21,888,421	\$ -	\$ 70,561,254
Municipal Bonds	-	1,110,892	-	1,110,892
U.S. Corporate Notes	6,522,375	-	-	6,522,375
Limited Obligation Refunding Bond	782,458	3,660,139	13,069,348	17,511,945
California Local Agency Investment Fund	37,872,804	-	-	37,872,804
Guaranteed Investment Agreements	-	-	12,119,723	12,119,723
Money Market (CAMP)	18,578,861	-	-	18,578,861
Certificates of Deposit	10,169,599	10,000,000	-	20,169,599
Total Investments	<u>\$ 122,598,930</u>	<u>\$ 36,659,452</u>	<u>\$ 25,189,071</u>	184,447,453
Cash in banks and on hand				<u>11,791,962</u>
Total Cash and Investments				<u>\$ 196,239,415</u>

At June 30, 2012, these investments matured in an average of 268 days.

Money Market Funds are available for withdrawal on demand and at June 30, 2012 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, 2012 for each investment type as provided by Standard and Poor's investment rating system.

	Fair Value	AAA	AA	AA+	AA-	A	Not Rated
Securities of U.S. Government	\$ 70,561,254	\$ -	\$ -	\$70,561,254	\$ -	\$ -	\$ -
Municipal Bonds	1,110,892	-	1,110,892	-	-	-	-
U.S Corporate Notes	6,522,375	-	-	2,174,641	2,167,581	2,180,153	-
Limited Obligation Refunding Bond	17,511,945	-	-	-	-	-	17,511,945
Money Market (CAMP)	18,578,861	18,578,861	-	-	-	-	-
Guaranteed Investment Agreements	12,119,723	12,119,723	-	-	-	-	-
California Local Agency Investment Fund	37,872,804	-	-	-	-	-	37,872,804
Certificates of Deposit	20,169,599	-	-	-	-	-	20,169,599
Total Investments	<u>184,447,453</u>	<u>\$30,698,584</u>	<u>\$1,110,892</u>	<u>\$ 72,735,895</u>	<u>\$2,167,581</u>	<u>\$2,180,153</u>	<u>\$75,554,348</u>
Cash in banks and on hand	<u>11,791,962</u>						
Total Cash and Investments	<u>\$ 196,239,415</u>						

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**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
<i>Entity-Wide:</i>		
Federal National Mortgage Association	Securities Of US Government	\$ 44,586,009
Fannie Mae	Securities Of US Government	11,839,133
Federal Home Loan Mortgage Corp	Securities Of US Government	10,386,252

**NOTE 3 - NOTES AND LOAN RECEIVABLES**

As of June 30, 2012, loans and notes receivable consisted of the following:

Description	Total Balance at June 30, 2012	Transfer to Successor Agency - Private Purpose Trust	Transfer to Housing Successor Agency	City Loans at June 30, 2012
<b>Governmental Funds:</b>				
HUD Community Development Block Grant	\$ 319,154	\$ -	\$ -	\$ 319,154
CalHome Program Loans	461,386	-	-	461,386
Rehabilitation and Construction Loans	26,531,208	14,792,317	8,352,623	3,386,268
Steadfast Marina Heights L.P.	1,400,000	-	1,400,000	-
Fairfield Belmont, L.P. Loan	4,651,144	-	4,651,144	-
Mercy Housing California Loan	4,352,417	-	4,352,417	-
Low Income Families Loan	959,440	-	959,440	-
Pacific Community Services Loan	625,718	-	625,718	-
Palm Plaza Group, LLC	509,600	-	509,600	-
Palm Plaza Development	658,000	-	658,000	-
Resources for Community Development Loan	6,647,325	-	6,647,325	-
Domus Development LLC Loan	4,407,946	-	4,407,946	-
Mariner Walk Loan	180,000	-	180,000	-
Vista Del Mar Loans	300,000	-	300,000	-
Community Estates LLC	456,807	-	456,807	-
Pacific Community Service	35,800	-	-	35,800
Nana's Place	471,874	-	-	471,874
La Veranda Café, Inc.	714,256	-	-	714,256
Residential Loans on Vidrio	3,611,364	-	-	3,611,364
Francis Palermo & Mary Lieser (PACF)	961,538	-	-	961,538
Miriam Cancel (PACF)	24,422	-	-	24,422
Nana's Place (PACF)	1,666	-	-	1,666
Total Governmental Funds	<u>58,281,065</u>	<u>14,792,317</u>	<u>33,501,020</u>	<u>9,987,728</u>
<b>Enterprise Funds:</b>				
Pittsburg Power	56,685	-	-	56,685
Total Loans Receivable	<u>\$ 58,337,750</u>	<u>\$ 14,792,317</u>	<u>\$ 33,501,020</u>	<u>\$ 10,044,413</u>

**A. HUD Community Development Block Grant (CDBG) Loans**

The HUD CDBG Special Revenue fund had a loans receivable balance as of June 30, 2012 which was made up of \$159,123 in CDBG entitlement loans and \$160,031 in First Time Homebuyer loans, totaling \$319,154.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 3 - NOTES AND LOAN RECEIVABLES (Continued)**

***B. CalHome Program Loans***

CalHome Program funds of \$600,000 were awarded by the State of California and are used to provide first-time home buyer mortgage assistance as well as housing rehabilitation assistance for low income homeowners. Loans are payable upon sale or transfer of property, when the property ceases to be owner-occupied, or upon the CalHome loan maturity date. The outstanding balance as of June 30, 2012 was \$461,386.

***C. Rehabilitation and Construction Loans***

The various rehabilitation and construction loans including deferred and accrued interest balance is \$26,531,208 as of June 30, 2012. 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:

- During fiscal year 2011-2012, the City agreed to provide a property development loan of \$1,614,714 to 9th Street Associates LP to develop the units at Santa Fe Commons. The loan terms include 3% simple interest and are due in 55 years. The repayment will be made from residual receipts. The outstanding balance as of June 30, 2012 was \$1,629,713.
- Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types was \$1,756,555 as of June 30, 2012.
- In 2005, a loan agreement was entered into with the Mt. Diablo Unified School District (District) in the amount of \$6,178,936 for capital improvements. The funding was provided with the 2003A Bond proceeds. The District will repay the loan from school impact fees collected until the Agency is fully reimbursed or 35 years, whichever occurs first. The balance outstanding as of June 30, 2012 was \$5,309,390. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including the District loan, was assumed by Successor Agency Private Purpose Trust.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 3 - NOTES AND LOAN RECEIVABLES (Continued)**

- 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 was provided by the Housing-Set Aside funds in the amount of \$6,000,000 and \$2,000,000 by future tax increments. During the fiscal year 2007-2008, an amendment was filed to increase the loan up to an additional \$800,000 and \$4,845,755 of the loan was disbursed to the Developer. The balance outstanding as of June 30, 2012 was \$8,352,623. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including the Developer loan, was assumed by the Housing Successor Agency.
- The remaining loans receivable of \$9,482,927 as of June 30, 2012 represent a number of small business and property owner rehabilitation and construction loans to eliminate blight by assisting improvements and rehabilitation of properties that were currently vacant or underutilized. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including \$9,482,927 of the rehabilitation and construction loans, were assumed by the Successor Agency Private Purpose Trust.

***D. 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 interest of 7% per year or the amount of Agency Receipts and provides for the Agency to receive 30% of the project's residual receipts annually. The outstanding balance as of June 30, 2012 was \$1,400,000. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including the rehabilitation and construction loans, were assumed by a Housing Successor Agency.

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 project's residual receipts annually. The outstanding balance as of June 30, 2012 was \$4,651,144. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.



**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 3 - NOTES AND LOAN RECEIVABLES (Continued)**

During fiscal year 2005-2006, the Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$1,052,854 to Mercy Housing California for the development of a 64-unit dwelling and child care center located within the Redevelopment Project Area. During the fiscal year 2007-2008, an amendment was filed to increase the loan for a total of \$4,952,854. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. The outstanding balance as of June 30, 2012 was \$4,352,417. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.

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, 2012 was \$959,440. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.

During fiscal year 2006-2007, the Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$566,150 to Pacific Community Services for prior construction of 104 units called the Presidio Village Senior Housing. The loan bears interest of 3% per year and provides for the Agency to receive 50% of the project's residual receipts annually. The outstanding balance and accrued interest as of June 30, 2012 was \$625,718. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.

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 the purchase and renovation of residential units located within the Redevelopment Project Area. The outstanding balance as of June 30, 2012 was \$509,600 for Palm Plaza Group, LLC and \$658,000 for Palm Plaza Development, respectively, totaling \$1,167,600. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.

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 project's residual receipts annually. The outstanding balance and accrued interest as of June 30, 2012 was \$6,583,203 and \$64,122 respectively, totaling \$6,647,325. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 3 - NOTES AND LOAN RECEIVABLES (Continued)**

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. The loan bears interest of 3% per year. The Domus Development LLC loan was amended in fiscal year 2010-2011 to increase the loan by an additional \$850,000, and then further amended in fiscal year 2010-2011 bringing total loan funding to \$4,323,645. As of June 30, 2012, Domus Development LLC has an outstanding balance \$4,407,946 wherein \$192,551 is accrued interest. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor.

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, 2012 was \$180,000 and \$300,000 for the property owners. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor.

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. During fiscal year 2009-2010, an amendment was filed to increase the loan by \$265,200 bringing the total loan amount to \$515,200. The outstanding balance as of June 30, 2012 was \$456,807. With the dissolution of the Agency effective February 1, 2012, the assets of the Redevelopment Agency, including this loan, were assumed by the Housing Successor Agency.

During fiscal year 2010-2011, the City approved a Facade Loan to Pacific Community Services for construction of improvements on 329 Railroad Avenue. The outstanding balance as of June 30, 2012 was \$35,800.

During fiscal year 2010-2011, the City approved a loan to Nana's Place for tenant improvements at 51 Marina Boulevard. The outstanding amount as of June 30, 2012 was \$471,874.

During fiscal year 2010-2011, the City approved a loan to La Veranda Café, Inc., for improvements at 711 and 755 Railroad Ave. The outstanding amount as of June 30, 2012 was \$714,256.

During fiscal year 2010-2011, City of Pittsburgh financed the residential loans to the homebuyers of Vidrio Condominium. The outstanding amount as of June 30, 2012 was \$3,611,364.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 3 - NOTES AND LOAN RECEIVABLES (Continued)**

*E. Pittsburg Arts and Community Foundation (PACF) Loans*

During fiscal year 2010-2011, the PACF assumed a construction loan and lease due from Francis Palermo and Mary Lieser. The loan will be repaid through lease payments on 159 4<sup>th</sup> Street, with a balloon payment due on December 1, 2023. The outstanding amount as of June 30, 2012 was \$961,538.

During fiscal year 2011-2012, PACF assumed an NSP Home Buyer assistance program loan that was issued to Miriam Cancel. Loan payments are deferred for 10 years, expiring on March 24, 2020, and will be forgiven if certain terms are met. The outstanding amount as of June 30, 2012 was \$24,422.

During fiscal year 2011-2012, PACF loaned \$4,000 to Nana's Place for utility bills. The loan is payable at 3% interest and expires on November 1, 2012. The outstanding amount as of June 30, 2012 was \$1,666.

*F. Pittsburg Power Loans*

In fiscal year 2007-08, the Pittsburg Power Company issued a \$125,000 loan to Delta Discovery 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. On January 1, 2010, the payment terms were modified to reduce monthly payments for November through March to \$1,000. On November 7, 2011, the payment terms were modified to reduce monthly payments for April to October to \$1,500. Based on the new payment schedule, the loan will be fully repaid in 2014. The outstanding balance as of June 30, 2012 was \$55,173.

In fiscal year 2010-2011, the Pittsburg Power Company issued a \$6,846 loan to Nana's Place to help the business pay for its Board of Equalization security deposit for sales tax. Terms of the loan are 18 months with the first payment commencing on May 1, 2011. The last payment is due on October 1, 2012. The outstanding balance as of June 30, 2012 was \$1,512.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 4 - UNEARNED AND 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, 2012, unearned revenues in the Government-Wide Financial Statements consisted of unearned developer, donation, and grant revenues of \$1,558,228 in Governmental Activities and \$1,061,545 in Business-Type Activities.

**B. Fund Financial Statements**

At June 30, 2012, 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:

	<b>Governmental Activities</b>					<b>Building Maintenance Internal Service Fund</b>
	<b>General Fund</b>	<b>Housing Authority (Sec. 8)</b>	<b>Successor Agency Housing Fund</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Activities</b>	
Unearned developer/ donation revenue	\$ 441,704	\$ -	\$ -	\$ -	\$ 441,704	\$ -
Housing loans receivable	-	-	9,114,991	4,978,644	14,093,635	-
Construction loan receivable	-	-	24,386,029	1,221,931	25,607,960	-
Unearned service revenue	49,779	19,781	-	1,011,043	1,080,603	35,921
<b>Total</b>	<b>\$ 491,483</b>	<b>\$ 19,781</b>	<b>\$ 33,501,020</b>	<b>\$ 7,211,618</b>	<b>\$ 41,223,902</b>	<b>\$ 35,921</b>

	<b>Business-Type</b>		
	<b>Water</b>	<b>Non-Major Enterprise</b>	<b>Total</b>
Unearned developer/ donation revenue	\$ -	\$ 794,486	\$ 794,486
Unearned service revenue	3,411	263,648	267,059
	<b>\$ 3,411</b>	<b>\$ 1,058,134</b>	<b>\$ 1,061,545</b>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 5 - INTERFUND TRANSACTIONS**

**A. Current Interfund Balances**

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

<u>DUE FROM FUND:</u>	<u>DUE TO FUND</u>	<u>AMOUNT</u>
Non-Major Governmental Funds:		
Special Revenue Funds:		
Local Law Enforcement Block Grant	General Fund	\$ 27,899
HUD Community Development Block Grant	General Fund	75,600
Energy Efficiency & Conservation (EECBG)	General Fund	411,489
Park Maintenance CFD 2007-1	General Fund	162,563
Pittsburg Arts and Community Foundation	General Fund	589
Non-Major Debt Service Fund:		
Pension Obligation Bond	General Fund	<u>7,818</u>
	Due to General Fund	685,958
Small Cities Grant Special Revenue Fund	Successor Agency Housing	221,670
Non-Major Proprietary Funds:		
Water Front Operations	Pittsburg Power	<u>111,250</u>
		<u><u>\$ 1,018,878</u></u>

**B. Interfund Advances**

At June 30, 2012, the following funds had advances that were not expected to be repaid within the next year:

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT</u>
<b>PROPRIETARY FUNDS</b>		
Water Utility	General Fund	\$ 3,230,000
Water Utility	Housing Authority (Section 8)	110,200
Water Utility	Lighting & Landscape	178,600
Water Utility	Storm Water Utility (NPDES)	60,800
Water Utility	HUD Community Development Block Grant	15,200
Water Utility	San Marco CFD 2004-1	64,600
Water Utility	Vista Del Mar CFD 2005-2	7,600
Water Utility	Public Safety Service CFD 2005-1	30,400
Water Utility	Park Maintenance CFD 2007-1	3,800
Water Utility	Fleet Maintenance	49,400
Water Utility	Building Maintenance	34,200
Water Utility	Information/Communication Services	<u>15,200</u>
		3,800,000
<b>NON-MAJOR ENTERPRISE FUNDS</b>		
Pittsburg Power	Golf Course	375,000
Pittsburg Power	Island Energy	<u>3,219,829</u>
		3,594,829
	<b>TOTAL ADVANCE</b>	<u><u>\$ 7,394,829</u></u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 5 - INTERFUND TRANSACTIONS (Continued)**

During fiscal year 2011-2012, the Water Utility Enterprise Fund advanced \$3,800,000 to various funds as detailed in the table above, to apply towards the unfunded pension liability with Contra Costa County Employees' Retirement Association (CCCERA). The advance is to be repaid to the Water Utility fund by February 21, 2017 and bears interest at 3.0% per year.

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

During fiscal year 2003-2004, the Pittsburg Power Enterprise Fund advanced \$300,000 to the Island Energy Enterprise 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 Fund have reached a level to replace the amount transferred from the Pittsburg Power Fund.

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

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

The Pittsburg Power Enterprise Fund advanced a total of \$523,072 to the Island Energy Enterprise Fund to fund the refurbishment of a main Substation H during fiscal year 2008-2009. During fiscal year 2010/2011 and 2011/12 the Pittsburg Power Enterprise Fund advanced an additional \$632,280 and \$814,477, respectively, to the Island Energy Enterprise Fund to fund the refurbishment of a main Substation H. The cumulative advance to Island Energy for the substation H project amounted to \$1,969,829.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 5 - INTERFUND TRANSACTIONS (Continued)**

*C. Interfund Transfers*

At June 30, 2012, 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. Included in the transfer amount was a \$1,787,000 transfer to fund street maintenance and projects.
- B. Transfers to Low-Moderate Housing I Special Revenue Fund to eliminate interfund advances balance due to RDA dissolution.
- C. Transfers to the Low and Moderate Housing II Special Revenue Fund were to fund various affordable housing projects.
- D. Transfers to the Redevelopment Agency Special Revenue Fund were to fund capital improvement projects and administrative support.
- E. Transfers to the Redevelopment Agency Debt Service fund were to fund debt service payments.
- F. Transfers to the Redevelopment Agency Capital Projects fund were to fund redevelopment capital improvement projects, of which \$500,000 were contributions to CCCERA pension obligation.
- G. Transfers to the Community Capital Improvement Fund were to fund capital improvement projects.
- H. Transfers to the Water Utility Enterprise Fund were to subsidize senior discount and to fund water projects.
- I. Transfer to Sewer Utility Enterprise Fund was to fund sewer projects.
- J. Transfer to Golf Course Enterprise Fund to cover property taxes and building allocation charge.
- K. Transfer to cover rent charges at Plaza Marina.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 5 - INTERFUND TRANSACTIONS (Continued)**

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT</u>
<b>GOVERNMENTAL FUNDS:</b>		
Redevelopment Agency Special Revenue Fund		\$ 711,200
Non-Major Governmental Funds		2,222,604
Water Utility		731,684
Sewer Utility		531,683
Marina		55,000
Non-Major Proprietary Funds		865,850
Internal Service Funds		<u>180,000</u>
	General Fund	<u>5,298,021</u> (A)
Low and Moderate Income Housing II Fund		500,000
Redevelopment Agency Special Revenue Fund		<u>7,331,615</u>
	Low and Moderate Income Housing I	<u>7,831,615</u> (B)
Redevelopment Agency Debt Service Fund	Low and Moderate Income Housing II	<u>471,599</u> (C)
Redevelopment Agency Debt Service Fund		140,141
Low and Moderate Income Housing II Fund		<u>176,093</u>
	Redevelopment Agency Special Revenue Fund	<u>316,234</u> (D)
Low Moderate Income Housing II Fund		1,250,946
Redevelopment Agency Special Revenue Fund		<u>20,277,169</u>
	Redevelopment Agency Debt Service Fund	<u>21,528,115</u> (E)
Redevelopment Debt Service Fund	Redevelopment Agency Fund Capital Projects	<u>1,241,141</u> (F)
General Fund		522,268
Redevelopment Agency Special Revenue Fund		200,000
Non-Major Governmental Funds		915,137
Redevelopment Debt Service Fund		1,307,331
Water Utility		4,708,394
Sewer Utility		229,824
Marina		162,645
Non-Major Proprietary Funds		510,327
Internal Service Funds		<u>84,343</u>
	Non-Major Governmental Funds	<u>8,640,269</u> (G)
<b>TOTAL GOVERNMENTAL FUNDS</b>		<u><u>45,326,994</u></u>
<b>PROPRIETARY FUNDS:</b>		
General Fund	Water Utility	<u>51,400</u> (H)
Water Utility	Sewer Utility	<u>103,466</u> (I)
General Fund	Non-Major Proprietary Funds	<u>20,000</u> (J)
Non-Major Governmental Funds	Non-Major Proprietary Funds	<u>3,964</u> (K)
<b>TOTAL PROPRIETARY FUNDS</b>		<u><u>178,830</u></u>
	<b>TOTAL TRANSFERS</b>	<u><u>\$45,505,824</u></u>



**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 6 - CAPITAL ASSETS**

*A. Government-Wide Financial Statements*

At June 30, 2012, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 33,828,944	\$ 1,143,506	\$ 34,972,450
Construction in progress	77,262,342	8,725,637	85,987,979
Total non-depreciable assets	<u>111,091,286</u>	<u>9,869,143</u>	<u>120,960,429</u>
Depreciable assets:			
Buildings and improvements	56,092,287	24,116,831	80,209,118
Machinery and equipment	11,563,319	4,038,940	15,602,259
Infrastructure	249,796,155	130,829,727	380,625,882
Total depreciable assets	<u>317,451,761</u>	<u>158,985,498</u>	<u>476,437,259</u>
Less accumulated depreciation:			
Buildings and improvements	(19,156,643)	(12,615,901)	(31,772,544)
Machinery and equipment	(8,992,762)	(2,132,579)	(11,125,341)
Infrastructure	(111,396,067)	(32,309,463)	(143,705,530)
Total accumulated depreciation	<u>(139,545,472)</u>	<u>(47,057,943)</u>	<u>(186,603,415)</u>
Total net depreciable assets	<u>177,906,289</u>	<u>111,927,555</u>	<u>289,833,844</u>
Total capital assets	<u>\$ 288,997,575</u>	<u>\$ 121,796,698</u>	<u>\$ 410,794,273</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 6 - CAPITAL ASSETS (Continued)**

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

	Balance at July 1, 2011	Additions	Deletions	Reclass- ifications	Transfers	Transfers to Successor Agency	Balance at June 30, 2012
Non-depreciable assets:							
Land	\$ 57,619,061	\$ 325,727	\$ (3,012,451)	\$ 913,653	\$ 11,477,745	\$ (33,494,791)	\$ 33,828,944
Construction in progress	69,582,565	13,583,850	(2,552,993)	(3,351,080)	-	-	77,262,342
Total	127,201,626	13,909,577	(5,565,444)	(2,437,427)	11,477,745	(33,494,791)	111,091,286
Depreciable assets:							
Buildings and improvements	59,639,024	223,479	(274,005)	(1,576,717)	-	(1,919,494)	56,092,287
Machinery and equipment	11,574,445	615,599	(533,042)	-	(93,683)	-	11,563,319
Infrastructure	247,358,728	-	-	2,437,427	-	-	249,796,155
Total	318,572,197	839,078	(807,047)	860,710	(93,683)	(1,919,494)	317,451,761
Less accumulated depreciation:							
Buildings and improvements	(17,285,682)	(1,939,977)	63,934	-	-	5,082	(19,156,643)
Machinery and equipment	(8,312,382)	(1,186,845)	448,931	-	57,534	-	(8,992,762)
Infrastructure	(104,789,851)	(6,606,216)	-	-	-	-	(111,396,067)
Total	(130,387,915)	(9,733,038)	512,865	-	57,534	5,082	(139,545,472)
Total depreciable assets, net	188,184,282	(8,893,960)	(294,182)	860,710	(36,149)	(1,914,412)	177,906,289
Total capital assets, net	\$ 315,385,908	\$ 5,015,617	\$ (5,859,626)	\$ (1,576,717)	\$ 11,441,596	\$ (35,409,203)	\$ 288,997,575

With the dissolution of the Redevelopment Agency as discussed in Note 14, a Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012, which has been reported as "Transfers to Successor Agency" above and as an Extraordinary Item in the Statement of Activities. Subsequent to the dissolution, the Oversight Committee of the Successor Agency to the Redevelopment Agency approved the transfer of certain public-purpose assets back to the City, in the amount of \$11,477,745, reported in the "Transfers" column above.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 6 - CAPITAL ASSETS (Continued)**

Governmental activities depreciation expense for capital assets for the year ended June 30, 2012 is as follows:

General government	\$ 1,175,267
City Manager and City Clerk	40,328
Human Resources	4,161
Finance and services	83,926
Community development and services	98,586
Public Safety	220,137
Public Works	<u>8,110,633</u>
Total depreciation expense	<u>\$ 9,733,038</u>

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

	Balance at July 1, 2011	Additions	Deletions	Transfers	Balance at June 30, 2012
Non-depreciable assets:					
Land	\$ 1,143,506	\$ -	\$ -	\$ -	\$ 1,143,506
Construction in progress	<u>4,339,159</u>	<u>4,386,478</u>	<u>-</u>	<u>-</u>	<u>8,725,637</u>
Total	<u>5,482,665</u>	<u>4,386,478</u>	<u>-</u>	<u>-</u>	<u>9,869,143</u>
Depreciable assets:					
Buildings and improvements	24,116,831	-	-	-	24,116,831
Machinery and equipment	3,889,525	193,185	(137,453)	93,683	4,038,940
Infrastructure	<u>130,829,727</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,829,727</u>
Total	<u>158,836,083</u>	<u>193,185</u>	<u>(137,453)</u>	<u>93,683</u>	<u>158,985,498</u>
Less accumulated depreciation:					
Buildings and improvements	(10,096,448)	(2,519,453)	-	-	(12,615,901)
Machinery and equipment	(1,882,705)	(268,540)	76,200	(57,534)	(2,132,579)
Infrastructure	<u>(32,015,706)</u>	<u>(293,757)</u>	<u>-</u>	<u>-</u>	<u>(32,309,463)</u>
Total	<u>(43,994,859)</u>	<u>(3,081,750)</u>	<u>76,200</u>	<u>(57,534)</u>	<u>(47,057,943)</u>
depreciable assets, net	<u>114,841,224</u>	<u>(2,888,565)</u>	<u>(61,253)</u>	<u>36,149</u>	<u>111,927,555</u>
Total capital assets, net	<u>\$ 120,323,889</u>	<u>\$ 1,497,913</u>	<u>\$ (61,253)</u>	<u>\$ 36,149</u>	<u>\$ 121,796,698</u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 6 - CAPITAL ASSETS (Continued)**

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2012 are as follows:

Water Utility	\$	1,409,626
Sewer Utility		688,639
Marina		475,317
Golf Course		140,958
Island Energy		335,094
Pittsburg Power		32,116
Total	\$	<u>3,081,750</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 Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7 - LONG TERM DEBT**

*Governmental Activities*

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2012:

Description	Original Issue Amount	Beginning Balance July 1, 2011	Retirements	Transfer to Successor Agency	Ending Balance June 30, 2012	Amounts Due Within One Year	Amounts Due in More Than One Year
<b>Governmental Activities:</b>							
Tax Allocation Bonds							
1999 RDA Bonds	\$ 30,106,357	\$ 28,491,357	\$ 630,000	\$ 27,861,357	\$ -	\$ -	\$ -
2002A RDA Refunding Bonds	59,970,000	22,540,000	4,065,000	18,475,000	-	-	-
2003A RDA Bonds	88,375,000	77,995,000	1,120,000	76,875,000	-	-	-
2004A RDA Housing Set-Aside Bonds	18,270,000	16,475,000	345,000	16,130,000	-	-	-
2004B RDA Subordinated Refunding Bonds	10,720,000	3,405,000	3,405,000	-	-	-	-
2004A RDA Subordinated Bonds	117,615,000	117,615,000	-	117,615,000	-	-	-
2006A RDA Housing Set-Aside Bonds	11,020,000	10,145,000	190,000	9,955,000	-	-	-
2006B RDA Subordinated Bonds	36,840,000	36,840,000	1,280,000	35,560,000	-	-	-
2006C RDA Subordinated Refunding Bonds	46,660,000	45,690,000	150,000	45,540,000	-	-	-
2008A RDA Subordinated Refunding Bonds	61,660,856	61,660,856	-	61,660,856	-	-	-
<b>Total Tax Allocation Bonds</b>		420,857,213	11,185,000	409,672,213	-	-	-
2006 Pension Obligation Bonds	39,566,056	39,026,056	300,000	-	38,726,056	375,000	38,351,056
2007 Telephone System Capital Lease	956,492	157,279	157,279	-	-	-	-
Unamortized Premium	-	3,978,809	442,090	3,536,719	-	-	-
Deferred amount on refunding on 2006C RDA	-	(3,586,194)	(149,425)	(3,436,769)	-	-	-
<b>Total Governmental Activities</b>		<u>\$460,433,163</u>	<u>\$11,934,944</u>	<u>\$409,772,163</u>	<u>\$38,726,056</u>	<u>\$ 375,000</u>	<u>\$ 38,351,056</u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7 - LONG TERM DEBT (Continued)**

With the dissolution of the Redevelopment Agency as discussed in Note 14, a Successor Agency assumed the long-term debt and loans of the Redevelopment Agency as of February 1, 2012, including the Swap agreement associated with the 2004A Bonds, which has been reported as a transfer above and as an Extraordinary Item in the Statement of Activities. For a detailed discussion of each of the Bonds and loans above, see Note 14 E.

*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 5.784-5.909% 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 \$66,205,652. For the current year, principal and interest paid were \$1,874,608 and city-wide revenues were \$84,463,597.

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 375,000	\$ 1,555,087	\$ 1,930,087
2014	450,000	1,531,228	1,981,228
2015	530,000	1,502,886	2,032,886
2016	1,280,275	1,479,171	2,759,446
2017	1,272,395	1,461,241	2,733,636
2018-2022	6,423,841	6,950,627	13,374,468
2023-2027	6,807,261	6,090,259	12,897,520
2028-2032	6,777,284	5,077,012	11,854,296
2033-2035	14,810,000	1,832,085	16,642,085
Total	<u>\$ 38,726,056</u>	<u>\$ 27,479,596</u>	<u>\$ 66,205,652</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7 - LONG TERM DEBT (Continued)**

*Capital Lease for Governmental Activities*

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

Interest on the outstanding principal is 4.425%; monthly payments of principal and interest were made every month commencing March 30, 2007 through March 30, 2012. The outstanding balance at June 30, 2012 was \$0.

**Business-Type Activities**

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2012:

Description	Original Issue Amount	Beginning Balance July 1, 2011	Retirements	Ending Balance June 30, 2012	Amounts Due Within One Year
<b>Business-Type Activities:</b>					
2004 Waste Water					
Revenue Bonds	\$ 11,950,000	\$ 8,025,000	\$ 605,000	\$ 7,420,000	\$ 620,000
2008A Water Revenue					
Refunding Bonds	38,395,000	35,515,000	935,000	34,580,000	960,000
<b>Total Business-Type Activities</b>		<u>\$43,540,000</u>	<u>\$ 1,540,000</u>	<u>\$42,000,000</u>	<u>\$ 1,580,000</u>

2004 Wastewater Revenue Bonds

2004 Wastewater Revenue Bonds (2004 Wastewater) outstanding at June 30, 2012 amounted to \$7,420,000. 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 payments 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 \$9,182,942. For the current year, principal and interest paid were \$916,252 and wastewater net revenues were \$2,445,298. The Bonds were issued to refund the \$11,545,000 outstanding balance of the 1994 Wastewater Revenue Refunding Bonds. Proceeds from the 2004 Bonds were placed in an irrevocable trust to provide for all future debt service payments on the defeased 1996 Bonds. Accordingly, the trust account assets and liability for the defeased 1994 Bonds are not included in the City's basic financial statements. The defeased 1994 Bonds were called on June 1, 2004.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7 - LONG TERM DEBT (Continued)**

The annual debt service requirements to mature the 2004 Bonds outstanding at June 30, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 620,000	\$ 291,590	\$ 911,590
2014	640,000	271,440	911,440
2015	670,000	249,040	919,040
2016	695,000	224,586	919,586
2017	725,000	198,176	923,176
2018-2022	4,070,000	528,110	4,598,110
<b>Total</b>	<b>\$ 7,420,000</b>	<b>\$ 1,762,942</b>	<b>\$ 9,182,942</b>

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, 2012, \$34,580,000 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 \$50,119,052. For the current year, principal and interest paid were \$2,167,771 and Water System revenues were \$4,159,709.

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, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Remarketing & LOC Fees	Total
2013	\$ 960,000	\$ 1,242,163	\$ 389,196	\$ 2,591,359
2014	1,010,000	1,232,441	378,385	2,620,826
2015	1,035,000	1,172,752	367,013	2,574,765
2016	1,090,000	1,134,433	356,245	2,580,678
2017	1,140,000	1,094,170	343,083	2,577,253
2018-2022	6,325,000	4,851,611	1,515,183	12,691,794
2023-2027	7,575,000	3,613,409	1,130,780	12,319,189
2028-2032	9,100,000	2,135,410	672,269	11,907,679
2033-2035	6,345,000	446,778	144,031	6,935,809
<b>Total</b>	<b>\$ 34,580,000</b>	<b>\$ 16,923,167</b>	<b>\$ 5,296,185</b>	<b>\$ 56,799,352</b>



**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7 - LONG TERM DEBT (Continued)**

Interest Rate Swap Agreements

The 2008 Water Revenue Bonds were issued as variable rate bonds, with interest calculated daily. The rate fluctuates according to market conditions. In order to protect against the potential of rising interest rates associated with the Bonds, the City 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, 2012 are included below. The City's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds.

<u>Associated Bonds</u>	<u>2008 Water Revenue Bonds</u>
City Pays	3.615%
City Receives	63% of 1 month USD-LIBOR + .30%
Maturity Date	5/25/2035
Initial Notional	\$38,850,000
Bank Counterparty	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services
Credit Rating by Moody's / Fitch / S&P	Baa1 / A / A-
Total Value	(\$7,734,430)

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 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 City's swap had a negative fair value of \$7,734,430 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.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 7 - LONG TERM DEBT (Continued)**

*Credit risk.* As of June 30, 2012, the City was 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 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 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.

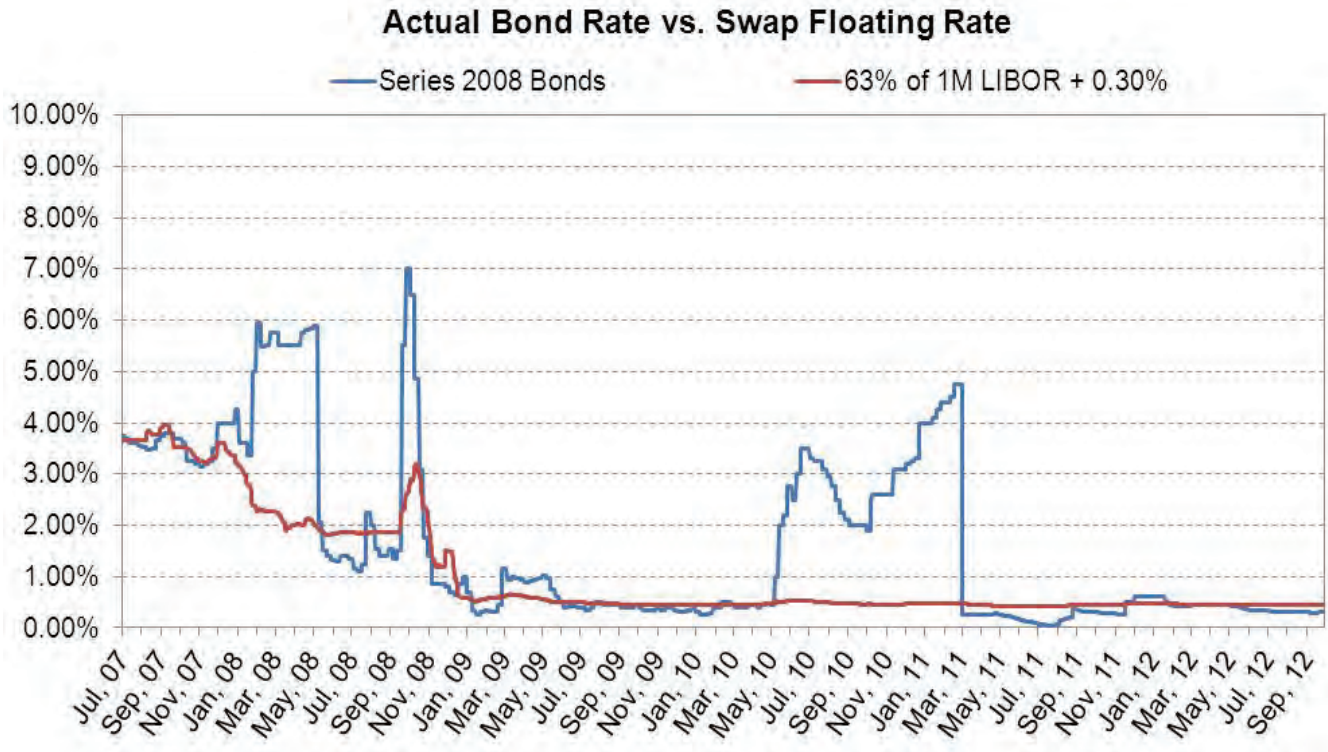
The swap agreement contains a collateral agreement with MSCS which guarantees Piper Jaffray. The swap requires collateralization of the fair value of the swap should the MSCS credit rating fall below the applicable thresholds.

*Basis risk.* Basis risk is the risk that the interest rate paid by the City on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The City bears basis risk on its swap. The Swap has basis risk since the City receive a percentage of LIBOR to offset the actual variable bond rate the City pay on its bonds. The City are exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the 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 City's 2008 Water Revenue Bonds leading to rate dislocation and unanticipated increase in interest rate expense. 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 between May 2010 and February 2011. The City's bonds were backed by a direct-pay letter-of-credit (LOC) from Allied Irish Bank (AIB). In response to the European debt crisis, and consequently investors' declining confidence in the financial health of the bank, these bonds traded at much higher rates. In February 2011, the City replaced the LOC provided by AIB with an LOC provided by Bank of the West which reduced the basis difference.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 7 - LONG TERM DEBT (Continued)**



*Tax risk.* Tax risk is a specific type of basis risk. Tax risk is a permanent mismatch between the interest rate paid on the 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 City is receiving 63% of 1-month LIBOR (a taxable index) plus 30 basis points 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 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 City would be liable to the counterparty for a payment equal to the swap’s fair value.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT**

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activities. The activity for those issues for the year ended June 30, 2012, was as follows:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
1998 Marina Walk A.D. Bonds	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -
1998 Pittsburg IFA Bonds	8,355,000	-	8,355,000	-
2001-01 San Marco A.D. Bonds	6,460,000	-	6,460,000	-
2001-02 Oak Hills South A.D. Bonds	2,365,000	-	2,365,000	-
2001-03 Century Plaza A.D. Bonds	3,840,000	-	95,000	3,745,000
2005 Vista Del Mar A.D. Bonds	11,160,000	-	255,000	10,905,000
2011 Pittsburg IFA Bonds	-	17,840,000	-	17,840,000
<b>Total</b>	<u>\$ 33,580,000</u>	<u>\$ 17,840,000</u>	<u>\$ 18,930,000</u>	<u>\$ 32,490,000</u>

**1998 Marina Walk Assessment District Bonds** – 1998 Marina Walk Assessment District Bonds (Marina Walk Bonds) outstanding at June 30, 2012, amounted to \$0. 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 Pittsburg Infrastructure Financing Authority Bonds** – 1998 Pittsburg Infrastructure Financing Authority Bonds (1998 PIFA Bonds) consist of two series with principal outstanding at June 30, 2012, amounting in total to \$0. 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 Pittsburg 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 Pittsburg Infrastructure Financing Authority Bonds.

**2001-01 San Marco Assessment District Bonds** – 2001-01 Limited Obligation Improvement Assessment District Bonds (San Marco Bonds) outstanding at June 30, 2012, amounted to \$0. 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.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT**

**2001-02 Oak Hills South Assessment District Bonds** - 2001-02 Limited Obligation Improvement Assessment District Bonds (Oak Hills South Bonds) outstanding at June 30, 2012, amounted to \$0. 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, 2012, amounted to \$3,745,000. 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, 2012 amounted to \$10,905,000.

**2011 Pittsburg Infrastructure Financing Authority Bonds** - In August 2011, the City refinanced the 1998 Marina Walk Assessment District Bonds, 1998 Pittsburg Infrastructure Financing Authority Bonds, 2001-01 San Marco Assessment District Bonds and 2001-02 Oak Hills South Assessment District Bonds. These Districts were consolidated into one Reassessment District No. 2011-1. The true interest cost of the refunded bonds is 4.5%. The outstanding balance at June 30, 2012 amounted to \$17,840,000.

**NOTE 9 - NET ASSETS AND FUND BALANCES**

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

**A. Net Assets**

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

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

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 9 - NET ASSETS AND FUND BALANCES (Continued)**

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

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

**B. Fund Balances**

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

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

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

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

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

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed through City Resolution, Ordinance, or through language in the adopted budget, by the City Council or its designee (City Manager for items from \$75,000 to \$150,000 and Department Heads for items below \$75,000) and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; Nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 9 - NET ASSETS AND FUND BALANCES (Continued)**

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

To comply with GASB 54 requirements, the Budget Stabilization and Economic Development activities are consolidated within the General Fund. The following table provides details of the General Fund's fund balance at June 30, 2012:

<u>Fund/Activity</u>	<u>Nonspendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 305,497	\$ -	\$ -	\$ 306,225	\$ 7,092,086	\$ 7,703,808
Budget stabilization	-	-	-	-	9,421,389	9,421,389
Economic development	-	-	-	1,948,572	-	1,948,572
Total	<u>\$ 305,497</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,254,797</u>	<u>\$ 16,513,475</u>	<u>\$ 19,073,769</u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 9 - NET ASSETS AND FUND BALANCES (Continued)**

Detailed classifications of the City's Fund Balances, as of June 30, 2012, are listed below:

Fund Balance Classifications	General Fund	Housing Authority Section 8	Successor Agency Housing	Other Governmental Funds	Total
<b>Nonspendables:</b>					
Items not in spendable form:					
Deposits for Land	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Interfund Advances	162,563	-	221,670	-	384,233
Inventory and prepaids	127,934	1,374	-	156,806	286,114
<b>Total Nonspendable Fund Balances</b>	<b>305,497</b>	<b>1,374</b>	<b>221,670</b>	<b>156,806</b>	<b>685,347</b>
<b>Restricted for:</b>					
Special Revenue	-	1,407,987	1,223,271	6,749,722	9,380,980
Debt Service	-	-	-	1,151,902	1,151,902
Capital Projects	-	-	-	10,425,420	10,425,420
<b>Total Restricted Fund Balances</b>	<b>-</b>	<b>1,407,987</b>	<b>1,223,271</b>	<b>18,327,044</b>	<b>20,958,302</b>
<b>Committed to:</b>					
Capital Improvement	-	-	-	3,170,580	3,170,580
Field Replacement	-	-	-	135,445	135,445
Public Education	-	-	-	11,250	11,250
<b>Total Committed Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,317,275</b>	<b>3,317,275</b>
<b>Assigned to:</b>					
Capital Projects					
Encumbrances (PO's)	437,511	-	-	37,491	475,002
Police Buys	1,220	-	-	-	1,220
Leisure Service	6,656	-	-	-	6,656
Mapping Equip	31,259	-	-	-	31,259
Payroll Imprest Fund Balance	22,066	-	-	-	22,066
For Economic Development	1,756,085	-	-	-	1,756,085
Public Safety	-	-	-	47,014	47,014
<b>Total Assigned Fund Balances</b>	<b>2,254,797</b>	<b>-</b>	<b>-</b>	<b>84,505</b>	<b>2,339,302</b>
<b>Unassigned:</b>					
General fund	7,092,085	-	-	-	7,092,085
Stabilization Arrangements	9,421,390	-	-	-	9,421,390
Other governmental fund deficit residuals	-	-	-	(904,204)	(904,204)
<b>Total Unassigned Fund Balances</b>	<b>16,513,475</b>	<b>-</b>	<b>-</b>	<b>(904,204)</b>	<b>15,609,271</b>
<b>Total Fund Balances</b>	<b>\$ 19,073,769</b>	<b>\$ 1,409,361</b>	<b>\$ 1,444,941</b>	<b>\$ 20,981,426</b>	<b>\$ 42,909,497</b>



**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 9 - NET ASSETS AND FUND BALANCES (Continued)**

*C. Deficit Fund Balance/Net Assets*

At June 30, 2012, the Small Cities Grant Special Revenue Fund had a deficit fund balance \$145,482. The deficit will be reduced with CDBG loan pay off and as cash becomes available.

At June 30, 2012, the Energy Efficiency & Conservation Special Revenue Fund had a deficit fund balance of \$632,368 due to the timing difference on the loan funding. The deficit is temporary and will be eliminated when the loan is received.

At June 30, 2012, the Park Maintenance CFD 2007-1 Special Revenue Fund had a deficit fund balance of \$126,354. The deficit will be reduced with future years' assessment revenues.

*D. Restricted Net Assets for Special Projects and Programs*

At June 30, 2012, the City has the following restricted net assets for special projects and programs approved by Resolution 12-11884:

Measure C Fund	\$ 38,000
Gas Tax Fund	200,000
Traffic Congestion Fund	257,592
NPDES Fund	27,828
Local Traffic Mitigation Fund	417,241
Park Dedication Fund	2,270,758
City Capital Improvement Project Fund	301,938
Kirker Creek Drainage Fund	56,119
Community Capital Improvement Fund	9,000,647
Regional Traffic Mitigation Fund	246,378
	\$ 12,816,501

**NOTE 10 - RISK MANAGEMENT**

*A. General Liability Insurance*

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

*B. Workers' Compensation*

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

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 10 - RISK MANAGEMENT (Continued)**

*C. Estimated Reserves for Claims*

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

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

For the Years Ended June 30,	Claims Payable July 1	Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2009	\$ 255,713	\$ 41,742	\$ (88,685)	\$ 208,770
2010	208,770	(95,076)	(29,519)	84,175
2011	84,175	69,494	-	153,669
2012	153,669	(27,629)	(8,327)	117,713

The Enterprise Fund liability was the residual from Water Bond Rebate Liability (Arbitrage).

For the Years Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2011	\$ 338,128	\$ 313,648	\$ -	\$24,480
2012	24,480	-	-	24,480

*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 Liability	None	Statutory Limits
	25,000	29,000,000
Cyber Liability	50,000	2,000,000
Public Entity Pollution	100,000	1,000,000

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 10 - RISK MANAGEMENT (Continued)**

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

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

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

*E. Adequacy of Protection*

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

**NOTE 11 - 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. CALPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CALPERS 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 CALPERS’ 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, 2012, 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	12.009%	26.746%

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)**

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 2011-2012, the City's annual pension cost of \$4,678,569 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 3.55% to 14.45% for miscellaneous employees and from 3.55% to 14.45% 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 CALPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. CALPERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payrolls on a closed basis. The average remaining amortization period at June 30, 2004, was 30 years for miscellaneous and safety employees for prior and current service unfunded liability.

**THREE-YEAR TREND INFORMATION FOR PERS**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2010	\$ 4,542,710	100%	-
6/30/2011	4,506,266	100%	-
6/30/2012	4,678,569	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 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 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next twenty years.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)**

**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.

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	Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (C/E)
6/30/2009	\$ 45,834,714	\$ 51,599,039	\$ 5,764,325	88.80%	\$ 14,386,852	40.1%
6/30/2010	49,123,779	56,515,919	7,392,140	86.92%	13,205,117	56.0%
6/30/2011	52,512,073	60,051,999	7,539,926	87.44%	12,601,426	59.8%

\*Latest information available.

**Safety Plan**

The City retirement plan for safety employees is a part of the CALPERS risk pool for cities and other government entities that have less than 100 active members. Actuarial valuations performed included other participants within the same risk pool. Therefore, standalone information of the schedule of the funding progress for the City's safety employees is no longer available.

**C. Contra Costa County Employees' Retirement Association**

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

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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

In addition, the City borrowed \$3.8 million from the City's Water Fund balance at a 3% annual interest rate to repay a portion of the City's CCCERA unfunded liability and used \$1,980,096 of various fund balances to help reduce the City's CCCERA unfunded liability. Thus, through FY 2011-12, the City reduced its CCCERA unfunded liability by \$5,780,096 leaving \$4.1 million to be repaid over 15 years at the 7.75% annual interest rate.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS**

During fiscal year 2008-2009, the City adopted the provisions of GASB 45.

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

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

*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 2011-2012, the City paid approximately \$1,163,287 for retiree healthcare plan benefits, including \$955,439 in premium payments for retirees and \$207,416 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 most recent actuarial valuation dated June 1, 2012 as of January 1, 2011, 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	\$ 3,950,000
Interest on net OPEB obligation	466,000
Adjustment to annual required contribution	<u>(542,000)</u>
Annual OPEB cost (expense)	3,874,000
Contribution (benefits payments)	<u>(1,163,287)</u>
Increase in net OPEB obligation	2,710,713
Net OPEB obligation - beginning of year	<u>10,953,551</u>
Net OPEB obligation - end of year	<u><u>\$ 13,664,264</u></u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three fiscal years are as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual	Net OPEB Obligation
		OPEB Cost Contribution	
June 30, 2010	\$ 5,059,000	19.8%	\$ 8,145,000
June 30, 2011	3,682,000	27.4%	10,953,551
June 30, 2012	3,874,000	30.0%	13,664,264

**Funded Status and Funding Progress.** The funded status of the plan as of January 1, 2011, the plan's most recent actuarial valuation date, was as follows (dollar amounts in thousands):

Actuarial accrued liability (AAL)	\$ 49,439,000
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	\$ 49,439,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Projected covered payroll (active Plan members)	\$ 17,911,000
UAAL as a percentage of covered payroll	276.0%

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, 2011 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 Non-Medicare medical cost increase rate of 9.0% for 2013 and grading down to 5.0% for 2021 and thereafter. The Medicare premiums were assumed to increase at a rate of 9.4% and grading down to 5.0% for 2021 and thereafter. The initial UAAL was amortized as a level percentage of projected payrolls over a fixed 30-year period from 6/30/10 and will be amortized as a level dollar amortization over a 28 year period from 6/30/12.



**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**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)
1/1/2007	\$ -	\$ 42,890,000	\$ 42,890,000	0%	\$ 20,021,000	214.2%
1/1/2009	-	37,383,000	37,383,000	0%	18,792,000	198.9%
1/1/2011	-	49,439,000	49,439,000	0%	17,911,000	276.0%

**Schedule of Employer Contributions  
Postemployment Healthcare Plan**

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	\$ 5,059,000	19.8%
2011	3,682,000	27.4%
2012	3,874,000	30.0%

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**A. Grants from Other Governments**

The City participates in a number of Federal, State, and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2012, 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.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

*A. Redevelopment Dissolution*

In an effort to balance its budget, the State of California adopted ABx1 26 on June 28, 2011, amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies on January 31, 2012.

The suspension provisions prohibited all redevelopment agencies from a wide range of activities, including incurring new indebtedness or obligations, entering into or modifying agreements or contracts, acquiring or disposing of real property, taking actions to adopt or amend redevelopment plans and other similar actions, except actions required by law or to carry out existing enforceable obligations, as defined in ABx1 26.

In addition, ABx1 26 and AB1484 direct the State Controller to review the activities of all redevelopment agencies and successor agencies to determine whether an asset transfer between an agency and any public agency occurred on or after January 1, 2011. If an asset transfer did occur and the public agency that received the asset is not contractually committed to a third party for the expenditure or encumbrance of the asset, the legislation purports to require the State Controller to order the asset returned to the redevelopment agency. The State Controller's Office has not yet completed its asset transfer review.

Effective January 31, 2012, the Redevelopment Agency was dissolved. Certain assets of the Redevelopment Agency Low and Moderate Income Housing Funds were distributed to a Housing Successor; all remaining Redevelopment Agency assets and liabilities were distributed to a Successor Agency.

Under the provisions of AB 1484, the City can elect to become the Housing Successor and retain the housing assets. The City elected to become the Housing Successor and on February 1, 2012, certain housing assets were transferred to the City's Successor Agency Housing Special Revenue Fund. The activities of the Housing Successor are reported in the Successor Agency Housing Special Revenue Fund as the City has control of those assets, which may be used in accordance with the low and moderate income housing provisions of California Redevelopment Law.

The City also elected to become the Successor Agency and on February 1, 2012, the Redevelopment Agency's remaining assets were distributed to and liabilities were assumed by the Successor Agency. ABx1 26 requires the establishment of an Oversight Board to oversee the activities of the Successor Agency and one was established on April 26, 2012. The activities of the Successor Agency are subject to review and approval of the Oversight Board, which is comprised of seven members, including one member of City Council and one former Redevelopment Agency employee appointed by the Mayor.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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

A summary of assets distributed to and liabilities assumed by the Successor Agencies, which have been reported as extraordinary items, are presented below:

	Assets and Liabilities (Prior to transfer)	Transfer to Successor Agency	Transfer to Housing Successor	Other Adjustments	Ending Balance January 31, 2012
<b>ASSETS</b>					
Cash and investments	\$ 101,764,433	\$ 100,534,433	\$ 1,230,000	\$ -	\$ -
Interest receivable	834	834	-	-	-
Notes and loans receivable	48,728,546	15,045,651	33,682,895	-	-
Prepaid and other assets	166,197	166,197	-	-	-
Accounts Receivable	549,246	549,246	-	-	-
Due from other funds	221,670	-	221,670	-	-
Deferred charges	4,831,507	4,831,507	-	-	-
Deferred outflow of resources	12,317,238	12,317,238	-	-	-
Capital assets:					
Land and land improvements	31,918,074	31,918,074	-	-	-
Depreciable capital assets, net	3,491,129	3,491,129	-	-	-
<b>Total Assets</b>	<b>203,988,874</b>	<b>168,854,309</b>	<b>35,134,565</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	1,060,677	1,060,677	-	-	-
Deferred revenue	48,988,539	-	33,682,895	15,305,644 (A)	-
Compensated absences	67,725	67,725	-	-	-
Derivative instrument	12,317,238	12,317,238	-	-	-
Interest payable	3,236,344	3,236,344	-	-	-
Long-term debt:					
Due in one year	15,887,665	15,887,665	-	-	-
Due in more than one year	393,884,498	393,884,498	-	-	-
<b>Total Liabilities</b>	<b>475,442,686</b>	<b>426,454,147</b>	<b>33,682,895</b>	<b>15,305,644</b>	<b>-</b>
<b>NET ASSETS (DEFICIT)</b>	<b>\$ (271,453,812)</b>	<b>\$ (257,599,838)</b>	<b>\$ 1,451,670</b>	<b>\$ (15,305,644)</b>	<b>\$ -</b>

(A) The Successor Agency uses full accrual accounting, therefore, deferred revenue has been eliminated.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

Below is a reconciliation of the net liabilities assumed by the Successor Agency with the Extraordinary Item reported on the Statement of Activities:

Net Liabilities Assumed by the Successor Agency as of February 1, 2012	\$257,599,838
Capital assets subsequently transferred to City by Successor Agency Oversight Committee for public purpose (See Note 6)	<u>11,477,745</u>
Extraordinary Item Reported on the Statement of Activities	<u><u>\$269,077,583</u></u>

Cash and investments of the Successor Agency as of June 30, 2012 are discussed in Note 2. Information presented in the following footnotes represents assets and liabilities of the Successor Agency.

***B. Notes and Loans Receivable***

As discussed in Note 3, the Successor Agencies assumed the notes and loans receivable of the Redevelopment Agency as of February 1, 2012. The balance of the notes receivable assumed by the Successor Agency at June 30, 2012 was \$14,792,317 recorded in the Successor Agency to the Redevelopment Agency Private-Purpose Trust, consisting of rehabilitation and construction loans.

***C. Capital Assets***

The Successor Agency assumed the capital assets of the Redevelopment Agency as of February 1, 2012. Capital assets are valued at historical cost or estimated historical cost if historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date donated. The Agency's policy has set the capitalization threshold for general capital assets at \$5,000 and infrastructure capital assets at \$25,000 for reporting purposes. The Successor Agency has recorded all its public domain (infrastructure) capital assets, which include landscape, storm, street, and traffic systems.

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

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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

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

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

***Capital Asset Additions, Retirements and Balances***

	Balance at February 1, 2012	Additions	Transfer to City	Balance at June 30, 2012
Capital assets not being depreciated:				
Land	\$ 33,494,791	\$ -	\$ (11,477,745)	\$ 22,017,046
Total capital assets not being depreciated	<u>33,494,791</u>	<u>-</u>	<u>(11,477,745)</u>	<u>22,017,046</u>
Capital assets being depreciated:				
Buildings and Improvements	1,919,494	-	-	1,919,494
Total capital assets being depreciated	<u>1,919,494</u>	<u>-</u>	<u>-</u>	<u>1,919,494</u>
Less accumulated depreciation for:				
Buildings and Improvements	(5,082)	(63,031)	-	(68,113)
Net capital assets being depreciated	<u>1,914,412</u>	<u>(63,031)</u>	<u>-</u>	<u>1,851,381</u>
Total capital assets, net	<u>\$ 35,409,203</u>	<u>\$ (63,031)</u>	<u>\$ (11,477,745)</u>	<u>\$ 23,868,427</u>

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

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*D. Long-Term Debt*

As discussed in Note 7, the Successor Agency assumed the long-term debt and interest rate swap agreement of the Redevelopment Agency as of February 1, 2012. Current year balances are as follows:

Description	Original Issue Amount	Transfer from Redevelopment Agency as of February 1, 2012	Balance June 30, 2012	Amounts Due Within One Year	Amounts Due in More Than One Year
Tax Allocation Bonds					
1999 RDA Bonds	\$ 30,106,357	\$ 27,861,357	\$ 27,861,357	\$ 660,000	\$ 27,201,357
2002A RDA Refunding Bonds	59,970,000	18,475,000	18,475,000	4,270,000	14,205,000
2003A RDA Bonds	88,375,000	76,875,000	76,875,000	2,780,000	74,095,000
2004A RDA Housing Set-Aside Bonds	18,270,000	16,130,000	16,130,000	360,000	15,770,000
2004A RDA Subordinated Bonds	117,615,000	117,615,000	117,615,000	3,890,000	113,725,000
2006A RDA Housing Set-Aside Bonds	11,020,000	9,955,000	9,955,000	200,000	9,755,000
2006B RDA Subordinated Bonds	36,840,000	35,560,000	35,560,000	2,130,000	33,430,000
2006C RDA Subordinated Refunding Bonds	46,660,000	45,540,000	45,540,000	155,000	45,385,000
2008A RDA Subordinated Refunding Bonds	61,660,856	61,660,856	61,660,856	1,150,000	60,510,856
Unamortized Premium		3,536,719	3,536,719	442,090	3,094,629
Deferred amount on refunding on 2006C RDA		(3,436,769)	(3,436,769)	(149,425)	(3,287,344)
<b>Total Successor Agency Debt</b>		<u>\$ 409,772,163</u>	<u>\$ 409,772,163</u>	<u>\$ 15,887,665</u>	<u>\$393,884,498</u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*1999 Redevelopment Agency Tax Allocation Bonds*

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2012 amounted to \$27,861,357. 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 \$105,069,532. For FY 2011-12, principal and interest paid and RDA property tax increment revenues were \$1,072,600 and \$29,014,224, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements to mature the 1999 RDA Bonds outstanding at June 30, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Totals
2013	\$ 660,000	\$ 408,242	\$ 1,068,242
2014	695,000	371,310	1,066,310
2015	740,000	331,478	1,071,478
2016	790,000	288,243	1,078,243
2017	1,440,000	224,327	1,664,327
2018-2022	7,583,060	14,463,960	22,047,020
2023-2027	9,790,300	34,433,813	44,224,113
2028-2031	6,162,997	26,686,802	32,849,799
Totals	<u>\$ 27,861,357</u>	<u>\$ 77,208,175</u>	<u>\$ 105,069,532</u>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*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, 2012 amounted to \$18,475,000. 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 \$20,476,957. For FY 2011-12, principal and interest paid and RDA property tax increment revenues were \$5,136,563 and 29,014,224, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements on the 2002A RDA Bonds outstanding at June 30, 2012, are as follows:

Year Ending June 30,	Principal	Interest	Total
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>\$ 18,475,000</u>	<u>\$ 2,001,957</u>	<u>\$ 20,476,957</u>



**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

2003 Series A Redevelopment Agency Tax Allocation Bonds

2003 Series A Redevelopment Agency Tax Allocation Bonds (2003A RDA Bonds) outstanding at June 30, 2012 amounted to \$76,875,000. 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 2029 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 \$107,082,112. For FY 2011-12, principal and interest paid and RDA property tax increment revenues were \$4,978,425 and \$29,014,224, respectively. The issuance of Redevelopment Agency 2008A Subordinate Tax Allocation Refunding Bonds paid a partial early payment of \$4,365,000 in 2008 to principal. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements on the 2003A RDA Bonds outstanding at June 30, 2012 are as follows:

Year Ending June 30,	Principal	Interest	Total
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	3,200,000	3,272,300	6,472,300
2017	7,995,000	2,992,425	10,987,425
2018-2022	35,540,000	9,186,250	44,726,250
2023-2027	13,485,000	3,454,080	16,939,080
2028-2030	7,895,000	574,157	8,469,157
<b>Total</b>	<b>\$ 76,875,000</b>	<b>\$ 30,207,112</b>	<b>\$ 107,082,112</b>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*2004 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds*

2004 Series A Housing Set Aside Tax Allocation Bonds Series (2004A HSA bonds) outstanding at June 30, 2012 amounted to \$16,130,000. 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 HSA 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 \$28,801,690. For FY 2011-12, principal and interest paid and RDA Housing set aside property tax increment revenues were \$1,232,882 and \$1,832,526, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements on the 2004A HSA RDA Bonds outstanding at June 30, 2012, are as follows:

June 30,	Principal	Interest	Total
2013	\$ 360,000	\$ 871,508	\$ 1,231,508
2014	380,000	853,452	1,233,452
2015	395,000	834,542	1,229,542
2016	415,000	814,218	1,229,218
2017	440,000	792,202	1,232,202
2018-2022	2,560,000	3,578,846	6,138,846
2023-2027	3,330,000	2,786,759	6,116,759
2028-2032	4,355,000	1,731,448	6,086,448
2033-2036	3,895,000	408,715	4,303,715
<b>Total</b>	<b>\$ 16,130,000</b>	<b>\$ 12,671,690</b>	<b>\$ 28,801,690</b>

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY  
ACTIVITIES (Continued)**

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, 2012 amounted to \$0. The bonds bear interest rates from 3.81%-4.43% with interest payments made semi-annually 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 (now retired), to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2004B RDA Bonds. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 8% from these revenues. For FY 2011-2012, principal and interest paid and RDA property tax increment revenues were \$3,480,421 and \$29,014,224, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. These bonds were fully repaid during fiscal year 2011-2012.

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds (2004 A Bonds) outstanding at June 30, 2012 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 (now retired), to fund capitalized interest on a portion of the 2004A 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 remaining to be paid on the bonds is \$163,310,392. For FY 2011-12, total interest paid and RDA property tax increment revenues were \$3,724,351 and \$29,014,224, respectively.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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 Agency entered into a pay-fixed, receive-variable interest rate swap. The actual variable interest rate can be more or less than 0.5%. For the past year, the rate has fluctuated between 0.15% to 0.2%. The terms, fair value and credit risk of the swap agreement are disclosed in Interest Rate Swap Agreements section. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements on the 2004A Bonds outstanding at June 30, 2012, are as follows:

Year Ending June 30,	Principal	Interest	Remarketing & LOC Fees	Total
2013	\$ 3,890,000	\$ 4,174,156	\$ 2,526,073	\$ 10,590,229
2014	4,030,000	4,036,100	2,456,890	10,522,990
2015	4,170,000	3,893,076	2,371,310	10,434,386
2016	4,330,000	3,745,082	2,282,731	10,357,813
2017	4,495,000	3,591,411	2,196,536	10,282,947
2018-2022	24,750,000	15,443,296	9,455,023	49,648,319
2023-2027	26,665,000	10,824,805	6,678,681	44,168,486
2028-2032	29,755,000	5,941,914	3,754,014	39,450,928
2033-2035	15,530,000	1,293,966	886,240	17,710,206
Total	<u>\$ 117,615,000</u>	<u>\$ 52,943,806</u>	<u>\$ 32,607,498</u>	<u>\$203,166,304</u>

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, 2012 amounted to \$9,955,000. On November 30, 2006, the Agency issued \$11,020,000 of Series 2006A Bonds bearing interest at 5.12-5.31% to fund low and moderate income housing of benefit to the Agency's Los Medanos Redevelopment Project, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006A RDA bonds. The bonds with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2007 through August 1, 2036. Annual principal and interest payments on the bonds are expected to require less than 22% from these revenues. The total principal and interest remaining to be paid on the bonds is \$18,052,151. For FY 2011-2012, principal and interest paid and RDA Housing set aside property tax increment revenues were \$720,373 and \$1,832,526, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 200,000	\$ 520,398	\$ 720,398
2014	205,000	510,040	715,040
2015	220,000	499,171	719,171
2016	230,000	487,662	717,662
2017	240,000	475,744	715,744
2018-2022	1,405,000	2,171,496	3,576,496
2023-2027	1,815,000	1,747,984	3,562,984
2028-2032	2,360,000	1,196,837	3,556,837
2033-2037	3,280,000	487,819	3,767,819
Total	<u>\$ 9,955,000</u>	<u>\$ 8,097,151</u>	<u>\$ 18,052,151</u>

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds (2006B STAB Bonds) outstanding at June 30, 2012 amounted to \$35,560,000. 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 STAB Bonds through September 1, 2009, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred, in connection with the issuance, sale and delivery of the 2006B STAB 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 \$44,757,870. For FY 2011-2012, principal and interest paid and RDA property tax increment revenues were \$3,150,060 and \$29,014,224, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements to mature the Series 2006B STAB Bonds outstanding at June 30, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 2,130,000	\$ 1,782,850	\$ 3,912,850
2014	3,465,000	1,639,758	5,104,758
2015	3,655,000	1,457,664	5,112,664
2016	3,840,000	1,265,980	5,105,980
2017	4,040,000	1,064,449	5,104,449
2018-2021	18,430,000	1,987,169	20,417,169
Total	<u>\$ 35,560,000</u>	<u>\$ 9,197,870</u>	<u>\$ 44,757,870</u>

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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, 2012 amounted to \$42,103,231. 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 STAB 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 \$85,128,282. For FY 2011-12, total interest paid and RDA property tax increment revenues were \$2,119,683 and \$29,014,224, respectively.

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

The annual debt service requirements to mature the Series 2006C STAB Bonds outstanding at June 30, 2012, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	175,000	1,943,821	2,118,821
2017	180,000	1,935,833	2,115,833
2018-2022	1,020,000	9,565,341	10,585,341
2023-2027	1,250,000	9,338,270	10,588,270
2028-2032	10,860,000	8,840,935	19,700,935
2033-2035	31,570,000	2,093,233	33,663,233
Total	<u>45,540,000</u>	<u>\$ 39,588,282</u>	<u>\$ 85,128,282</u>
Deferred amount on Total	<u>(3,436,769)</u>		
	<u>\$ 42,103,231</u>		

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

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, 2012 amounted to \$61,660,856. On November 2008, the Agency issued \$61,660,856 of Series 2008A STAB 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, and 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 STAB 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 \$114,038,949. For FY 2011-12, total interest paid and RDA property tax increment revenues were \$3,963,594 and \$29,014,224, respectively. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements to mature the Series 2008A Bonds outstanding at June 30, 2012 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	40,000	3,911,569	3,951,569
2017	65,000	3,908,863	3,973,863
2018-2022	6,320,000	19,262,172	25,582,172
2023-2027	38,180,000	11,722,101	49,902,101
2028-2030	15,890,856	1,808,744	17,699,600
Total	<u>\$ 61,660,856</u>	<u>\$ 52,378,093</u>	<u>\$ 114,038,949</u>

Interest Rate Swap Agreements

The 2004 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 entered into a pay-fixed, receive-variable interest rate swap. The terms, fair value and credit risk of the swap agreement are disclosed below.

**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*Terms.* The terms, including the counterparty credit ratings of the outstanding swap, as of June 30, 2012 are included below. The Agency's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds.

<u>Associated Bonds</u>	<u>2004A RDA Tax Allocation Bonds</u>
City Pays	3.5490%
City Receives	63% of 1 month USD-LIBOR + .35%
Maturity Date	9/1/2035
Initial Notional	\$117,615,000
Bank Counterparty	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services
Credit Rating by Moody's / Fitch / S&P	Baa1 / A / A-
Total Value	(\$24,135,358)

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.

*Fair value.* The Agency's swap had a negative fair value as of June 30, 2012 of \$24,135,358 for 2004A. 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, 2012, the Agency was 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 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 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.

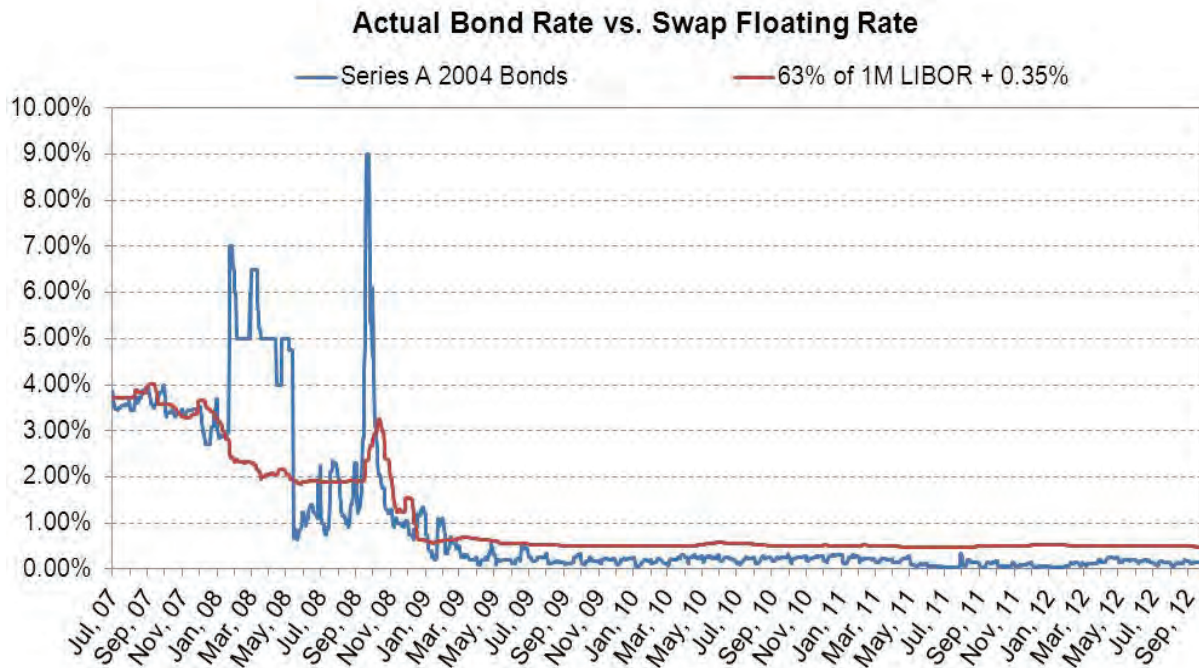


**City of Pittsburgh**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*Basis risk.* Basis risk is the risk that the interest rate paid by the Agency on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The Agency bear basis risk on its swap. The Swap has basis risk since the Agency receive a percentage of LIBOR to offset the actual variable bond rate the Agency pay on its bonds. The Agency are exposed to basis risk should the floating rate that it receives on a swap be less than the actual variable rate the Agency 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 leading to rate dislocation and unanticipated increase in interest rate expense. 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.



*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 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 is receiving 63% of 1-month LIBOR (a taxable index) plus 35 basis points 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.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

*Termination risk.* The Agency 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.

*E. Commitments and Contingencies*

*State Approval of Enforceable Obligations*

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

*State Asset Transfer Review*

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time. The Successor Agency expects such amounts, if any, to be immaterial.

*Demand for True-up Payment*

Pursuant to Health and Safety Code section 34183.5(b), Successor Agencies are required to remit a True-up Payment representing a calculation of tax increment collected in December 2011 by the former Redevelopment Agency in excess of enforceable obligations, as approved by the County Auditor/Controller. On July 9, 2012, the Successor Agency received a Demand from the County Auditor/Controller that had calculated a True-up Payment of \$3,477,362. Management reviewed the calculation and believes it is inaccurate. Management's calculation of the True-up Payment amounted to \$114,794 and on July 12, 2012 the Successor Agency remitted that amount to the County Auditor/Controller. The remaining unpaid balance of the Demand has not been recorded in the accompanying financial statements as management believes its calculation is accurate.

**City of Pittsburg**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2012**

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**NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)**

On December 10, 2012 City and Successor Agency entered into a Stipulation to Entry of Judgment ("Stipulation") with the State of California and Contra Costa County related to the County's demand for the \$3,477,362 payment. The Stipulation states that the Successor Agency is not required to remit the remainder of the true up payment. In addition, the Stipulation states that the state will not impose the following as a result of the Successor Agency's refusal to remit the entirety of the \$3,477,362 payment (1) civil penalties upon the City or Successor Agency, (2) withhold the City's sales and use tax revenues, or (3) withhold from the Successor Agency a finding of completion.

**REQUIRED**

**SUPPLEMENTARY**

**INFORMATION**



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**City of Pittsburg**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2012**

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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. Budgets for the General Fund, Special Revenue Funds (except for the Low/Moderate Income Housing I, Successor Agency Housing, Neighborhood Stabilization Program and Hillview Jr. High Athletic Field Special Revenue Funds), Capital Projects Funds and Debt Service Funds are adopted on a basis consistent with GAAP.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2012, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
5. Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year. Beginning with the FY 2012-2013 budget, capital project appropriations will be continuing appropriations until the project is completed.

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

The following funds had expenditures in excess of appropriation:

Housing Authority (Section 8) - Special Revenue Fund	\$ 6,766
Asset Seizure - Special Revenue Fund	6,429
Pittsburg Art and Community Foundation - Special Revenue Fund	16,801
Marina Vista Field Replacement - Special Revenue Fund	7,928
Successor Agency Housing	195,851

**City of Pittsburg**  
**General Fund**  
**Schedule of Revenues and Expenditures**  
**and Changes in Fund Balance**  
**Budget and Actual**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
<b>REVENUES:</b>				
Property taxes	\$ 2,833,000	\$ 2,833,000	\$ 2,619,791	\$ (213,209)
Sales tax	5,710,000	5,710,000	6,168,690	458,690
Franchise tax	3,771,500	3,771,500	3,392,575	(378,925)
Other taxes	1,369,000	1,369,000	1,441,077	72,077
Intergovernmental revenues	5,031,200	5,031,200	5,710,799	679,599
Permits, licenses, and fees	489,900	489,900	598,054	108,154
Fines and forfeitures	190,300	190,300	187,037	(3,263)
Service fees	2,298,983	2,286,033	2,845,331	559,298
Use of money and property	253,041	458,841	371,575	(87,266)
Other revenues	1,223,529	1,050,679	1,223,374	172,695
<b>Total revenues</b>	<b>23,170,453</b>	<b>23,190,453</b>	<b>24,558,303</b>	<b>1,367,850</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,754,317	1,906,713	1,690,684	216,029
City Council	81,025	81,025	68,410	12,615
City Manager and City Clerk	328,221	336,858	401,790	(64,932)
City Attorney	388,698	388,698	477,870	(89,172)
Human resources	573,538	574,369	536,552	37,817
Finance and services	2,046,009	2,060,787	2,046,329	14,458
Community development and services	3,124,841	3,519,870	3,448,196	71,674
Public safety	19,708,428	19,673,058	18,620,779	1,052,279
Public works - administration	68,058	67,996	54,788	13,208
Public works - streets	1,766,052	1,769,894	1,662,767	107,127
Public works - parks	51,753	53,453	39,231	14,222
<b>Total expenditures</b>	<b>29,890,940</b>	<b>30,432,721</b>	<b>29,047,396</b>	<b>1,385,325</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	500	500	62,834	(62,334)
Transfers in	8,178,207	8,605,939	5,298,021	3,307,918
Transfers (out)	(3,049,530)	(3,405,000)	(593,668)	(2,811,332)
<b>Total other financing sources (uses)</b>	<b>5,129,177</b>	<b>5,201,439</b>	<b>4,767,187</b>	<b>434,252</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,591,310)</b>	<b>\$ (2,040,829)</b>	<b>278,094</b>	<b>\$ 2,318,923</b>
<b>FUND BALANCE:</b>				
Beginning of year			18,795,675	
End of year			\$ 19,073,769	

**City of Pittsburg**

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

**Low/Moderate Income Housing I - Special Revenue Fund**

**For the Period July 1, 2011 to January 31, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	\$ -	\$ -	\$ 7,831,615	\$ 7,831,615
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>7,831,615</b>	<b>7,831,615</b>
 <b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ -</b>	<b>\$ -</b>	<b>7,831,615</b>	<b>\$ 7,831,615</b>
 <b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			(7,831,615)	
End of year			\$ -	



**City of Pittsburgh**

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

**Low/Moderate Income Housing II - Special Revenue Fund**

**For the Period July 1, 2011 to January 31, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original *	Final *		
<b>REVENUES</b>				
Property taxes	\$ 3,259,000	\$ 3,259,000	\$ 1,832,526	\$ (1,426,474)
Use of money and property	15,230	72,230	55,007	(\$17,223)
Other revenues	214,500	157,500	43,562	(113,938)
<b>Total revenues</b>	<b>3,488,730</b>	<b>3,488,730</b>	<b>1,931,095</b>	<b>(1,557,635)</b>
<b>EXPENDITURES</b>				
Community development and services	271,589	1,535,049	656,025	879,024
<b>Total expenditures</b>	<b>271,589</b>	<b>1,535,049</b>	<b>656,025</b>	<b>879,024</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,217,141</b>	<b>1,953,681</b>	<b>1,275,070</b>	<b>(678,611)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	2,680,000	2,178,928	(501,072)
Transfers in	-	519,447	471,599	(47,848)
Transfers out	(3,217,141)	(3,217,141)	(1,927,039)	1,290,102
<b>Total other financing sources (uses)</b>	<b>(3,217,141)</b>	<b>(17,694)</b>	<b>723,488</b>	<b>741,182</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES BEFORE EXTRAORDINARY ITEM</b>				
	<b>\$ -</b>	<b>\$ 1,935,987</b>	<b>1,998,558</b>	<b>\$ 62,571</b>
<b>EXTRAORDINARY ITEM</b>				
Assets transferred to the Successor Agency/Housing Successor			(3,453,203)	
<b>FUND BALANCE:</b>				
Beginning of year			1,454,645	
End of year			\$ -	

\* Original and Final budgets were adopted based on a full fiscal year.

# City of Pittsburgh

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

### Redevelopment Agency - Special Revenue Fund

For the Period July 1, 2011 to January 31, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original *	Final *		
<b>REVENUES:</b>				
Property taxes	\$ 33,670,000	\$ 33,670,000	\$ 18,731,405	\$ (14,938,595)
Other taxes	\$34,600	34,600	6,029	(28,571)
Intergovernmental revenues	-	-	(40,000)	(40,000)
Use of money and property	478,796	482,431	103,446	(378,985)
Other revenues	4,261,188	6,499,976	727,980	(5,771,996)
<b>Total revenues</b>	<b>38,444,584</b>	<b>40,687,007</b>	<b>19,528,860</b>	<b>(21,158,147)</b>
<b>EXPENDITURES:</b>				
General government	7,984,686	1,140,378	642,884	497,494
Community development and services	1,274,637	9,497,050	965,927	8,531,123
Capital outlay and improvements	-	221,159	165,414	55,745
<b>Total expenditures</b>	<b>9,259,323</b>	<b>10,858,587</b>	<b>1,774,225</b>	<b>9,084,362</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>29,185,261</b>	<b>29,828,420</b>	<b>17,754,635</b>	<b>(12,073,785)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	(11,830)	(11,830)
Transfers in	1,352,186	2,911,497	316,234	(2,595,263)
Transfers out	(30,537,447)	(32,476,777)	(28,519,984)	3,956,793
<b>Total other financing sources (uses)</b>	<b>(29,185,261)</b>	<b>(29,565,280)</b>	<b>(28,215,580)</b>	<b>1,349,700</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES BEFORE EXTRAORDINARY ITEM</b>	<b>\$ -</b>	<b>\$ 263,140</b>	<b>(10,460,945)</b>	<b>\$ (10,724,085)</b>
<b>EXTRAORDINARY ITEM</b>				
Assets transferred to the Successor Agency/Housing Successor			(3,230,472)	
<b>FUND BALANCE:</b>				
Beginning of year			13,691,417	
End of year			\$ -	

\* Original and Final budgets were adopted based on a full fiscal year.

# City of Pittsburgh

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

### Housing Authority (Section 8) - Special Revenue Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 11,000,000	\$ 11,000,000	\$ 10,589,082	\$ (410,918)
Service fee	1,100,000	1,100,000	1,007,198	(92,802)
Use of money and property	7,730	7,730	19,138	11,408
Other revenues	45,000	45,000	62,934	17,934
<b>Total revenues</b>	<b>12,152,730</b>	<b>12,152,730</b>	<b>11,678,352</b>	<b>(474,378)</b>
<b>EXPENDITURES:</b>				
Community development and services	12,265,267	12,318,643	12,325,409	(6,766)
<b>Total expenditures</b>	<b>12,265,267</b>	<b>12,318,643</b>	<b>12,325,409</b>	<b>(6,766)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	(112,537)	(165,913)	(647,057)	(481,144)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (112,537)</b>	<b>\$ (165,913)</b>	<b>(647,057)</b>	<b>\$ (481,144)</b>
<b>FUND BALANCE:</b>				
Beginning of year			2,056,418	
End of year			\$ 1,409,361	

**City of Pittsburgh**

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

**Successor Agency Housing**

**For the Period February 1, 2012 to June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 46,205	\$ 46,205
Other revenues	-	-	142,917	142,917
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>189,122</b>	<b>189,122</b>
<b>EXPENDITURES:</b>				
Community development and services		-	195,851	(195,851)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>195,851</b>	<b>(195,851)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(6,729)</b>	<b>(6,729)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in		-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES BEFORE EXTRAORDINARY ITEM</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(6,729)</b>	<b>\$ (6,729)</b>
<b>EXTRAORDINARY ITEM</b>				
Assets transferred to the Successor Agency/Housing Successor			1,451,670	
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			\$ 1,444,941	



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**City of Pittsburg**  
**Required Supplementary Information**  
**For the Year Ended June 30, 2012**

**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, 2012:

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	Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (C/E)
6/30/2009	\$ 45,834,714	\$ 51,599,039	\$ 5,764,325	88.80%	\$ 14,386,852	40.1%
6/30/2010	49,123,779	56,515,919	7,392,140	86.92%	13,205,117	56.0%
6/30/2011	52,512,073	60,051,999	7,539,926	87.44%	12,601,426	59.8%

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, 2011:

Safety 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	Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (C/E)
6/30/2009	\$ 8,027,158,724	\$ 9,721,675,347	\$ 1,694,516,623	82.57%	\$ 973,814,168	174.0%
6/30/2010	8,470,235,152	10,165,475,166	1,695,240,014	83.32%	955,980,815	177.3%
6/30/2011	9,135,654,246	10,951,745,049	1,816,090,803	83.42%	949,833,090	191.2%

\*Latest information available.



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**SUPPLEMENTARY**

**INFORMATION**





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**City of Pittsburg**

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

**Debt Service Redevelopment Agency Debt Service Fund**

**For the Period July 1, 2011 to January 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original *	Final *		
<b>REVENUES:</b>				
Use of money and property	\$ 1,587,100	\$ 1,587,100	\$ 875,675	\$ (711,425)
Other revenues	-	-	5,275	5,275
<b>Total revenues</b>	<b>1,587,100</b>	<b>1,587,100</b>	<b>880,950</b>	<b>(706,150)</b>
<b>EXPENDITURES:</b>				
Principal retirement	11,185,000	11,185,000	11,185,000	-
Interest and fiscal charges	-	21,339,602	11,031,038	10,308,564
<b>Total expenditures</b>	<b>11,185,000</b>	<b>32,524,602</b>	<b>22,216,038</b>	<b>10,308,564</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,597,900)</b>	<b>(30,937,502)</b>	<b>(21,335,088)</b>	<b>9,602,414</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	(13,178)	(13,178)
Transfers in	30,980,002	39,665,631	21,528,115	(18,137,516)
Transfers out		(15,935,954)	(3,160,212)	12,775,742
<b>Total other financing sources (uses)</b>	<b>30,980,002</b>	<b>23,729,677</b>	<b>18,354,725</b>	<b>(5,374,952)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES BEFORE EXTRAORDINARY ITEM</b>				
	<b>\$ 21,382,102</b>	<b>\$ (7,207,825)</b>	<b>(2,980,363)</b>	<b>\$ 4,227,462</b>
<b>EXTRAORDINARY ITEM</b>				
Assets transferred to the Successor Agency/Housing Successor			(93,874,550)	
<b>FUND BALANCE:</b>				
Beginning of year			96,854,913	
End of year			\$ -	

\* Original and Final budgets were adopted based on a full fiscal year.

**City of Pittsburgh**

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

**Capital Projects Redevelopment Agency - Capital Projects Fund**

**For the Period July 1, 2011 to January 31, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original *	Final *		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 625,000	\$ 175,000	\$ (450,000)
Use of money and property	-	-	134	134
Other revenues	-	1,725,826	879,435	(846,391)
<b>Total revenues</b>	<b>-</b>	<b>2,350,826</b>	<b>1,054,569</b>	<b>(1,296,257)</b>
<b>EXPENDITURES:</b>				
Capital outlay and improvements	-	7,481,594	1,472,226	6,009,368
<b>Total expenditures</b>	<b>-</b>	<b>7,481,594</b>	<b>1,472,226</b>	<b>6,009,368</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>(5,130,768)</b>	<b>(417,657)</b>	<b>4,713,111</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	5,135,005	1,241,141	(3,893,864)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>5,135,005</b>	<b>1,241,141</b>	<b>(3,893,864)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES BEFORE EXTRAORDINARY ITEM</b>	<b>\$ -</b>	<b>\$ 4,237</b>	<b>823,484</b>	<b>\$ 819,247</b>
<b>EXTRAORDINARY ITEM</b>				
Assets transferred to the Successor Agency/Housing Successor			(823,485)	
<b>FUND BALANCE:</b>				
Beginning of year			1	
End of year			\$ -	

\* Original and Final budgets were adopted based on a full fiscal year.

# NON-MAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUNDS:

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

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

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

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

*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.

*Asset 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.

***HUD 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.

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

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

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

*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.

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

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

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

## 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.

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

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

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

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

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



**CITY OF PITTSBURG**  
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City of Pittsburgh  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2012

	Special Revenue			
	Small Cities Grants	Gas Tax	Traffic Congestion Relief	Measure C Tax Fund
<b>ASSETS</b>				
Cash and investments	\$ 76,164	\$ 1,444,464	\$ 8,443	\$ 473,982
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	182,895	-	570,000
Interest	24	712	227	309
Loans/notes	1,756,555	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 1,832,743</b>	<b>\$ 1,628,071</b>	<b>\$ 8,670</b>	<b>\$ 1,044,291</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 2,659	\$ -
Salaries payable	-	-	726	-
Taxes payable	-	-	-	-
Refundable deposits	-	-	-	-
Loans payable - current	15,000	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	221,670	-	-	-
Advance from other funds	-	-	-	-
Deferred revenue	1,741,555	-	-	570,000
<b>Total liabilities</b>	<b>1,978,225</b>		<b>3,385</b>	<b>570,000</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	1,628,071	5,285	474,291
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(145,482)	-	-	-
<b>Total fund balances (deficit)</b>	<b>(145,482)</b>	<b>1,628,071</b>	<b>5,285</b>	<b>474,291</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,832,743</b>	<b>\$ 1,628,071</b>	<b>\$ 8,670</b>	<b>\$ 1,044,291</b>

Special Revenue

Lighting & Landscape	Lighting & Landscape Oak Hills	Miscellaneous Grants	COPS Hiring Recovery	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant
\$ 307,224	\$ 59,158	\$ 251,755	\$ -	\$ 97,548	\$ 103,580	\$ 61,245
-	-	-	-	-	-	-
2,566	-	-	-	-	-	36,042
45	28	77	-	47	47	22
-	-	-	-	-	-	-
63,346	-	9,191	-	2,373	-	-
-	-	-	-	1,900	-	-
<u>\$ 373,181</u>	<u>\$ 59,186</u>	<u>\$ 261,023</u>	<u>\$ -</u>	<u>\$ 101,868</u>	<u>\$ 103,627</u>	<u>\$ 97,309</u>
\$ 107,645	\$ 1,682	\$ 3,970	\$ -	\$ 4,154	\$ -	\$ 14,316
13,243	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	700	-	8,936	-	-
-	-	-	-	-	-	-
-	-	12,281	-	-	-	-
-	-	-	-	-	-	27,899
178,600	-	-	-	-	-	-
-	-	234,881	-	-	-	55,094
<u>299,488</u>	<u>1,682</u>	<u>251,832</u>	<u>-</u>	<u>13,090</u>	<u>-</u>	<u>97,309</u>
63,346	-	9,191	-	4,273	-	-
10,347	57,504	-	-	-	-	-
-	-	-	-	-	103,627	-
-	-	-	-	84,505	-	-
-	-	-	-	-	-	-
<u>73,693</u>	<u>57,504</u>	<u>9,191</u>	<u>-</u>	<u>88,778</u>	<u>103,627</u>	<u>-</u>
<u>\$ 373,181</u>	<u>\$ 59,186</u>	<u>\$ 261,023</u>	<u>\$ -</u>	<u>\$ 101,868</u>	<u>\$ 103,627</u>	<u>\$ 97,309</u>

(Continued)

City of Pittsburgh  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2012

	Special Revenue			
	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	HUD Veterans Affairs Supportive HSG
<b>ASSETS</b>				
Cash and investments	\$ 2,010,869	\$ 556,161	\$ -	\$ 583,116
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	20,663	172,072	-
Interest	918	153	-	273
Loans/notes	-	-	319,154	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
<b>Total assets</b>	<b>\$ 2,011,787</b>	<b>\$ 576,977</b>	<b>\$ 491,226</b>	<b>\$ 583,389</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,353	\$ 4,557	\$ 58,189	\$ -
Salaries payable	1,983	4,479	1,214	-
Taxes payable	-	-	-	-
Refundable deposits	15,648	-	-	-
Loans payable - current	-	-	159,123	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	75,600	-
Advance from other funds	-	60,800	15,200	-
Deferred revenue	-	-	160,031	-
<b>Total liabilities</b>	<b>19,984</b>	<b>69,836</b>	<b>469,357</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	1,991,803	507,141	21,869	583,389
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>1,991,803</b>	<b>507,141</b>	<b>21,869</b>	<b>583,389</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,011,787</b>	<b>\$ 576,977</b>	<b>\$ 491,226</b>	<b>\$ 583,389</b>

Special Revenue						
NSP Neighborhood Stabilization Program	CalHome Program	Energy Efficiency & Conservation (EECBG)	San Marco CFD 2004-01	Solid Waste	Vista Del Mar CFD 2005-2	Public Safety Service CFD 2005-1
\$ 42,551	\$ 60,731	\$ -	\$ 93,926	\$ 259,837	\$ 18,549	\$ 78,808
-	-	-	-	-	-	-
-	-	-	-	111,472	-	-
19	28	-	22	131	3	27
1,629,712	461,386	-	-	-	-	-
-	-	-	-	534	-	-
-	-	-	-	-	-	-
<u>\$ 1,672,282</u>	<u>\$ 522,145</u>	<u>\$ -</u>	<u>\$ 93,948</u>	<u>\$ 371,974</u>	<u>\$ 18,552</u>	<u>\$ 78,835</u>
\$ -	\$ -	\$ -	\$ -	\$ 37,189	\$ -	\$ -
-	-	-	-	1,150	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	220,879	-	-	-	-
-	-	411,489	-	-	-	-
-	-	-	64,600	-	7,600	30,400
1,629,712	461,386	-	-	-	-	-
<u>1,629,712</u>	<u>461,386</u>	<u>632,368</u>	<u>64,600</u>	<u>38,339</u>	<u>7,600</u>	<u>30,400</u>
-	-	-	-	534	-	-
42,570	60,759	-	29,348	333,101	10,952	48,435
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(632,368)	-	-	-	-
<u>42,570</u>	<u>60,759</u>	<u>(632,368)</u>	<u>29,348</u>	<u>333,635</u>	<u>10,952</u>	<u>48,435</u>
<u>\$ 1,672,282</u>	<u>\$ 522,145</u>	<u>\$ -</u>	<u>\$ 93,948</u>	<u>\$ 371,974</u>	<u>\$ 18,552</u>	<u>\$ 78,835</u>

(Continued)

City of Pittsburgh  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2012

	Special Revenue			
	Park Maintenance CFD 2007-1	Pittsburg Arts & Community Foundation	Hillview Jr. High Athletic Field	Public, Education and Government Fees (PEG)
<b>ASSETS</b>				
Cash and investments	\$ 16,325	\$ 844,761	\$ 31,806	\$ 5,343
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	23,947	196,406	-	5,905
Interest	7	302	12	2
Loans/notes	-	987,626	-	-
Inventory	-	27,295	-	-
Prepaid items	-	52,167	-	-
<b>Total assets</b>	<b>\$ 40,279</b>	<b>\$ 2,108,557</b>	<b>\$ 31,818</b>	<b>\$ 11,250</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 67	\$ 83,838	\$ -	\$ -
Salaries payable	203	1,771	-	-
Taxes payable	-	2,204	-	-
Refundable deposits	-	8,200	-	-
Loans payable - current	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	162,563	589	-	-
Advance to other funds	3,800	-	-	-
Deferred revenue	-	987,636	-	-
<b>Total liabilities</b>	<b>166,633</b>	<b>1,084,238</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable	-	79,462	-	-
Restricted	-	944,857	-	-
Committed	-	-	31,818	11,250
Assigned	-	-	-	-
Unassigned	(126,354)	-	-	-
<b>Total fund balances (deficit)</b>	<b>(126,354)</b>	<b>1,024,319</b>	<b>31,818</b>	<b>11,250</b>
<b>Total liabilities and fund balances</b>	<b>\$ 40,279</b>	<b>\$ 2,108,557</b>	<b>\$ 31,818</b>	<b>\$ 11,250</b>

Debt Service	Capital Projects					
Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local ST Road Impr	Kirker Creek Drainage Fees	Traffic Mitigation	Capital Improvement
\$ -	\$ 494,455	\$ 530,208	\$ 1,860	\$ 1,333,566	\$ 2,802,857	\$ 708,492
1,159,720	-	-	-	-	-	-
-	-	-	-	-	117,915	-
-	224	240	-	607	1,298	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,159,720</u>	<u>\$ 494,679</u>	<u>\$ 530,448</u>	<u>\$ 1,860</u>	<u>\$ 1,334,173</u>	<u>\$ 2,922,070</u>	<u>\$ 708,492</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	48,209
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,818	-	-	-	-	-	-
-	-	-	-	-	-	-
-	119,392	-	-	-	-	-
<u>7,818</u>	<u>119,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,209</u>
-	-	-	-	-	-	-
\$1,151,902	375,287	530,448	1,860	1,334,173	2,922,070	-
-	-	-	-	-	-	660,283
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,151,902</u>	<u>375,287</u>	<u>530,448</u>	<u>1,860</u>	<u>1,334,173</u>	<u>2,922,070</u>	<u>660,283</u>
<u>\$ 1,159,720</u>	<u>\$ 494,679</u>	<u>\$ 530,448</u>	<u>\$ 1,860</u>	<u>\$ 1,334,173</u>	<u>\$ 2,922,070</u>	<u>\$ 708,492</u>

(Continued)

City of Pittsburgh  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2012

	Capital Projects			
	Park Dedication	Community Capital Improvement	Regional Traffic Mitigation	Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 331,847	\$ 752,195	\$ 2,999,379	\$ 17,441,205
Restricted cash and investments	195,931	2,521,647	-	3,877,298
Receivables:				
Accounts	1,990,767	267,444	-	3,698,094
Interest	143	1,143	1,322	8,412
Loans/notes	-	1,221,931	-	6,376,364
Inventory	-	-	-	102,739
Prepaid items	-	-	-	54,067
<b>Total assets</b>	<b>\$ 2,518,688</b>	<b>\$ 4,764,360</b>	<b>\$ 3,000,701</b>	<b>\$ 31,558,179</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 137,816	\$ 1,001,007	\$ 119,442	\$ 1,578,884
Salaries payable	153	1,125	396	26,443
Taxes payable	-	-	-	2,204
Refundable deposits	-	-	-	81,693
Loans payable - current	-	-	-	174,123
Due to other agencies	-	-	-	233,160
Due to other funds	-	-	-	907,628
Advance to other funds	-	-	-	361,000
Deferred revenue	-	1,251,931	-	7,211,618
<b>Total liabilities</b>	<b>137,969</b>	<b>2,254,063</b>	<b>119,838</b>	<b>10,576,753</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	156,806
Restricted	2,380,719	-	2,880,863	18,327,044
Committed	-	2,510,297	-	3,317,275
Assigned	-	-	-	84,505
Unassigned	-	-	-	(904,204)
<b>Total fund balances (deficit)</b>	<b>2,380,719</b>	<b>2,510,297</b>	<b>2,880,863</b>	<b>20,981,426</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,518,688</b>	<b>\$ 4,764,360</b>	<b>\$ 3,000,701</b>	<b>\$ 31,558,179</b>



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*



**City of Pittsburgh**  
**Combining Statements of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2012**

	Special Revenue			
	Small Cities Grants	Gas Tax	Traffic Congestion Relief	Measure C Tax Fund
<b>REVENUES:</b>				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	1,814,537	-	-
Intergovernmental revenues	-	-	-	-
Licenses, permits, and fees	-	-	-	-
Special assessments	-	-	-	-
Service fees	-	-	-	-
Use of money and property	\$946	11,274	\$8,015	10,062
Other revenues	69,492	-	58,692	-
<b>Total revenues</b>	<b>70,438</b>	<b>1,825,811</b>	<b>66,707</b>	<b>10,062</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	-	-	15,796
Public safety	-	-	-	-
Public works - streets	-	-	771,154	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>771,154</b>	<b>15,796</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>70,438</b>	<b>1,825,811</b>	<b>(704,447)</b>	<b>(5,734)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	42,403	-
Transfers out	-	(960,000)	(100,000)	(657,303)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(960,000)</b>	<b>(57,597)</b>	<b>(657,303)</b>
<b>Net change in fund balances</b>	<b>70,438</b>	<b>865,811</b>	<b>(762,044)</b>	<b>(663,037)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(215,920)	762,260	767,329	1,137,328
End of year	\$ (145,482)	\$ 1,628,071	\$ 5,285	\$ 474,291

Special Revenue

Lighting & Landscape	Lighting & Landscape Oak Hills	Miscellaneous Grants	COPS Hiring Recovery	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	86,974	279,735	-	-	96,646
-	-	-	-	-	-	-
2,697,254	33,960	-	-	-	-	-
-	-	-	-	-	-	-
20	472	1,374	-	1,254	870	669
19,656	238	5,915	-	14,113	36,257	-
<u>2,716,930</u>	<u>34,670</u>	<u>94,263</u>	<u>279,735</u>	<u>15,367</u>	<u>37,127</u>	<u>97,315</u>
22,338	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	5,915	-	-	-	-
-	-	-	-	-	-	-
-	-	6,203	-	-	7,928	62,556
-	-	72,954	-	43,920	-	34,759
3,250,185	29,285	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,272,523</u>	<u>29,285</u>	<u>85,072</u>	<u>-</u>	<u>43,920</u>	<u>7,928</u>	<u>97,315</u>
(555,593)	5,385	9,191	279,735	(28,553)	29,199	-
(10,603)	-	-	-	-	-	-
636,800	-	-	-	-	-	-
(33,970)	-	-	(279,735)	-	-	-
<u>592,227</u>	<u>-</u>	<u>-</u>	<u>(279,735)</u>	<u>-</u>	<u>-</u>	<u>-</u>
36,634	5,385	9,191	-	(28,553)	29,199	-
37,059	52,119	-	-	117,331	74,428	-
<u>\$ 73,693</u>	<u>\$ 57,504</u>	<u>\$ 9,191</u>	<u>\$ -</u>	<u>\$ 88,778</u>	<u>\$ 103,627</u>	<u>\$ -</u>

(Continued)

**City of Pittsburg**  
**Combining Statements of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2012**

	Special Revenue			
	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	HUD Veterans Affairs Supportive HSG
<b>REVENUES:</b>				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	578,086	645,112	-	-
Intergovernmental revenues	-	-	559,423	346,303
Licenses, permits, and fees	-	-	-	-
Special assessments	-	-	-	-
Service fees	-	-	-	-
Use of money and property	18,443	4,128	-	10,133
Other revenues	-	949	-	-
<b>Total revenues</b>	<b>596,529</b>	<b>650,189</b>	<b>559,423</b>	<b>356,436</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	295,370	-	421,548	824,867
Public safety	-	-	-	-
Public works - streets	-	755,440	-	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>295,370</b>	<b>755,440</b>	<b>421,548</b>	<b>824,867</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>301,159</b>	<b>(105,251)</b>	<b>137,875</b>	<b>(468,431)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	120,000	-	-
Transfers out	(89,501)	(90,000)	(137,876)	-
<b>Total other financing sources (uses)</b>	<b>(89,501)</b>	<b>30,000</b>	<b>(137,876)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>211,658</b>	<b>(75,251)</b>	<b>(1)</b>	<b>(468,431)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year, as restated	1,780,145	582,392	21,870	1,051,820
End of year	<u>\$ 1,991,803</u>	<u>\$ 507,141</u>	<u>\$ 21,869</u>	<u>\$ 583,389</u>

Special Revenue						
NSP Neighborhood Stabilization Program	CalHome Program	Energy Efficiency & Conservation (EECBG)	San Marco CFD 2004-01	Solid Waste	Vista Del Mar CFD 2005-2	Public Safety Service CFD 2005-1
\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
-	-	-	-	-	73,625	211,829
42,272	108,000	81,191	-	-	-	-
-	-	-	-	-	-	-
-	-	-	304,105	-	-	-
-	-	-	-	414,308	-	-
298	95	-	539	3,269	3	119
-	-	-	-	35	-	-
<u>42,570</u>	<u>108,095</u>	<u>81,191</u>	<u>304,644</u>	<u>417,612</u>	<u>73,628</u>	<u>211,948</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	73,560	752,109	-	187,438	-	-
-	-	-	416,384	94,230	53,152	199,570
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	3,919	-	4,760	4,084
-	<u>73,560</u>	<u>752,109</u>	<u>420,303</u>	<u>281,668</u>	<u>57,912</u>	<u>203,654</u>
<u>42,570</u>	<u>34,535</u>	<u>(670,918)</u>	<u>(115,659)</u>	<u>135,944</u>	<u>15,716</u>	<u>8,294</u>
-	-	4,580	-	-	-	-
-	-	33,970	-	-	-	-
-	-	-	-	(174,027)	-	-
-	-	38,550	-	(174,027)	-	-
<u>42,570</u>	<u>34,535</u>	<u>(632,368)</u>	<u>(115,659)</u>	<u>(38,083)</u>	<u>15,716</u>	<u>8,294</u>
-	26,224	-	145,007	371,718	(4,764)	40,141
<u>\$ 42,570</u>	<u>\$ 60,759</u>	<u>\$ (632,368)</u>	<u>\$ 29,348</u>	<u>\$ 333,635</u>	<u>\$ 10,952</u>	<u>\$ 48,435</u>

(Continued)

**City of Pittsburg**  
**Combining Statements of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2012**

	Special Revenue			
	Park Maintenance CFD 2007-1	Pittsburg Arts & Community Foundation	Hillview Jr. High Athletic Field	Public, Education and Government Fees (PEG)
<b>REVENUES:</b>				
Franchise tax	\$ -	\$ -	\$ -	\$ 11,248
Other taxes	-	-	-	-
Intergovernmental revenues	23,947	8,847	-	-
Licenses, permits, and fees	-	-	-	-
Special assessments	19,871	-	-	-
Service fees	-	260	31,757	-
Use of money and property	176	29,241	61	2
Other revenues	-	764,369	-	-
<b>Total revenues</b>	<b>43,994</b>	<b>802,717</b>	<b>31,818</b>	<b>11,250</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	886,813	-	-
Public safety	-	-	-	-
Public works - streets	46,518	-	-	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	1,985	-	-	-
<b>Total expenditures</b>	<b>48,503</b>	<b>886,813</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,509)</b>	<b>(84,096)</b>	<b>31,818</b>	<b>11,250</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	200,000	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,509)</b>	<b>115,904</b>	<b>31,818</b>	<b>11,250</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year, as restated	(121,845)	908,415	-	-
End of year	\$ (126,354)	\$ 1,024,319	\$ 31,818	\$ 11,250

Debt Service		Capital Projects					
Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local ST Road Imp	Kirker Creek Drainage Fees	Traffic Mitigation	Capital Improvement	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	
-	-	-	-	-	34,915	-	
-	-	-	-	1,638	35,874	-	
-	-	-	-	-	-	-	
3,175,311	-	-	-	-	-	-	
1,520	4,764	5,440	1,856	12,818	29,410	-	
-	-	-	-	3,000	83,000	-	
<u>3,176,831</u>	<u>4,764</u>	<u>5,440</u>	<u>1,856</u>	<u>17,456</u>	<u>183,199</u>	<u>-</u>	
-	-	-	-	-	-	-	
28,487	-	-	-	-	-	-	
135,312	-	-	-	-	-	-	
493,177	-	-	-	-	-	-	
2,054,607	-	-	-	-	-	-	
3,418,412	-	-	-	-	-	-	
473,215	-	-	-	-	375,502	-	
-	-	-	-	-	-	-	
300,000	-	-	-	-	-	-	
2,552,075	-	-	-	-	-	-	
<u>9,455,285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,502</u>	<u>-</u>	
(6,278,454)	4,764	5,440	1,856	17,456	(192,303)	-	
-	-	-	-	-	-	-	
6,280,097	-	-	-	-	-	-	
-	-	(2,993)	-	(16,300)	(50,000)	-	
<u>6,280,097</u>	<u>-</u>	<u>(2,993)</u>	<u>-</u>	<u>(16,300)</u>	<u>(50,000)</u>	<u>-</u>	
1,643	4,764	2,447	1,856	1,156	(242,303)	-	
1,150,259	370,523	528,001	4	1,333,017	3,164,373	660,283	
<u>\$ 1,151,902</u>	<u>\$ 375,287</u>	<u>\$ 530,448</u>	<u>\$ 1,860</u>	<u>\$ 1,334,173</u>	<u>\$ 2,922,070</u>	<u>\$ 660,283</u>	

(Continued)

**City of Pittsburgh**  
**Combining Statements of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**

	Capital Projects			Total Non-Major Governmental Funds
	Park Dedication	Community Capital Improvement	Regional Traffic Mitigation	
<b>REVENUES:</b>				
Franchise tax	\$ -	\$ -	\$ -	\$ 11,248
Other taxes	-	-	-	3,323,189
Intergovernmental revenues	3,921,297	5,559,443	-	11,148,993
Licenses, permits, and fees	129,886	-	2,028,616	2,196,014
Special assessments	-	-	-	3,055,190
Service fees	-	-	-	3,621,636
Use of money and property	4,367	36,676	19,786	218,100
Other revenues	-	12,260	-	1,067,976
<b>Total revenues</b>	<b>4,055,550</b>	<b>5,608,379</b>	<b>2,048,402</b>	<b>24,642,346</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	22,338
City Manager and City Clerk	-	-	-	28,487
Human resources	-	-	-	141,227
Finance and services	-	-	-	493,177
Community services	-	9,004,695	-	14,593,490
Public safety	-	-	-	4,333,381
Public works - streets	2,444,290	-	-	8,145,589
Capital outlay and improvements	-	-	443,247	443,247
Debt service:				
Principal retirement	-	-	-	300,000
Interest and fiscal charges	-	-	-	2,566,823
<b>Total expenditures</b>	<b>2,444,290</b>	<b>9,004,695</b>	<b>443,247</b>	<b>31,067,759</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,611,260</b>	<b>(3,396,316)</b>	<b>1,605,155</b>	<b>(6,425,413)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	-	(6,023)
Transfers in	33,165	1,293,834	-	8,640,269
Transfers out	(50,000)	(500,000)	-	(3,141,705)
<b>Total other financing sources (uses)</b>	<b>(16,835)</b>	<b>793,834</b>	<b>-</b>	<b>5,492,541</b>
<b>Net change in fund balances</b>	<b>1,594,425</b>	<b>(2,602,482)</b>	<b>1,605,155</b>	<b>(932,872)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year, as restated	786,294	5,112,779	1,275,708	21,914,298
End of year	\$ 2,380,719	\$ 2,510,297	\$ 2,880,863	\$ 20,981,426

**City of Pittsburg**

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

**Small Cities Grants - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 240	\$ 240	\$ 946	\$ 706
Other revenues	50,000	50,000	69,492	19,492
<b>Total revenues</b>	<b>50,240</b>	<b>50,240</b>	<b>70,438</b>	<b>20,198</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	8,637	-	(8,637)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>8,637</b>	<b>-</b>	<b>(8,637)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 50,240</b>	<b>\$ 58,877</b>	70,438	<b>\$ 11,561</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year			(215,920)	
End of year			\$ (145,482)	



**City of Pittsburgh**

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

**Gas Tax Special Revenue Fund - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other taxes	\$ 1,752,817	\$ 1,752,817	\$ 1,814,537	\$ 61,720
Use of money and property	440	440	11,274	10,834
<b>Total revenues</b>	<u>1,753,257</u>	<u>1,753,257</u>	<u>1,825,811</u>	<u>72,554</u>
<b>EXPENDITURES</b>				
Public works - street	250,000	250,000	-	250,000
<b>Total expenditures</b>				
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(960,000)	(960,000)	(960,000)	-
<b>Total other financing sources (uses)</b>	<u>(960,000)</u>	<u>(960,000)</u>	<u>(960,000)</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 543,257</u>	<u>\$ 543,257</u>	865,811	<u>\$ 322,554</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>762,260</u>	
End of year			<u>\$ 1,628,071</u>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Traffic Congestion Relief - Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 2,200	\$ 2,200	\$ 8,015	\$ 5,815
Other revenues	-	-	58,692	58,692
<b>Total revenues</b>	<b>2,200</b>	<b>2,200</b>	<b>66,707</b>	<b>64,507</b>
<b>EXPENDITURES</b>				
Public works - streets	140,000	1,028,746	771,154	257,592
<b>Total expenditures</b>	<b>140,000</b>	<b>1,028,746</b>	<b>771,154</b>	<b>257,592</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	300,000	42,403	(257,597)
Transfers out	-	(100,000)	(100,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>200,000</b>	<b>(57,597)</b>	<b>(257,597)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (137,800)</b>	<b>\$ (826,546)</b>	<b>(762,044)</b>	<b>\$ 64,502</b>
<b>FUND BALANCES:</b>				
Beginning of year			767,329	
End of year			\$ 5,285	

**City of Pittsburg**

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

**Measure C Tax Fund - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 570,000	\$ 570,000	\$ -	\$ (570,000)
Use of money and property	5,330	5,330	10,062	4,732
<b>Total revenues</b>	<b>575,330</b>	<b>575,330</b>	<b>10,062</b>	<b>(565,268)</b>
<b>EXPENDITURES</b>				
Community development and services	24,000	24,000	15,796	8,204
Capital outlay and improvement	-	38,000		38,000
<b>Total expenditures</b>	<b>24,000</b>	<b>62,000</b>	<b>15,796</b>	<b>46,204</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(714,900)	(854,900)	(657,303)	197,597
<b>Total other financing sources (uses)</b>	<b>(714,900)</b>	<b>(854,900)</b>	<b>(657,303)</b>	<b>197,597</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ (163,570)</b>	<b>\$ (341,570)</b>	<b>(663,037)</b>	<b>\$ (321,467)</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,137,328	
End of year			\$ 474,291	

# City of Pittsburgh

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

### Lighting & Landscape - Special Revenue Fund

For the Year Ended June 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Special assessments	\$ 2,730,000	\$ 2,730,000	\$ 2,697,254	\$ (32,746)
Use of money and property	-	-	20	20
Other revenues	-	-	19,656	19,656
<b>Total revenues</b>	<b>2,730,000</b>	<b>2,730,000</b>	<b>2,716,930</b>	<b>(13,070)</b>
<b>EXPENDITURES</b>				
General government	21,200	21,200	22,338	(1,138)
Public works - streets	3,388,726	3,386,114	3,250,185	135,929
<b>Total expenditures</b>	<b>3,409,926</b>	<b>3,407,314</b>	<b>3,272,523</b>	<b>134,791</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	-	(10,603)	10,603
Transfers in	636,800	636,800	636,800	-
Transfers out	-	-	(33,970)	33,970
<b>Total other financing sources (uses)</b>	<b>636,800</b>	<b>636,800</b>	<b>592,227</b>	<b>44,573</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (43,126)</b>	<b>\$ (40,514)</b>	<b>36,634</b>	<b>\$ 77,148</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year			37,059	
End of year			\$ 73,693	

**City of Pittsburg**

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

**Lighting & Landscape (Oak Hills Assessment District) - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Special assessments	\$ 34,000	\$ 34,000	\$ 33,960	\$ (40)
Use of money and property	212	212	472	260
Other revenues	-	-	238	238
<b>Total revenues</b>	<b>34,212</b>	<b>34,212</b>	<b>34,670</b>	<b>458</b>
<b>EXPENDITURES</b>				
Public works - streets	44,681	44,681	29,285	15,396
<b>Total expenditures</b>	<b>44,681</b>	<b>44,681</b>	<b>29,285</b>	<b>15,396</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ (10,469)</u>	<u>\$ (10,469)</u>	5,385	<u>\$ 15,854</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>52,119</u>	
End of year			<u>\$ 57,504</u>	

**City of Pittsburgh**

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

**Miscellaneous Grants - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 176,225	\$ 86,974	\$ (89,251)
Use of money and property	536	536	1,374	838
Other revenues	-	-	5,915	5,915
<b>Total revenues</b>	<b>536</b>	<b>176,761</b>	<b>94,263</b>	<b>(82,498)</b>
<b>EXPENDITURES</b>				
Human resources	-	6,286	5,915	371
Community development and services	-	17,875	6,203	11,672
Public safety	-	314,576	72,954	241,622
<b>Total expenditures</b>	<b>-</b>	<b>338,737</b>	<b>85,072</b>	<b>253,665</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 536</b>	<b>\$ (161,976)</b>	9,191	<b>\$ 171,167</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ 9,191	

**City of Pittsburgh**

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

**COPS Hiring Recovery Fund - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 252,699	\$ 391,905	\$ 279,735	\$ (112,170)
<b>Total revenues</b>	<u>252,699</u>	<u>391,905</u>	<u>279,735</u>	<u>(112,170)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	<u>(252,699)</u>	<u>(391,905)</u>	<u>(\$279,735)</u>	<u>112,170</u>
<b>Total other financing sources (uses)</b>	<u>(252,699)</u>	<u>(391,905)</u>	<u>(279,735)</u>	<u>112,170</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			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Asset Seizure - Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 612	\$ 612	\$ 1,254	\$ 642
Other revenues	-	-	14,113	14,113
<b>Total revenues</b>	<b>612</b>	<b>612</b>	<b>15,367</b>	<b>14,755</b>
<b>EXPENDITURES</b>				
Public safety	-	37,491	43,920	(6,429)
<b>Total expenditures</b>	<b>-</b>	<b>37,491</b>	<b>43,920</b>	<b>(6,429)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 612</b>	<b>\$ (36,879)</b>	<b>(28,553)</b>	<b>\$ 8,326</b>
<b>FUND BALANCES:</b>				
Beginning of year			117,331	
End of year			\$ 88,778	



**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Marina Vista Field Replacement - Special Revenue Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 55,000	\$ 55,000	\$ 36,257	\$ (18,743)
Use of money and property	180	180	870	690
<b>Total revenues</b>	<b>55,180</b>	<b>55,180</b>	<b>37,127</b>	<b>(18,053)</b>
<b>EXPENDITURES</b>				
Community development and services	-	-	7,928	(7,928)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>7,928</b>	<b>(7,928)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>\$ 55,180</b>	<b>\$ 55,180</b>	<b>29,199</b>	<b>\$ (10,125)</b>
<b>FUND BALANCES:</b>				
Beginning of year			74,428	
End of year			\$ 103,627	

**City of Pittsburgh**

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

**Local Law Enforcement Block Grant - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 103,736	\$ 96,646	\$ (7,090)
Use of money and property	193	193	669	476
<b>Total revenues</b>	<b>193</b>	<b>103,929</b>	<b>97,315</b>	<b>(6,614)</b>
<b>EXPENDITURES</b>				
Community development and services	-	116,269	62,556	53,713
Public safety	-	39,863	34,759	5,104
<b>Total expenditures</b>	<b>-</b>	<b>156,132</b>	<b>97,315</b>	<b>58,817</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 193</u>	<u>\$ (52,203)</u>	-	<u>\$ 52,203</u>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			<u>\$ -</u>	

**City of Pittsburg**

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

**Southwest Pittsburg GHAD II - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other taxes	\$ 527,000	\$ 527,000	\$ 578,086	\$ 51,086
Use of money and property	5,900	5,900	18,443	12,543
<b>Total revenues</b>	<b>532,900</b>	<b>532,900</b>	<b>596,529</b>	<b>63,629</b>
<b>EXPENDITURES</b>				
Community services	433,350	432,962	295,370	137,592
<b>Total expenditures</b>	<b>433,350</b>	<b>432,962</b>	<b>295,370</b>	<b>137,592</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(40,000)	(89,501)	(89,501)	-
<b>Total other financing (uses)</b>	<b>(40,000)</b>	<b>(89,501)</b>	<b>(89,501)</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 59,550</b>	<b>\$ 10,437</b>	211,658	<b>\$ 201,221</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,780,145	
End of year			\$ 1,991,803	

**City of Pittsburg**

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

**Storm Water Utility (NPDES) - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other taxes	\$ 642,500	\$ 642,500	\$ 645,112	\$ 2,612
Use of money and property	860	860	4,128	3,268
Other revenue	-	-	949	949
<b>Total revenues</b>	<b>643,360</b>	<b>643,360</b>	<b>650,189</b>	<b>6,829</b>
<b>EXPENDITURES</b>				
Public works	1,048,071	1,047,182	755,440	291,742
<b>Total expenditures</b>	<b>1,048,071</b>	<b>1,047,182</b>	<b>755,440</b>	<b>291,742</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	120,000	120,000	120,000	-
Transfers out	(90,000)	(90,000)	(90,000)	-
<b>Total other financing sources (uses)</b>	<b>(90,000)</b>	<b>30,000</b>	<b>30,000</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (494,711)</b>	<b>\$ (373,822)</b>	<b>(75,251)</b>	<b>\$ 298,571</b>
<b>FUND BALANCES:</b>				
Beginning of year			582,392	
End of year			\$ 507,141	

**City of Pittsburgh**

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

**HUD Community Development Block Grant - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 590,155	\$ 751,595	\$ 559,423	\$ (192,172)
<b>Total revenues</b>	<u>590,155</u>	<u>751,595</u>	<u>559,423</u>	<u>(192,172)</u>
<b>EXPENDITURES</b>				
Community development and services	458,955	613,523	421,548	191,975
<b>Total expenditures</b>	<u>458,955</u>	<u>613,523</u>	<u>421,548</u>	<u>191,975</u>
<b>OTHER FINANCING (USES)</b>				
Transfers (out)	(131,200)	(137,876)	(137,876)	-
<b>Total other financing (uses)</b>	<u>(131,200)</u>	<u>(137,876)</u>	<u>(137,876)</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ 196</u>	(1)	<u>\$ (197)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>21,870</u>	
End of year			<u>\$ 21,869</u>	

**City of Pittsburg**

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

**HUD Veterans Affairs Supportive HSG - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 660,376	\$ 899,257	\$ 346,303	\$ (552,954)
Use of money and property	2,010	2,010	10,133	8,123
<b>Total revenues</b>	<b>662,386</b>	<b>901,267</b>	<b>356,436</b>	<b>(544,831)</b>
<b>EXPENDITURES</b>				
Community development and services	660,376	899,257	824,867	74,390
<b>Total expenditures</b>	<b>660,376</b>	<b>899,257</b>	<b>824,867</b>	<b>74,390</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 2,010</b>	<b>\$ 2,010</b>	(468,431)	<b>\$ (470,441)</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,051,820	
End of year			\$ 583,389	

**City of Pittsburg**

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

**Neighborhood Stabilization Program - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 42,272	\$ 42,272
Use of money and property	-	-	298	298
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>42,570</b>	<b>42,570</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ -</u>	42,570	<u>\$ 42,570</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 42,570</u>	

**City of Pittsburg**

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

**CalHome Program - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 108,000	\$ 108,000	\$ -
Use of money and property	208	208	95	(113)
<b>Total revenues</b>	<b>208</b>	<b>108,208</b>	<b>\$108,095</b>	<b>(113)</b>
<b>EXPENDITURES</b>				
Community services	-	108,000	73,560	34,440
<b>Total expenditures</b>	<b>-</b>	<b>108,000</b>	<b>73,560</b>	<b>34,440</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 208</b>	<b>\$ 208</b>	34,535	<b>\$ 34,327</b>
<b>FUND BALANCES:</b>				
Beginning of year			26,224	
End of year			\$ 60,759	



**City of Pittsburg**

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

**Energy Efficiency & Conservation (EECBG) - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 84,960	\$ 81,191	\$ (3,769)
<b>Total revenues</b>	<u>-</u>	<u>84,960</u>	<u>81,191</u>	<u>(3,769)</u>
<b>EXPENDITURES</b>				
Community development and services	-	84,960	81,191	3,769
Public works	-	-	670,918	(670,918)
<b>Total expenditures</b>	<u>-</u>	<u>84,960</u>	<u>752,109</u>	<u>(667,149)</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of capital assets	-	-	4,580	4,580
Transfers in	-	-	33,970	33,970
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>38,550</u>	<u>38,550</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ -</u>	(632,368)	<u>\$ 701,930</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ (632,368)</u>	

**City of Pittsburgh**

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

**San Marco CFD 2004-01 - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property tax	\$ 289,000	\$ 289,000	\$ 304,105	\$ 15,105
Use of money and property	118	118	539	421
<b>Total revenues</b>	<b>289,118</b>	<b>289,118</b>	<b>304,644</b>	<b>15,526</b>
<b>EXPENDITURES</b>				
Public safety	417,950	417,018	416,384	634
Interest and fiscal charges	7,000	7,000	3,919	3,081
<b>Total expenditures</b>	<b>424,950</b>	<b>424,018</b>	<b>420,303</b>	<b>3,715</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ (135,832)</u>	<u>\$ (134,900)</u>	(115,659)	<u>\$ 19,241</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>145,007</u>	
End of year			<u>\$ 29,348</u>	

**City of Pittsburgh**

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

**Solid Waste - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 419,000	\$ 419,000	\$ 414,308	\$ (4,692)
Use of money and property	1,536	1,536	3,269	1,733
Other revenues	-	-	35	35
<b>Total revenues</b>	<b>420,536</b>	<b>420,536</b>	<b>417,612</b>	<b>(2,924)</b>
<b>EXPENDITURES</b>				
Community services	219,324	219,227	187,438	31,789
Public safety	145,339	145,161	94,230	50,931
<b>Total expenditures</b>	<b>364,663</b>	<b>364,388</b>	<b>281,668</b>	<b>82,720</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers out	(142,100)	(174,027)	(174,027)	-
<b>Total other financing sources (uses)</b>	<b>(142,100)</b>	<b>(174,027)</b>	<b>(174,027)</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (86,227)</b>	<b>\$ (117,879)</b>	<b>(38,083)</b>	<b>\$ 79,796</b>
<b>FUND BALANCES:</b>				
Beginning of year			371,718	
End of year			<b>\$ 333,635</b>	

**City of Pittsburg**

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

**Vista Del Mar CFD 2005-2 - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other taxes	\$ 69,000	\$ 69,000	\$ 73,625	\$ 4,625
Intergovernmental	-	-	3	3
<b>Total revenues</b>	<u>69,000</u>	<u>69,000</u>	<u>73,628</u>	<u>4,628</u>
<b>EXPENDITURES</b>				
Public safety	53,970	53,850	53,152	698
Interest and fiscal charges	10,000	10,000	4,760	5,240
<b>Total expenditures</b>	<u>63,970</u>	<u>63,850</u>	<u>57,912</u>	<u>5,938</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 5,030</u>	<u>\$ 5,150</u>	15,716	<u>\$ 10,566</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year			<u>(4,764)</u>	
End of year			<u>\$ 10,952</u>	

**City of Pittsburgh**

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

**Public Safety Services CFD 2005-1-Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Other taxes	\$ 173,000	\$ 173,000	\$ 211,829	\$ 38,829
Use of money and property	-	-	119	119
<b>Total revenues</b>	<b>173,000</b>	<b>173,000</b>	<b>211,948</b>	<b>38,948</b>
<b>EXPENDITURES</b>				
Public safety	200,990	200,542	199,570	972
Interest and fiscal charges	8,400	8,400	4,084	4,316
<b>Total expenditures</b>	<b>209,390</b>	<b>208,942</b>	<b>203,654</b>	<b>5,288</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (36,390)</b>	<b>\$ (35,942)</b>	8,294	<b>\$ 44,236</b>
<b>FUND BALANCES:</b>				
Beginning of year			40,141	
End of year			\$ 48,435	

**City of Pittsburgh**

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

**Park Maintenance CFD 2007-1 - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 28,000	\$ 28,000	\$ 23,947	\$ (4,053)
Special assessments	14,880	14,880	19,871	4,991
Use of money and property	166	166	176	10
<b>Total revenues</b>	<b>43,046</b>	<b>43,046</b>	<b>43,994</b>	<b>948</b>
<b>EXPENDITURES</b>				
Public works	55,520	55,483	46,518	8,965
Interest and fiscal charges	3,000	3,000	1,985	1,015
<b>Total expenditures</b>	<b>58,520</b>	<b>58,483</b>	<b>48,503</b>	<b>9,980</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (15,474)</b>	<b>\$ (15,437)</b>	<b>(4,509)</b>	<b>\$ 10,928</b>
<b>FUND BALANCES:</b>				
Beginning of year			(121,845)	
End of year			<b>\$ (126,354)</b>	

**City of Pittsburgh**

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

**Pittsburg Arts and Community Foundation - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 5,000	\$ 25,000	\$ 8,847	\$ (16,153)
Service fees	-	-	260	260
Use of money and property	1,024	-	29,241	29,241
Other revenues	735,442	1,689,759	764,369	(925,390)
<b>Total revenues</b>	<b>741,466</b>	<b>1,714,759</b>	<b>802,717</b>	<b>(912,042)</b>
<b>EXPENDITURES:</b>				
Community services	796,912	870,012	886,813	(16,801)
<b>Total expenditures</b>	<b>796,912</b>	<b>870,012</b>	<b>886,813</b>	<b>(16,801)</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	300,000	-	200,000	-
Transfers out	(50,000)	-	-	-
<b>Total other financing sources (uses)</b>	<b>250,000</b>	<b>-</b>	<b>200,000</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 194,554</b>	<b>\$ 844,747</b>	115,904	<b>\$ (728,843)</b>
<b>FUND BALANCES:</b>				
Beginning of year			908,415	
End of year			\$ 1,024,319	

**City of Pittsburg**

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

**Hillview Jr. High Athletic Field - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ -	\$ -	\$ 31,757	\$ 31,757
Use of money and property	-	-	61	61
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>31,818</u>	<u>31,818</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ -</u>	<u>\$ -</u>	31,818	<u>\$ 31,818</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 31,818</u>	



**City of Pittsburg**

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

**Public, Education and Government Fees - Special Revenue Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Franchise Tax	\$ -	\$ 96,000	\$ 11,248	\$ (84,752)
Use of money and property	-	-	2	2
<b>Total revenues</b>	<b>-</b>	<b>96,000</b>	<b>11,250</b>	<b>(84,750)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ 96,000</u>	11,250	<u>\$ (84,750)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ 11,250</u>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Pension Obligation - Debt Service Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Service fees	\$ 3,250,300	\$ 3,250,300	\$ 3,175,311	\$ (74,989)
Use of money and property	3,400	3,400	1,520	(1,880)
<b>Total revenues</b>	<b>3,253,700</b>	<b>3,253,700</b>	<b>3,176,831</b>	<b>(76,869)</b>
<b>EXPENDITURES</b>				
City manager and city clerk	-	-	28,487	-
Human resources	-	-	135,312	-
Finance and services	-	-	493,177	-
Community services	-	-	2,054,607	-
Public safety	-	-	3,418,412	-
Public works - streets	-	-	473,215	-
Principal retirement	1,511,000	7,716,097	300,000	7,416,097
Interest and fiscal charges	1,732,512	1,732,512	2,552,075	(819,563)
<b>Total expenditures</b>	<b>3,243,512</b>	<b>9,448,609</b>	<b>9,455,285</b>	<b>6,596,534</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	6,280,097	6,280,097	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>6,280,097</b>	<b>6,280,097</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 10,188</b>	<b>\$ 85,188</b>	1,643	<b>\$ (83,545)</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,150,259	
End of year			\$ 1,151,902	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Inclusionary Housing - Capital Projects Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 1,800	\$ 1,800	\$ 4,764	\$ 2,964
<b>Total revenues</b>	<u>1,800</u>	<u>1,800</u>	<u>4,764</u>	<u>2,964</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 1,800</u>	<u>\$ 1,800</u>	4,764	<u>\$ 2,964</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>370,523</u>	
End of year			<u>\$ 375,287</u>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Traffic Impact Fair Share - Capital Project Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 2,075	\$ 2,075	\$ 5,440	\$ 3,365
<b>Total revenues</b>	<u>2,075</u>	<u>2,075</u>	<u>5,440</u>	<u>3,365</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(30,000)	(2,993)	(27,007)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(30,000)</u>	<u>(2,993)</u>	<u>(27,007)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 2,075</u>	<u>\$ (27,925)</u>	2,447	<u>\$ 30,372</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>528,001</u>	
End of year			<u>\$ 530,448</u>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Proposition 1B Local Street and Road Improvement - Capital Projects Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 2,324	\$ 2,324	\$ 1,856	\$ (468)
<b>Total revenues</b>	<u>2,324</u>	<u>2,324</u>	<u>1,856</u>	<u>(468)</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ 2,324</u>	<u>\$ 2,324</u>	1,856	<u>\$ (468)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>4</u>	
End of year			<u>\$ 1,860</u>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Kirker Creek Drainage Fees - Capital Projects Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Permits, licenses, and fees	\$ -	\$ -	\$ 1,638	\$ 1,638
Use of money and property	5,040	5,040	12,818	7,778
Other revenues	-	-	3,000	3,000
<b>Total revenues</b>	<b>5,040</b>	<b>5,040</b>	<b>17,456</b>	<b>12,416</b>
<b>EXPENDITURES</b>				
Public works	-	56,119	-	56,119
<b>Total expenditures</b>	<b>-</b>	<b>56,119</b>	<b>-</b>	<b>56,119</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(16,300)	(16,300)	(16,300)	-
<b>Total other financing sources (uses)</b>	<b>(16,300)</b>	<b>(16,300)</b>	<b>(16,300)</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (11,260)</b>	<b>\$ (67,379)</b>	1,156	<b>\$ (43,703)</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,333,017	
End of year			<b>\$ 1,334,173</b>	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Capital Improvement - Capital Projects Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Public works	\$ -	\$301,938		\$ 301,938
<b>Total expenditures</b>	<b>-</b>	<b>301,938</b>	<b>-</b>	<b>301,938</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	\$ -	\$ (301,938)	-	\$ 301,938
<b>FUND BALANCES:</b>				
Beginning of year			660,283	
End of year			\$ 660,283	

**City of Pittsburg**

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

**Traffic Mitigation - Capital Projects Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 35,000	\$ 34,915	\$ (85)
Permits, licenses, and fees	-	-	35,874	35,874
Use of money and property	16,925	16,925	29,410	12,485
Other revenues	-	86,293	83,000	(3,293)
<b>Total revenues</b>	<b>16,925</b>	<b>138,218</b>	<b>183,199</b>	<b>44,981</b>
<b>EXPENDITURES</b>				
Public works	-	798,495	375,502	422,993
<b>Total expenditures</b>	<b>-</b>	<b>798,495</b>	<b>375,502</b>	<b>422,993</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(160,474)	(50,000)	110,474
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(160,474)</b>	<b>(50,000)</b>	<b>110,474</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ (33,075)</b>	<b>\$ (820,751)</b>	<b>(242,303)</b>	<b>\$ 578,448</b>
<b>FUND BALANCES:</b>				
Beginning of year			3,164,373	
End of year			<u>\$ 2,922,070</u>	



**City of Pittsburg**

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

**Park Dedication - Capital Projects Fund**

**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 2,909,214	\$ 3,921,297	\$ 1,012,083
Permits, licenses, and fees	-	-	129,886	129,886
Use of money and property	8,260	8,260	4,367	(3,893)
<b>Total revenues</b>	<b>8,260</b>	<b>2,917,474</b>	<b>4,055,550</b>	<b>1,138,076</b>
<b>EXPENDITURES</b>				
Public works - streets	-	4,714,439	2,444,290	2,270,149
<b>Total expenditures</b>	<b>-</b>	<b>4,714,439</b>	<b>2,444,290</b>	<b>2,270,149</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,069,638	33,165	(1,036,473)
Transfers out	(50,000)	(50,000)	(50,000)	-
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>1,019,638</b>	<b>(16,835)</b>	<b>(1,036,473)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (41,740)</b>	<b>\$ (777,327)</b>	<b>1,594,425</b>	<b>\$ 2,371,752</b>
<b>FUND BALANCES:</b>				
Beginning of year			786,294	
End of year			\$ 2,380,719	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Community Capital Improvement - Capital Projects Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,951,729	\$ 5,559,443	\$ 3,607,714
Use of money and property	40,000	40,000	36,676	(3,324)
Other revenues	-	12,260	12,260	-
<b>Total revenues</b>	<b>40,000</b>	<b>2,003,989</b>	<b>5,608,379</b>	<b>3,604,390</b>
<b>EXPENDITURES</b>				
Community services	-	16,657,183	9,004,695	7,652,488
<b>Total expenditures</b>	<b>-</b>	<b>16,657,183</b>	<b>9,004,695</b>	<b>7,652,488</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	11,356,274	1,293,834	(10,062,440)
Transfers out	-	(1,764,248)	(500,000)	(1,264,248)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>9,592,026</b>	<b>793,834</b>	<b>(11,326,688)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 40,000</b>	<b>\$ (5,061,168)</b>	<b>(2,602,482)</b>	<b>\$ 2,458,686</b>
<b>FUND BALANCES:</b>				
Beginning of year			5,112,779	
End of year			\$ 2,510,297	

**City of Pittsburgh**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Regional Traffic Mitigation - Capital Projects Fund**  
**For the Year Ended June 30, 2012**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Permits, licenses, and fees	\$ -	\$ -	\$ 2,028,616	\$ 2,028,616
Use of money and property	280	280	19,786	19,506
<b>Total revenues</b>	<b>280</b>	<b>280</b>	<b>2,048,402</b>	<b>2,048,122</b>
<b>EXPENDITURES</b>				
Capital outlay	-	688,000	443,247	244,753
<b>Total expenditures</b>	<b>-</b>	<b>688,000</b>	<b>443,247</b>	<b>244,753</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	<b>\$ 280</b>	<b>\$ (687,720)</b>	1,605,155	<b>\$ 2,292,875</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,275,708	
End of year			<b>\$ 2,880,863</b>	

# 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.

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

**City of Pittsburg**  
**Combining Statement of Net Assets**  
**Non-Major Enterprise Funds**  
**June 30, 2012**

	Golf Course	Island Energy	Pittsburg Power	Water Front Operations	Total Non-Major Enterprise Funds
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 6,028	\$ 3,103,653	\$ 4,425,206	\$ 69,538	\$ 7,604,425
Restricted cash and investments	-	101,323	-	-	101,323
Receivables:					
Accounts	5,263	460,718	197,959	404,725	1,068,665
Interest	-	1,032	2,527	39	3,598
Loans/notes	-	-	56,685	-	56,685
Due from other funds	-	-	111,250	-	111,250
Inventory	11,340	72,956	16,186	-	100,482
Prepaid items and other assets	-	71,000	2,452	-	73,452
Total current assets	<u>22,631</u>	<u>3,810,682</u>	<u>4,812,265</u>	<u>474,302</u>	<u>9,119,880</u>
Noncurrent assets:					
Advance to other funds	-	-	3,594,829	-	3,594,829
Capital assets:					
Land & non-depreciable assets	-	1,957,557	818,506	-	2,776,063
Depreciable assets, net	499,852	4,633,126	257,130	-	5,390,108
Total noncurrent assets	<u>499,852</u>	<u>6,590,683</u>	<u>4,670,465</u>	<u>-</u>	<u>11,761,000</u>
<b>Total assets</b>	<u>522,483</u>	<u>10,401,365</u>	<u>9,482,730</u>	<u>474,302</u>	<u>20,880,880</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	5,512	130,521	21,990	37,971	195,994
Salaries payable	-	13,918	4,984	-	18,902
Loans payable	-	-	145,400	-	145,400
Refundable deposits	-	25,909	-	-	25,909
Taxes payable	-	61,182	-	-	61,182
Unearned revenue	1,586	792,900	263,648	-	1,058,134
Due to other funds	-	-	-	111,250	111,250
Compensated absences payable - due within one year	-	15,450	17,340	-	32,790
Total current liabilities	<u>7,098</u>	<u>1,039,880</u>	<u>453,362</u>	<u>149,221</u>	<u>1,649,561</u>
Noncurrent liabilities:					
Advance from other funds	375,000	3,219,829	-	-	3,594,829
Compensated absences payable - due in more than one year	-	28,694	32,202	-	60,896
OPEB liability	-	719,393	287,757	-	1,007,150
Total noncurrent liabilities	<u>375,000</u>	<u>3,967,916</u>	<u>319,959</u>	<u>-</u>	<u>4,662,875</u>
<b>Total liabilities</b>	<u>382,098</u>	<u>5,007,796</u>	<u>773,321</u>	<u>149,221</u>	<u>6,312,436</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	499,852	6,590,683	1,075,636	-	8,166,171
Restricted for:					
Capital projects	75,000	1,879,731	53,786	-	2,008,517
Specific purpose	-	101,323	3,706,079	110,302	3,917,704
Unrestricted	(434,467)	(3,178,168)	3,873,908	214,779	476,052
<b>Total net assets</b>	<u>\$ 140,385</u>	<u>\$ 5,393,569</u>	<u>\$ 8,709,409</u>	<u>\$ 325,081</u>	<u>\$ 14,568,444</u>

**City of Pittsburg**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2012**

	Golf Course	Island Energy	Pittsburg Power	Water Front Operations	Total Non-Major Enterprise Funds
<b>OPERATING REVENUES:</b>					
Charges for services	\$ -	\$ 3,694,224	\$ 467,105	\$ -	\$ 4,161,329
Other fees	-	-	574,457	-	574,457
Rents and concessions	(6,704)	-	209,787	373,792	576,875
Other operating revenues	7,519	148,646	133,058	136,127	425,350
<b>Total operating revenues</b>	<b>815</b>	<b>3,842,870</b>	<b>1,384,407</b>	<b>509,919</b>	<b>5,738,011</b>
<b>OPERATING EXPENSES:</b>					
Salaries and wages	-	806,130	273,198	-	1,079,328
Department supplies	-	1,458,684	2,909	62	1,461,655
Rentals	(153)	25,768	17,401	-	43,016
Utilities	-	11,955	2,203	-	14,158
Maintenance and operations	6,000	71,095	284,134	82,030	443,259
Depreciation	140,958	335,094	32,116	-	508,168
Insurance premiums	-	165,266	-	-	165,266
Insurance deductible	-	12,828	6,228	-	19,056
Fringe benefits	-	746,114	266,670	-	1,012,784
Other Operating expenses	6,861	195,632	93,662	104,327	400,482
<b>Total operating expenses</b>	<b>153,666</b>	<b>3,828,566</b>	<b>978,521</b>	<b>186,419</b>	<b>5,147,172</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(152,851)</b>	<b>14,304</b>	<b>405,886</b>	<b>323,500</b>	<b>590,839</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment earnings	-	26,905	67,834	477	95,216
Gain (loss) on disposal of assets	-	232,547	(4,219)	-	228,328
<b>Total nonoperating revenues (expenses)</b>	<b>-</b>	<b>259,452</b>	<b>63,615</b>	<b>477</b>	<b>323,544</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(152,851)</b>	<b>273,756</b>	<b>469,501</b>	<b>323,977</b>	<b>914,383</b>
<b>TRANSFERS:</b>					
Transfers (in)	20,000	-	3,964	-	23,964
Transfers (out)	-	(449,334)	(926,843)	-	(1,376,177)
<b>Total transfers</b>	<b>20,000</b>	<b>(449,334)</b>	<b>(922,879)</b>	<b>-</b>	<b>(1,352,213)</b>
<b>Net income (loss)</b>	<b>(132,851)</b>	<b>(175,578)</b>	<b>(453,378)</b>	<b>323,977</b>	<b>(437,830)</b>
<b>NET ASSETS:</b>					
Beginning of year	273,236	5,569,147	9,162,787	1,104	15,006,274
End of year	\$ 140,385	\$ 5,393,569	\$ 8,709,409	\$ 325,081	\$ 14,568,444

**City of Pittsburg**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2012**

	Golf Course	Island Energy	Pittsburg Power	Water Front Operations	Total Non-Major Enterprise Funds
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 6,653	\$ 3,840,635	\$ 1,113,338	\$ (404,763)	\$ 4,555,863
Cash payments to suppliers of goods and services	(33,007)	(1,992,915)	(270,651)	(44,121)	(2,340,694)
Cash payments to employees for services	-	(1,522,561)	(479,445)	(104,327)	(2,106,333)
Other operating revenue	815	148,646	342,845	509,919	1,002,225
<b>Net cash provided (used) by operating activities</b>	<b>(25,539)</b>	<b>473,805</b>	<b>706,087</b>	<b>(43,292)</b>	<b>1,111,061</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Interfund transactions	-	814,477	(1,747,462)	111,250	(821,735)
Transfers in	20,000	-	3,964	-	23,964
Transfers (out)	-	(449,334)	(926,843)	-	(1,376,177)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>20,000</b>	<b>365,143</b>	<b>(2,670,341)</b>	<b>111,250</b>	<b>(2,173,948)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Principal paid on long-term debt	-	-	-	-	-
Proceeds from sale of capital assets	-	232,547	(4,219)	-	228,328
Net changes in capital assets	11,341	(1,014,726)	14,567	-	(988,818)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>11,341</b>	<b>(782,179)</b>	<b>10,348</b>	<b>-</b>	<b>(760,490)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on investments	-	26,905	67,834	477	95,216
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>26,905</b>	<b>67,834</b>	<b>477</b>	<b>95,216</b>
<b>Net increase (decrease) in cash and cash investments</b>	<b>5,802</b>	<b>83,674</b>	<b>(1,886,072)</b>	<b>68,435</b>	<b>(1,728,161)</b>
<b>CASH AND INVESTMENTS:</b>					
Beginning of year	226	3,121,302	6,311,278	1,103	9,433,909
End of year	\$ 6,028	\$ 3,204,976	\$ 4,425,206	\$ 69,538	\$ 7,705,748
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ (152,851)	\$ 14,304	\$ 405,886	\$ 323,500	\$ 590,839
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	140,958	335,094	32,116	-	\$508,168
Changes in operating assets and liabilities:					
Accounts receivable	7,287	17,267	18,780	(404,725)	(361,391)
Interest receivable	1	1,459	5,094	(38)	6,516
Loans receivable	-	-	23,212	-	23,212
Prepaid items	-	(11,935)	-	-	(11,935)
Inventory	(11,340)	(21,001)	-	-	(32,341)
Accounts payable	(1,440)	(117,775)	(15,742)	37,971	(96,986)
Salaries and wages payable	-	4,900	(345)	-	4,555
Loans payable	-	-	145,400	-	145,400
Refundable deposits	-	(93,321)	-	-	(93,321)
Taxes payable	(7,519)	2,316	-	-	(5,203)
Unearned revenue	(635)	139,620	24,690	-	163,675
Compensated absences	-	5,377	(12,004)	-	(6,627)
OPEB Liability	-	197,500	79,000	-	276,500
<b>Net cash provided (used) by operating activities</b>	<b>(25,539)</b>	<b>473,805</b>	<b>706,087</b>	<b>(43,292)</b>	<b>1,111,061</b>

# 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**  
**Internal Service Funds**  
**June 30, 2012**

	Fleet Maintenance	Building Maintenance	Insurance	Information / Communication Services	Fringe Benefits	Total
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 764,784	\$ 657,828	\$ 1,037,417	\$ 655,933	\$ 1,147,240	\$ 4,263,202
Receivables:						
Accounts	14,265	3,424	-	3,875	1,214	22,778
Interest	-	-	480	-	494	974
Inventory	30,788	12,693	-	135,965	-	179,446
Prepaid items	-	-	1,319	-	32,400	33,719
<b>Total current assets</b>	<b>809,837</b>	<b>673,945</b>	<b>1,039,216</b>	<b>795,773</b>	<b>1,181,348</b>	<b>4,500,119</b>
Noncurrent assets:						
Capital assets:						
Depreciable assets, net	1,644,251	341,286	-	101,332	-	2,086,869
<b>Total noncurrent assets</b>	<b>1,644,251</b>	<b>341,286</b>	<b>-</b>	<b>101,332</b>	<b>-</b>	<b>2,086,869</b>
<b>Total assets</b>	<b>2,454,088</b>	<b>1,015,231</b>	<b>1,039,216</b>	<b>897,105</b>	<b>1,181,348</b>	<b>6,586,988</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	60,527	56,855	11,455	41,989	44,275	215,101
Salaries payable	5,039	3,329	-	408	28,222	36,998
Unearned revenue	-	35,921	-	-	-	35,921
Claims and judgments payable - due within one year	-	-	117,713	-	-	117,713
Advance to other funds	49,400	34,200	-	15,200	-	98,800
<b>Total current liabilities</b>	<b>114,966</b>	<b>130,305</b>	<b>129,168</b>	<b>57,597</b>	<b>72,497</b>	<b>504,533</b>
Noncurrent liabilities:						
Compensated absences - due in more than one year	24,490	20,684	-	1,319	-	46,493
<b>Total noncurrent liabilities</b>	<b>24,490</b>	<b>20,684</b>	<b>-</b>	<b>1,319</b>	<b>-</b>	<b>46,493</b>
<b>Total liabilities</b>	<b>139,456</b>	<b>150,989</b>	<b>129,168</b>	<b>58,916</b>	<b>72,497</b>	<b>551,026</b>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	1,644,251	341,286		101,332		2,086,869
Unrestricted	670,381	522,956	910,048	736,857	1,108,851	3,949,093
<b>Total net assets</b>	<b>\$ 2,314,632</b>	<b>\$ 864,242</b>	<b>\$ 910,048</b>	<b>\$ 838,189</b>	<b>\$ 1,108,851</b>	<b>\$ 6,035,962</b>

**City of Pittsburg**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the year ended June 30, 2012**

	Fleet Maintenance	Building Maintenance	Insurance	Information / Communication Services	Fringe Benefits	Total
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 1,835,952	\$ 935,364	\$ 424,560	\$ 1,019,312	\$ 2,401,683	\$ 6,616,871
Other operating revenues	6,139	96,100	3,335	129,532	32,142	267,248
<b>Total operating revenues</b>	<b>1,842,091</b>	<b>1,031,464</b>	<b>427,895</b>	<b>1,148,844</b>	<b>2,433,825</b>	<b>6,884,119</b>
<b>OPERATING EXPENSES:</b>						
Salaries and wages	275,739	202,699	-	59,944	-	538,382
Department supplies	705,018	40,977	-	21,515	-	767,510
Rentals	32,643	547	-	2,222	-	35,412
Utilities	6,276	242,098	-	-	-	248,374
Maintenance and operations	136,853	238,239	-	555,259	39,824	970,175
Depreciation and amortization	497,848	120,466	-	209,870	-	828,184
Insurance premiums	5,500	113,670	491,683	-	-	610,853
Insurance deductible	4,392	3,564	123,853	1,140	-	132,949
Fringe benefits	179,418	146,014	-	34,718	3,270,369	3,630,519
Other operating expenses	9,368	10,479	-	46,743	-	66,590
<b>Total operating expenses</b>	<b>1,853,055</b>	<b>1,118,753</b>	<b>615,536</b>	<b>931,411</b>	<b>3,310,193</b>	<b>7,828,948</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(10,964)</b>	<b>(87,289)</b>	<b>(187,641)</b>	<b>217,433</b>	<b>(876,368)</b>	<b>(944,829)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Gain (loss) on sale of assets	25,250	(3,205)	-	(3,274)	-	18,771
Investment income	-	-	10,251	-	13,152	23,403
<b>Total nonoperating revenues</b>	<b>25,250</b>	<b>(3,205)</b>	<b>10,251</b>	<b>(3,274)</b>	<b>13,152</b>	<b>42,174</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>14,286</b>	<b>(90,494)</b>	<b>(177,390)</b>	<b>214,159</b>	<b>(863,216)</b>	<b>(902,655)</b>
Transfers (out)	(30,570)	(20,478)	(100,000)	(33,295)	(80,000)	(264,343)
<b>Transfers in (out)</b>	<b>(30,570)</b>	<b>(20,478)</b>	<b>(100,000)</b>	<b>(33,295)</b>	<b>(80,000)</b>	<b>(264,343)</b>
<b>Change in net assets</b>	<b>(16,284)</b>	<b>(110,972)</b>	<b>(277,390)</b>	<b>180,864</b>	<b>(943,216)</b>	<b>(1,166,998)</b>
<b>NET ASSETS:</b>						
Beginning of year	2,330,916	975,214	1,187,438	657,325	2,052,067	7,202,960
End of year	\$ 2,314,632	\$ 864,242	\$ 910,048	\$ 838,189	\$ 1,108,851	\$ 6,035,962

**City of Pittsburgh**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2012**

	Fleet Maintenance	Building Maintenance	Insurance	Information / Communication Services	Fringe Benefits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Cash received from customers/other funds	\$ 1,825,769	\$ 929,832	\$ 425,371	\$ 950,086	\$ 2,392,438	\$ 6,523,496
Cash payments to suppliers for goods and services	(907,026)	(625,133)	(668,763)	(712,837)	647,125	(2,266,634)
Cash payments to employees for services	(455,392)	(347,999)	-	(103,113)	(3,262,734)	(4,169,238)
Other operating revenues	6,139	96,100	3,335	129,532	32,142	267,248
<b>Net cash provided (used) by operating activities</b>	<b>469,490</b>	<b>52,800</b>	<b>(240,057)</b>	<b>263,668</b>	<b>(191,029)</b>	<b>354,872</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Interfund transactions	49,400	34,200	-	15,200	-	98,800
Transfers (out)	(30,570)	(20,478)	(100,000)	(33,295)	(80,000)	(264,343)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>18,830</b>	<b>13,722</b>	<b>(100,000)</b>	<b>(18,095)</b>	<b>(80,000)</b>	<b>(165,543)</b>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>						
Proceeds from sale of capital assets	25,250	(3,205)	-	(3,274)	-	18,771
Net changes in capital assets	(431,311)	(20,163)	-	(48,007)	-	(499,481)
<b>Net cash provided (used) by capital financing activities</b>	<b>(406,061)</b>	<b>(23,368)</b>	<b>-</b>	<b>(51,281)</b>	<b>-</b>	<b>(480,710)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Payments made on capital lease	-	-	-	(157,279)	-	(157,279)
Interest revenue	-	-	10,251	-	13,152	23,403
<b>Net cash provided (used) by investing activities</b>	<b>-</b>	<b>-</b>	<b>10,251</b>	<b>(157,279)</b>	<b>13,152</b>	<b>(133,876)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>82,259</b>	<b>43,154</b>	<b>(329,806)</b>	<b>37,013</b>	<b>(257,877)</b>	<b>(425,257)</b>
<b>CASH AND CASH EQUIVALENTS:</b>						
Beginning of year	682,525	614,674	1,367,223	618,920	1,405,117	4,688,459
End of year	<u>\$ 764,784</u>	<u>\$ 657,828</u>	<u>\$ 1,037,417</u>	<u>\$ 655,933</u>	<u>\$ 1,147,240</u>	<u>\$ 4,263,202</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Operating income (loss)	\$ (10,964)	\$ (87,289)	\$ (187,641)	\$ 217,433	\$ (876,368)	\$ (944,829)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	497,848	120,466	-	209,870	-	828,184
Changes in operating assets and liabilities:						
Accounts receivable	(14,265)	(194)	961	-	755	(12,743)
Loans receivable	-	-	-	52	-	52
Inventory	4,082	(5,338)	-	(112,809)	-	(114,065)
Prepaid items	-	-	(150)	43,531	(10,000)	33,381
Accounts payable	(6,976)	24,441	(17,271)	(85,958)	686,949	601,185
Salaries and wages payable	1,304	873	-	(570)	7,635	9,242
Compensated absences	(1,539)	(159)	-	(7,881)	-	(9,579)
Insurance claims payable	-	-	(35,956)	-	-	(35,956)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 469,490</b>	<b>\$ 52,800</b>	<b>\$ (240,057)</b>	<b>\$ 263,668</b>	<b>\$ (191,029)</b>	<b>\$ 354,872</b>

# FIDUCIARY FUND FINANCIAL STATEMENTS

## *Agency Funds:*

*Assessment Districts 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 & San Marco CFD's* accounts for funds used to construct and acquire certain public improvements, consisting of roadway, water and other infrastructure improvements necessary for the development of property within the district, as well as park improvements.

**City of Pittsburg**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2012**

	Beginning Balance July 01, 2011	Additions	Deletions	Ending Balance June 30, 2012
<b>Assessment Districts Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 2,648,103	\$ 7,197,366	\$ 7,748,983	\$ 2,096,486
Cash and investments held by fiscal agent	2,681,778	105,267,871	86,704,036	21,245,613
Assessment receivable	2,324,835	-	257,905	2,066,930
Interest receivable	2,829	1,013	2,831	1,011
<b>Total assets</b>	<b>\$ 7,657,545</b>	<b>\$ 112,466,250</b>	<b>\$ 94,713,755</b>	<b>\$ 25,410,040</b>
<b>Liabilities:</b>				
Accounts payable	\$ 28,583	\$ 49,167	\$ 49,114	\$ 28,636
Deferred assessment	2,324,835	-	257,905	2,066,930
Due to bondholders	5,304,127	40,726,458	22,716,111	23,314,474
<b>Total liabilities</b>	<b>\$ 7,657,545</b>	<b>\$ 40,775,625</b>	<b>\$ 23,023,130</b>	<b>\$ 25,410,040</b>
<b>Environmental Impact Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 1,902	\$ 21	\$ 1,253	\$ 670
Interest receivable	3	1	3	1
<b>Total assets</b>	<b>\$ 1,905</b>	<b>\$ 22</b>	<b>\$ 1,256</b>	<b>\$ 671</b>
<b>Liabilities:</b>				
Due to other parties	\$ 1,253	\$ -	\$ 1,253	\$ -
Due to bondholders	652	19	-	671
<b>Total liabilities</b>	<b>\$ 1,905</b>	<b>\$ 19</b>	<b>\$ 1,253</b>	<b>\$ 671</b>
<b>Other Impact Fees Fund</b>				
<b>Assets:</b>				
Cash and investments	\$ 19,935	\$ 51,520	\$ 53,576	\$ 17,879
<b>Total assets</b>	<b>\$ 19,935</b>	<b>\$ 51,520</b>	<b>\$ 53,576</b>	<b>\$ 17,879</b>
<b>Liabilities:</b>				
Accounts payable	\$ 17,010	\$ 47,942	\$ 53,576	\$ 11,376
Due to other parties	3,102	52,955	49,377	6,680
Due to bondholders	(177)	-	-	(177)
<b>Total liabilities</b>	<b>\$ 19,935</b>	<b>\$ 100,897</b>	<b>\$ 102,953</b>	<b>\$ 17,879</b>
<b>Vista Del Mar &amp; San Marco CFD's</b>				
<b>Assets:</b>				
Cash and investments	\$ 745,207	\$ 5,269,072	\$ 3,632,030	\$ 2,382,249
Cash and investments held by fiscal agent	3,627,442	810,895	5,059,769	(621,432)
Interest receivable	757	1,237	758	1,236
<b>Total assets</b>	<b>\$ 4,373,406</b>	<b>\$ 6,081,204</b>	<b>\$ 8,692,557</b>	<b>\$ 1,762,053</b>
<b>Liabilities:</b>				
Accounts payable	\$ 68	\$ 2,842,695	\$ 2,842,697	\$ 66
Due to bondholders	4,373,338	182,406	2,793,757	1,761,987
<b>Total liabilities</b>	<b>\$ 4,373,406</b>	<b>\$ 3,025,101</b>	<b>\$ 5,636,454</b>	<b>\$ 1,762,053</b>
<b>Total Agency Funds</b>				
<b>Assets:</b>				
Cash and investments	\$ 3,415,147	\$ 12,517,979	\$ 11,435,842	\$ 4,497,284
Cash and investments held by fiscal agent	6,309,220	106,078,766	91,763,805	20,624,181
Assessment receivable	2,324,835	-	257,905	2,066,930
Interest receivable	3,589	2,251	3,592	2,248
<b>Total assets</b>	<b>\$ 12,052,791</b>	<b>\$ 118,598,996</b>	<b>\$ 103,461,144</b>	<b>\$ 27,190,643</b>
<b>Liabilities:</b>				
Accounts payable	\$ 45,661	\$ 2,939,804	\$ 2,945,387	\$ 40,078
Deferred assessment	2,324,835	-	257,905	2,066,930
Due to other parties	4,355	52,955	50,630	6,680
Due to bondholders	9,677,940	40,908,883	25,509,868	25,076,955
<b>Total liabilities</b>	<b>\$ 12,052,791</b>	<b>\$ 43,901,642</b>	<b>\$ 28,763,790</b>	<b>\$ 27,190,643</b>

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# STATISTICAL SECTION

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This part of the City of Pittsburg's comprehensive annual financial report presents detailed information in a statistical format as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information is conveying about the City of Pittsburg's overall financial status.

The major points of emphasis are:

## **Financial Trends**

These schedules contain trend information to help the CAFR reader understand how the City of Pittsburg's financial performance and economic status have changed over time.

## **Revenue Capacity**

These schedules contain information to help the CAFR reader evaluate factors affecting the City of Pittsburg's ability to generate its property and sales taxes and other major revenues.

## **Debt Capacity**

These schedules present information to help the CAFR reader assess the affordability of the City of Pittsburg's current levels of outstanding debt and the City's ability to issue additional debt in the future.

## **Demographic and Economic Information**

These schedules offer demographic and economic indications to help the CAFR reader understand the environment within which the City of Pittsburg's financial activities occur.

## **Operating Information**

These schedules contain information about the City of Pittsburg's operations and resources to help the CAFR reader understand how the City's financial information relates to the services the City provides and the activities it performs.

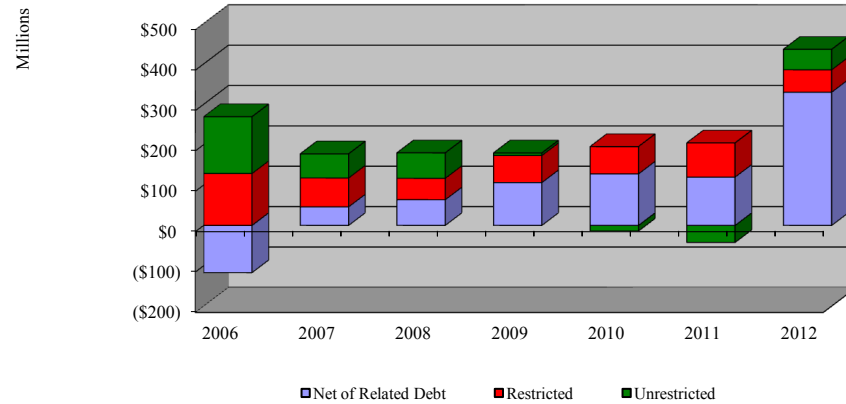
Sources: Unless otherwise noted, the information in these schedules is derived from Basic Financial Statements for the relevant year.

\*Due to the State of California's adoption of ABx1 26 on June 28, 2011, and amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies as of January 31, 2012, there will be large variances between the fiscal years 2010-2011 and fiscal year 2011-2012 for some of the statistical references. The City of Pittsburg has assumed the responsibilities as the Successor Agency to administer all post activities for the former Pittsburg Redevelopment Agency.



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**CITY OF PITTSBURG**  
**Net Assets by Component**  
**Last Seven 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>2011</b>	<b>2012</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	\$46,442,103	\$250,271,519
Restricted	124,840,230	58,131,686	28,890,295	46,826,571	51,627,971	63,967,311	31,591,442
Unrestricted	99,416,697	28,994,097	50,069,992	(5,009,852)	(38,861,513)	(62,825,341)	41,811,332
Total governmental activities net assets	<u>\$70,923,101</u>	<u>\$90,373,729</u>	<u>\$97,693,697</u>	<u>\$74,174,289</u>	<u>\$72,674,640</u>	<u>\$47,584,073</u>	<u>\$323,674,293</u>
<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	\$73,188,754	\$79,796,698
Restricted	3,602,121	13,474,928	24,190,306	20,189,744	16,057,202	20,709,344	23,822,298
Unrestricted	41,341,654	30,681,028	12,931,446	11,345,116	25,075,506	20,765,153	8,802,052
Total business-type activities net assets	<u>\$81,509,889</u>	<u>\$86,799,341</u>	<u>\$81,902,455</u>	<u>\$105,239,518</u>	<u>\$108,735,905</u>	<u>\$114,663,251</u>	<u>\$112,421,048</u>
<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	\$119,630,857	\$330,068,217
Restricted	128,442,351	71,606,614	53,080,601	67,016,315	67,685,173	84,676,655	55,413,740
Unrestricted	140,758,351	59,675,125	63,001,438	6,335,264	(13,786,007)	(42,060,188)	50,613,384
Total primary government net assets	<u>\$152,432,990</u>	<u>\$177,173,070</u>	<u>\$179,596,152</u>	<u>\$179,413,807</u>	<u>\$181,410,545</u>	<u>\$162,247,324</u>	<u>\$436,095,341</u>



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

	<b>Fiscal Year Ended June 30,</b>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>						
Governmental Activities:						
General Government	\$14,254,413	\$21,504,808	\$11,842,142	\$18,568,935	\$14,788,317	\$8,165,990
Public Safety	16,949,031	19,147,330	37,075,329	20,844,081	20,111,317	23,744,135
Public Works	17,949,516	16,356,492	15,020,101	13,685,011	19,975,441	18,409,616
Community Development	25,815,463	31,332,797	37,032,108	22,565,100	25,958,714	28,982,820
Culture and Recreation	1,892,674	1,854,555	1,741,484	733,417	476,739	595,285
Interest on Long Term Debt	20,495,286	23,435,995	35,950,401	19,671,322	23,519,241	12,406,317
Total Governmental Activities Expenses	<u>97,356,383</u>	<u>113,631,977</u>	<u>138,661,565</u>	<u>96,067,866</u>	<u>104,829,769</u>	<u>92,304,163</u>
Business-Type Activities:						
Water	13,372,173	14,316,223	14,013,116	13,614,034	14,449,902	14,904,479
Wastewater	1,929,214	1,972,310	2,218,519	2,407,534	2,317,726	2,443,497
Marina	2,378,869	2,112,615	2,320,709	2,139,241	2,168,789	2,414,479
Other-Non-Major Enterprise Funds	6,663,142	7,430,302	7,607,155	7,563,600	5,552,384	5,147,172
Total Business-Type Activities Expenses	<u>24,343,398</u>	<u>25,831,450</u>	<u>26,159,499</u>	<u>25,724,409</u>	<u>24,488,801</u>	<u>24,909,627</u>
Total Primary Government Expenses	<u>\$121,699,781</u>	<u>\$139,463,427</u>	<u>\$164,821,064</u>	<u>\$121,792,275</u>	<u>\$129,318,570</u>	<u>\$117,213,790</u>

**Program Revenues**

*\* See Note on Statistics Introduction Tab*

Governmental Activities:						
Charges for Services:						
General Government	\$8,362,348	\$114,718	\$2,165,995	\$6,451,351	\$5,614,500	\$6,851,699
Public Safety	633,513	750,286	1,054,367	1,287,433	987,348	1,044,743
Public Works	4,077,620	2,930,076	1,186,331	5,733,983	2,755,943	3,596,128
Community Development	90,302	4,318,365	8,392,107	5,914,983	6,498,599	17,227,599
Culture and Recreation	533,114	419,320	198,873	212,184	257,627	420,047
Operating Grants and Contributions	19,357,391	18,175,592	15,252,456	14,022,072	16,926,790	12,661,954
Capital Grants and Contributions	948,905	5,243,189	2,193,823	1,119,989	929,465	3,997,403
Total Government Activities Program Revenues	<u>34,003,193</u>	<u>31,951,546</u>	<u>30,443,952</u>	<u>34,741,995</u>	<u>33,970,272</u>	<u>45,799,573</u>

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

	<b>Fiscal Year Ended June 30,</b>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Business-Type Activities:						
Charges for Services:						
Water	15,974,805	15,780,234	15,121,036	16,695,089	16,880,039	17,295,760
Wastewater	3,864,420	3,305,065	3,846,151	4,471,813	4,373,309	4,567,622
Marina	1,653,350	1,732,960	1,829,397	1,681,500	1,850,375	1,951,872
Other-Non-Major Enterprise Funds	6,242,843	7,369,613	7,965,358	6,915,483	10,513,007	5,966,339
Operating Grants and Contributions						
Capital Grants and Contributions	197,903	331,649	18,110,472	591,456	309,021	205,675
Total Business-Type Activities Program Revenue	<u>27,933,321</u>	<u>28,519,521</u>	<u>46,872,414</u>	<u>30,355,341</u>	<u>33,925,751</u>	<u>29,987,268</u>
Total Primary Government Program Revenues	<u>\$61,936,514</u>	<u>\$60,471,067</u>	<u>\$77,316,366</u>	<u>\$65,097,336</u>	<u>\$67,896,023</u>	<u>\$75,786,841</u>
<b>Net (Expense)/Revenue</b>						
Governmental Activities	(\$63,353,190)	(\$81,680,431)	(\$108,217,613)	(\$61,325,871)	(\$70,859,497)	(\$46,504,590)
Business-Type Activities	<u>3,589,923</u>	<u>2,688,071</u>	<u>20,712,915</u>	<u>4,630,932</u>	<u>9,436,950</u>	<u>5,077,641</u>
Total Primary Government Net Expense	<u>(\$59,763,267)</u>	<u>(\$78,992,360)</u>	<u>(\$87,504,698)</u>	<u>(\$56,694,939)</u>	<u>(\$61,422,547)</u> *	<u>(\$41,426,949)</u>

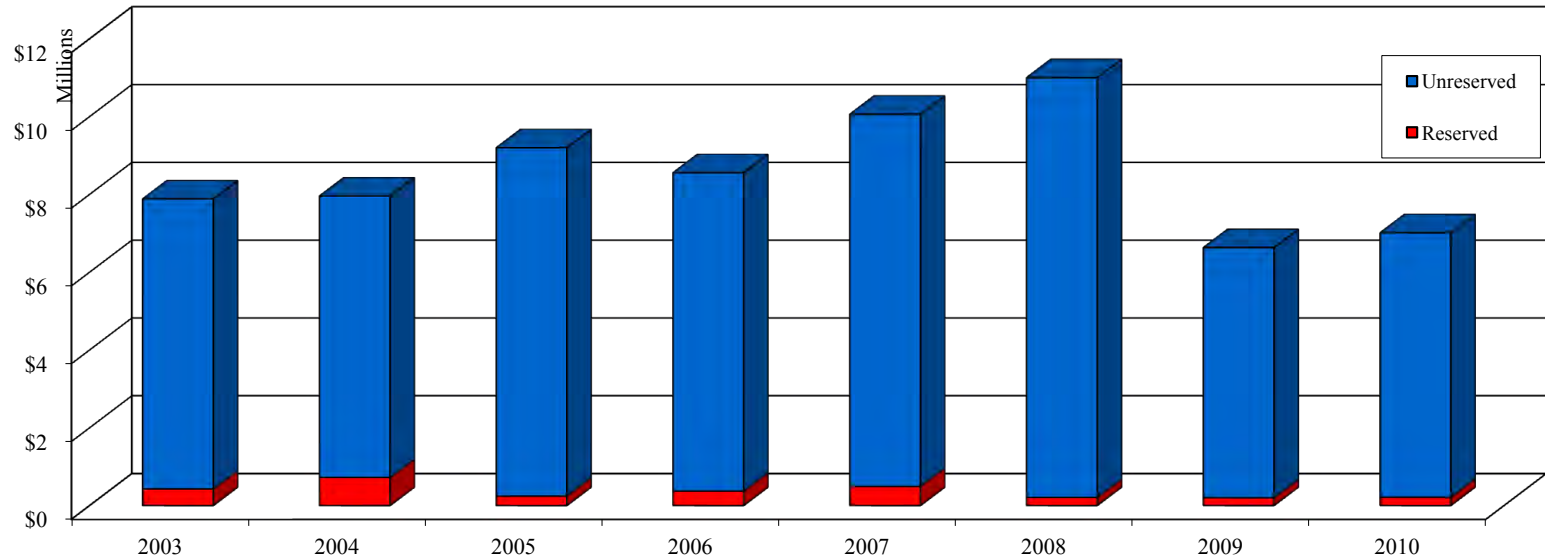
**CITY OF PITTSBURG**  
**Changes in Net Assets**  
**(continued)**  
**Last Six Fiscal Years**  
**(Accrual Basis of Accounting)**

	<b>Fiscal Year Ended June 30,</b>					
	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities:						
Taxes:						
Property Taxes	\$50,917,360	\$51,782,902	\$49,448,715	\$39,995,052	\$40,456,473	\$23,507,704
Sales Taxes	7,953,283	7,295,549	7,167,394	5,998,652	5,438,354	6,168,690
Motor Vehicle In-Lieu	6,042,275	4,871,681	4,714,411	4,019,459	3,936,649	4,470,104
Transient Occupancy Tax	149,393	172,734	185,120	256,226	279,852	361,238
Inter Governmental Revenues	0	0	0	0	0	0
Nonregulatory Franchise and Business	2,246,603	3,544,661	3,025,968	2,378,602	2,660,883	3,103,823
Interest Earnings	11,146,109	11,718,198	10,602,828	2,414,528	2,314,878	1,583,153
Other	2,134,499	940,352	1,166,245	3,309,593	7,375,344	6,822,671
Transfers	563,960	10,773,070	6,242,560	1,454,110	3,957,110 *	276,797,626
Gain (loss) on sale of assets					(18,539,878)	0
<b>Total Government Activities</b>	<b>81,153,482</b>	<b>91,099,147</b>	<b>82,553,241</b>	<b>59,826,222</b>	<b>47,879,665 *</b>	<b>322,815,009</b>
Business-Type Activities:						
Interest Earnings	2,263,490	1,961,224	1,093,600	321,967	447,506	400,199
Transfers	(563,960)	(8,688,861)	(6,242,560)	(1,454,110)	(3,957,110)	(7,720,043)
<b>Total Business-Type Activities</b>	<b>1,699,530</b>	<b>(6,727,637)</b>	<b>(5,148,960)</b>	<b>(1,132,143)</b>	<b>(3,509,604)</b>	<b>(7,319,844)</b>
<b>Total Primary Government</b>	<b>\$82,853,012</b>	<b>\$84,371,510</b>	<b>\$77,404,281</b>	<b>\$58,694,079</b>	<b>\$44,370,061 *</b>	<b>\$315,495,165</b>
<b>Change in Net Assets</b>						
Governmental Activities	\$17,800,292	\$9,418,716	(\$25,664,372)	(\$1,499,649)	(\$22,979,832)	\$275,910,220
Business-Type Activities	5,289,453	(4,039,566)	15,563,955	3,498,789	5,927,346	(2,242,203)
<b>Total Primary Government</b>	<b>\$23,089,745</b>	<b>\$5,379,150</b>	<b>(\$10,100,417)</b>	<b>\$1,999,140</b>	<b>(\$17,052,486) *</b>	<b>\$273,668,017</b>

\* See Note on Statistics Introduction Tab

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

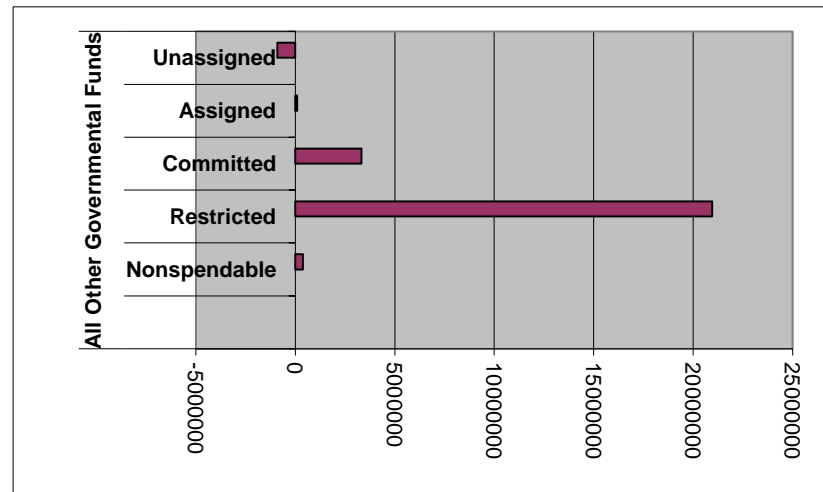
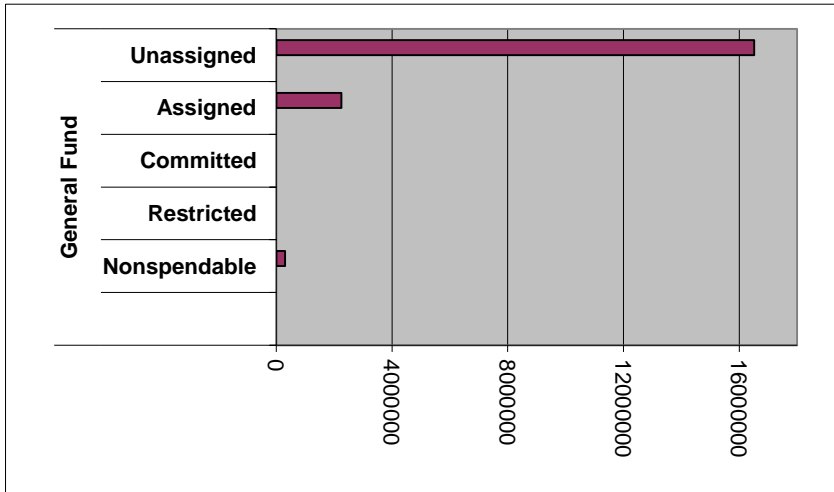
\*Pre-GASB 54; See Next page for GASB 54 FY2011



	<b>Fiscal Year Ended June 30,</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>General Fund</b>								
Reserved	\$ 426,978	\$ 722,510	\$ 245,280	\$ 372,186	\$ 492,681	\$ 208,767	\$ 202,586	\$ 215,249
Unreserved	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>	<b>7,883,561</b>	<b>7,957,778</b>	<b>9,197,998</b>	<b>8,555,993</b>	<b>10,059,367</b>	<b>11,001,779</b>	<b>6,631,436</b>	<b>7,013,311</b>
<b>All Other Governmental Funds</b>								
Reserved	\$ 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	3,524,346	7,287,439	2,162,348	9,204,969	2,526,959		0	0
Capital Project Funds	4,964,337	6,393,824	931,032	10,007,934	0		0	0
<b>Total all other governmental funds</b>	<b>\$ 106,780,943</b>	<b>\$ 100,104,419</b>	<b>\$ 196,520,654</b>	<b>\$ 187,549,480</b>	<b>\$ 280,458,619</b>	<b>\$ 237,127,799</b>	<b>\$ 187,181,390</b>	<b>\$ 155,960,854</b>

**CITY OF PITTSBURG**  
**Fund Balances of Governmental Funds**

**(GASB 54 FY2011 Implementation Year)**



	<u>Fiscal Year Ended June 30,</u>	
	<u>2011</u>	<u>2012</u>
<b>General Fund</b>		
Nonspendable	\$ 280,573	\$ 305,497
Restricted		
Committed		
Assigned	2,058,442	2,254,799
Unassigned	16,456,660	16,513,473
<b>Total General Fund</b>	<u>\$ 18,795,675</u>	<u>\$ 19,073,769</u>
<b>All Other Governmental Funds</b>		
Nonspendable	\$ 8,169,424	\$ 379,850
Restricted	121,278,118 *	20,958,302
Committed	5,847,490	3,317,275
Assigned	1,025,382	\$84,505
Unassigned	(8,180,337)	(904,204)
<b>Total all other governmental funds</b>	<u>\$ 128,140,077</u>	<u>\$ 23,835,728</u>
<b>Total Fund Balances</b>	<u>\$ 146,935,752</u>	<u>\$ 42,909,497</u>

\* See Note on Statistics Introduction Tab which explains the Jan 2012 RDA Dissolution by State of California  
 For additional Detail on Fund Classifications, see Note 9 of Notes to Basic Financial Statements



**CITY OF PITTSBURG**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*

**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,				
	2003	2004	2005	2006	2007
<b>Revenues</b>					
Taxes	\$42,240	\$47,650	\$49,003	\$55,803	\$65,549
Licenses, permits and fees	4,506	2,402	4,632	2,016	8,620
Fines and forfeitures	395	283	295	170	249
Use of money and property	9,619	2,248	4,733	7,594	10,899
Intergovernmental revenues	20,570	23,542	20,523	21,896	21,277
Charges for services	3,339	4,322	5,666	3,692	5,584
Other	4,437	1,540	1,843	4,992	1,626
<b>Total Revenues</b>	<b>85,106</b>	<b>81,987</b>	<b>86,695</b>	<b>96,163</b>	<b>113,804</b>
<b>Expenditures</b>					
Current:					
General government	15,259	14,882	20,419	60,290	19,986
Public safety	14,672	14,585	14,346	15,900	16,572
Public works	5,682	5,635	10,530	7,472	10,998
Community development	23,858	18,074	25,996	18,724	24,232
Culture and recreation	1,181	1,522	1,574	1,773	1,893
Capital outlay	10,384	19,949	13,750	23,649	47,903
Debt service:					
Principal repayment	4,510	4,240	4,100	4,790	4,960
Interest and fiscal charges	11,806	9,454	13,577	15,525	18,221
<b>Total Expenditures</b>	<b>87,352</b>	<b>88,341</b>	<b>104,292</b>	<b>148,123</b>	<b>144,765</b>
Excess (deficiency) of revenues over (under) expenditures	(2,246)	(6,354)	(17,597)	(51,960)	(30,961)
<b>Other Financing Sources (Uses)</b>					
Transfers in	90,901	37,092	43,733	47,720	75,014
Transfers (out)	(93,154)	(38,556)	(52,248)	(51,305)	(74,999)
Capital Contributions				3,208	(180)
Refunding tax allocation bonds	(36,495)		(21,166)		
Payment to escrow Account					(44,218)
Tax allocation bonds issued	88,375		146,605	39,566	169,820
Special assessment bonds issued			(3,936)		
Bond Issuance Costs				(248)	(4,171)
Sale of capital assets	1,004	1,215	2,264	3,193	4,109
<b>Total other financing sources (uses)</b>	<b>50,631</b>	<b>(249)</b>	<b>115,252</b>	<b>42,134</b>	<b>125,375</b>
<b>Net Change in fund balances before</b>	<b>\$48,385</b>	<b>(\$6,603)</b>	<b>\$97,655</b>	<b>(\$9,826)</b>	<b>\$94,414</b>
<i>Extraordinary Items (Note 4)</i>					
Assets Transferred to Housing Successor					
Liabilities Assumed by Successor Agency					
<b>NET Change in Fund Balances</b>					
Debt service as a percentage of noncapital expenditures	21.2%	20.0%	19.5%	16.3%	23.6%

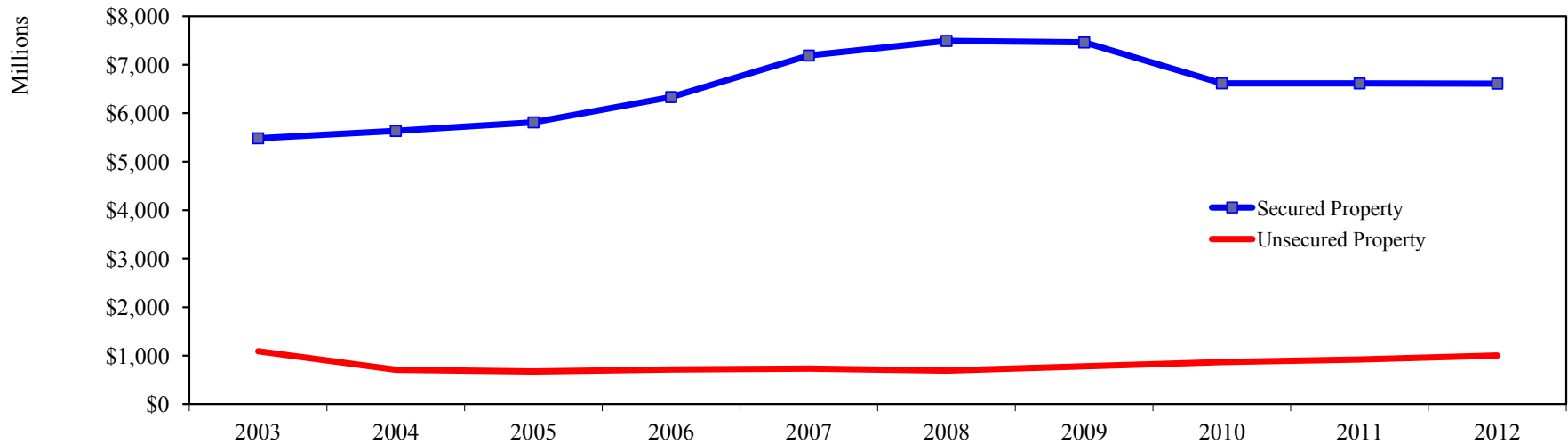
**Fiscal Year Ended June 30,**

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$65,453	\$62,819	\$54,174	\$56,023	\$40,582
2,091	599	1,145	2,120	2,794
880	670	185	175	187
11,444	10,602	2,780	2,764	1,689
25,119	23,692	21,089	23,118	27,584
4,810	5,705	4,879	6,205	4,071
2,360	2,641	7,470	3,738	7,557
<u>112,157</u>	<u>106,728</u>	<u>91,722</u>	<u>94,143</u>	<u>84,464</u>
20,127	18,473	16,766	13,528	12,496
18,141	18,819	19,334	19,253	19,536
8,889	8,295	8,394	11,947	6,609
37,243	33,465	23,809	38,541	29,535
1,855	1,741	733	476	595
49,763	29,245	24,467	10,262	4,901
7,550	9,311	8,269	9,667	11,485
25,261	32,089	23,205	23,121	13,598
<u>168,829</u>	<u>151,438</u>	<u>124,977</u>	<u>126,795</u>	<u>98,755</u>
<u>(56,672)</u>	<u>(44,710)</u>	<u>(33,255)</u>	<u>(32,652)</u>	<u>(14,291)</u>
94,537	87,911	111,605	68,170	45,327
(83,373)	(82,193)	(110,316)	(63,633)	(37,343)
(15)	0			
	(79,665)			
0	0			
0	61,661			
(13)	0			
2,315	2,680	1,127	(18,553)	2,211
<u>13,451</u>	<u>(9,606)</u>	<u>2,416</u>	<u>(14,016)</u>	<u>10,195</u>
<u>(\$43,221)</u>	<u>(\$54,316)</u>	<u>(\$30,839)</u>	<u>(\$46,668)</u>	<u>(\$4,096)</u>
				<u>(99,930)</u>
				<u>\$ (104,026)</u>
26.6%	29.2%	32.7%	31.9%	28.7%

\* 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	Secured Totals Before Exemptions				Unsecured Property	GRAND Total	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property	HOPTR (1)					
2003	\$ 845,401,218	\$ 2,433,280,215	\$ 21,109,639	\$ 68,588,456	\$ 1,091,435,507	\$ 4,391,226,579	\$ 4,262,656,324	\$ 4,262,656,324	1%
2004	1,046,503,726	3,147,462,227	20,945,073	69,854,212	709,095,037	4,924,006,063	4,787,689,809	4,787,689,809	1%
2005	1,214,874,628	3,226,664,477	17,393,708	69,378,527	675,820,760	5,134,753,573	4,996,083,733	4,996,083,733	1%
2006	1,417,629,819	3,461,480,941	19,005,669	68,931,232	717,030,128	5,615,146,557	5,480,070,846	5,480,070,846	1%
2007	1,755,807,325	3,935,984,909	25,561,424	67,070,432	735,525,554	6,452,879,212	6,274,310,595	6,274,310,595	1%
2008	2,079,929,185	3,998,818,379	27,034,992	66,662,966	692,059,619	6,797,842,175	6,601,742,515	6,601,742,515	1%
2009	1,886,619,969	3,977,346,545	29,871,943	66,141,210	782,213,672	6,676,052,129	6,471,729,308	6,471,729,308	1%
2010	1,355,858,246	3,488,509,274	35,030,993	65,495,515	868,770,588	5,748,169,100	5,534,225,314	5,534,225,314	1%
2011	1,271,652,002	3,468,075,002	32,556,725	64,704,851	921,168,099	5,693,451,828	5,454,178,663	5,454,178,663	1%
2012	1,199,342,285	3,380,327,868	29,398,082	62,930,462	1,000,793,072	5,609,861,307	5,383,671,006	5,383,671,006	1%

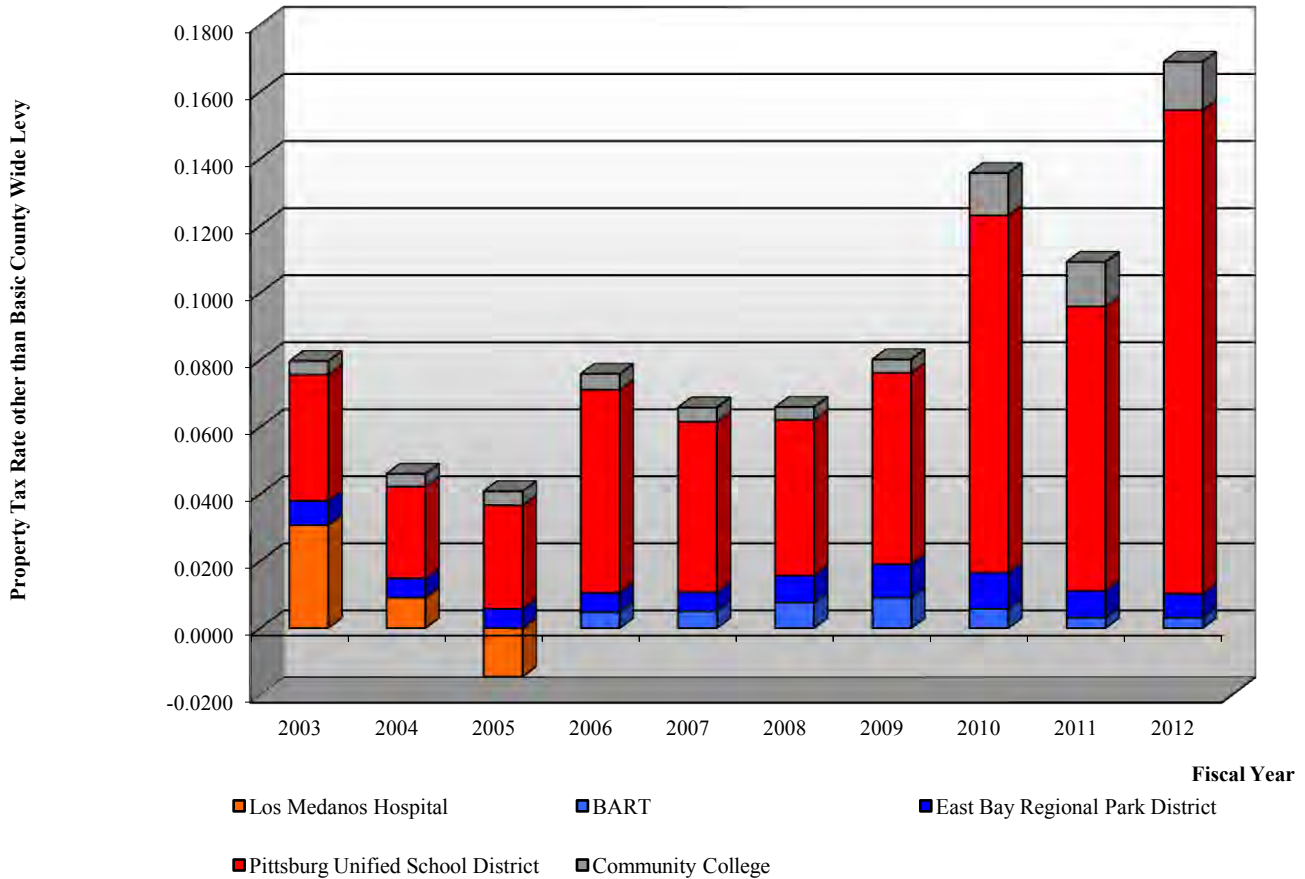
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

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	Pittsburg Direct Rate*	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
2003	1.0000	0.74351	0.0307	-	0.0072	0.0377	0.0040	1.8231
2004	1.0000	0.73468	0.0091	-	0.0057	0.0274	0.0038	1.7807
2005	1.0000	0.74275	-0.0144	-	0.0057	0.0309	0.0042	1.7691
2006	1.0000	0.73642	0.0000	0.0048	0.0057	0.0606	0.0047	1.8074
2007	1.0000	0.73326	0.0000	0.0050	0.0057	0.0508	0.0043	1.7941
2008	1.0000	0.74171	0.0000	0.0076	0.0080	0.0465	0.0038	1.8000
2009	1.0000	0.74057	0.0000	0.0090	0.0100	0.0571	0.0040	1.8117
2010	1.0000	0.73534	0.0000	0.0057	0.0108	0.1066	0.0126	1.8653
2011	1.0000	0.73265	0.0000	0.0031	0.0080	0.0848	0.0133	1.8388
2012	1.0000	0.73307	0.0000	0.0041	0.0071	0.1443	0.0144	1.8989

\* Pittsburg Direct Rate = the weighted average of City's Share of 1% levy & Redevelopment Rate  
Source: Contra Costa County Assessors Office & Hdl Coren & Cone

**CITY OF PITTSBURG**  
**Assessed Value and Property Tax Roll Summary**

**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Land</u>	<u>Improvements</u>	<u>Personal Property</u>	<u>Less: Homeowners' Exemption</u>	<u>Less: Other</u>	<u>Total Secured Tax Roll</u>	<u>Total Unsecured Tax Roll</u>	<u>Total Assessed Valuation</u>
2002-2003	\$ 845,401,218	\$ 2,433,280,215	\$ 123,237,922	\$ -68,451,600	\$ -54,406,539	\$ 3,279,061,216	\$ 1,085,723,391	\$ 4,262,656,324
2003-2004	1,046,503,726	3,147,462,227	120,569,117	-69,707,400	-61,306,949	4,183,520,721	703,793,132	4,787,689,809
2004-2005	1,214,874,628	3,226,664,477	107,600,340	-69,216,000	-63,740,913	4,416,182,532	670,107,833	4,996,083,733
2005-2006	1,417,629,819	3,461,480,941	101,971,604	-68,787,600	-65,514,813	4,846,779,951	716,256,830	5,480,070,846
2006-2007	1,755,807,325	3,935,984,909	118,060,203	-66,957,200	-106,131,706	5,636,763,531	730,045,843	6,274,310,595
2007-2008	2,079,929,185	3,998,818,379	120,147,498	-66,545,300	-127,704,337	6,004,645,425	690,209,596	6,601,742,515
2008-2009	1,886,619,969	3,977,346,545	134,495,806	-66,038,800	-132,390,888	5,800,032,632	776,320,539	6,471,729,308
2009-2010	1,355,858,245	3,488,509,274	130,709,789	-65,387,600	-141,690,671	4,767,999,037	861,905,073	5,534,225,314
2010-2011	1,271,652,002	3,468,075,002	139,832,660	-64,606,300	-167,879,712	4,647,073,652	914,380,946	5,454,178,663
2011-2012	1,199,342,285	3,380,327,868	141,090,919	-62,839,500	-156,376,417	4,501,545,155	993,818,688	5,383,671,006

Source: Contra Costa County Office of the Auditor-Controller

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

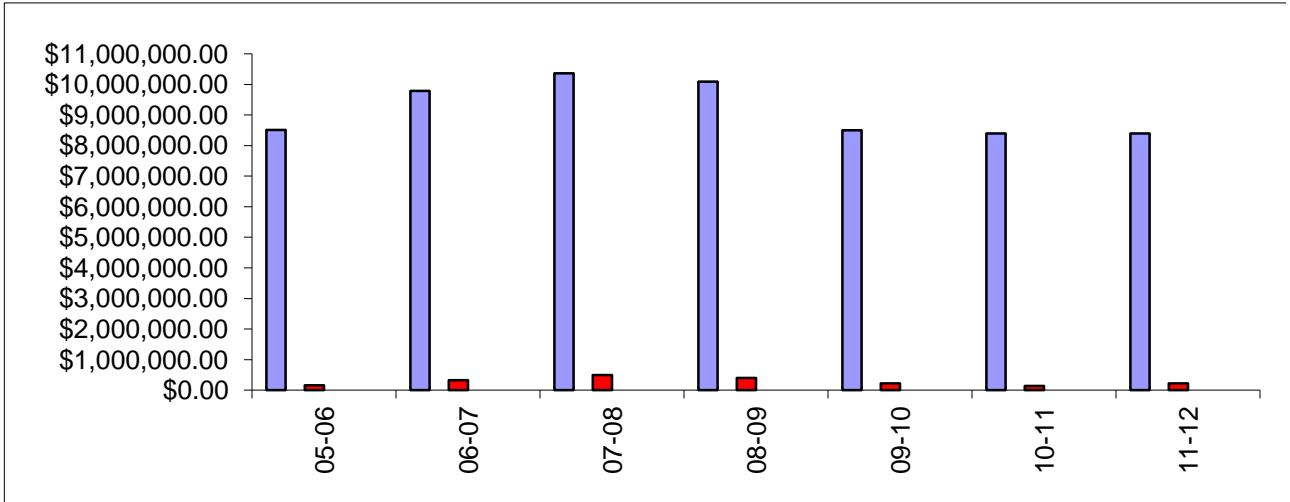
<u>Taxpayer</u>	<u>2011-12</u>			<u>2002-03</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
Delta Energy Center	\$ 424,100,000	1	9.52%			
Calpine Corporation	351,212,000	2	35.33%	\$ 554,380,846	1	14.30%
USS - Posco Industries	271,186,770	3	6.09%	386,570,960	2	9.97%
Dow Agrosociences LLC	168,944,052	4	17.00%	240,951,877	3	6.21%
United Spiral Pipe LLC	139,013,504	5	13.99%			
Dow Chemical Company	123,580,010	6	2.78%			
Sierra Pacific Properties	97,599,076	7	2.19%	63,649,021	4	1.64%
Century Plaza Corporation	72,340,626	8	1.62%	42,029,799	7	1.08%
K2 Pure Solutions	59,080,786	9	5.94%			
Kirker Creek Limited Partnership	54,635,188	10	1.23%	39,850,557	9	1.03%
GWF Power System Limited Partner				56,507,728	6	1.46%
National Energy Constructors				59,431,442	5	1.53%
Praxair				26,440,908	8	0.68%
ACG-Pittsburg Investors LLC				23,404,832	10	0.60%

<b>Subtotal</b>	<u><u>\$1,761,692,012</u></u>	<u><u>39.56%</u></u>	<u><u>\$1,493,217,970</u></u>	<u><u>38.51%</u></u>
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Total Net Assessed Valuation:  
Fiscal Year 2011-2012      \$4,452,691,818      993,992,893  
Fiscal Year 2002-2003      \$3,877,101,018

Source: HdL Coren & Cone

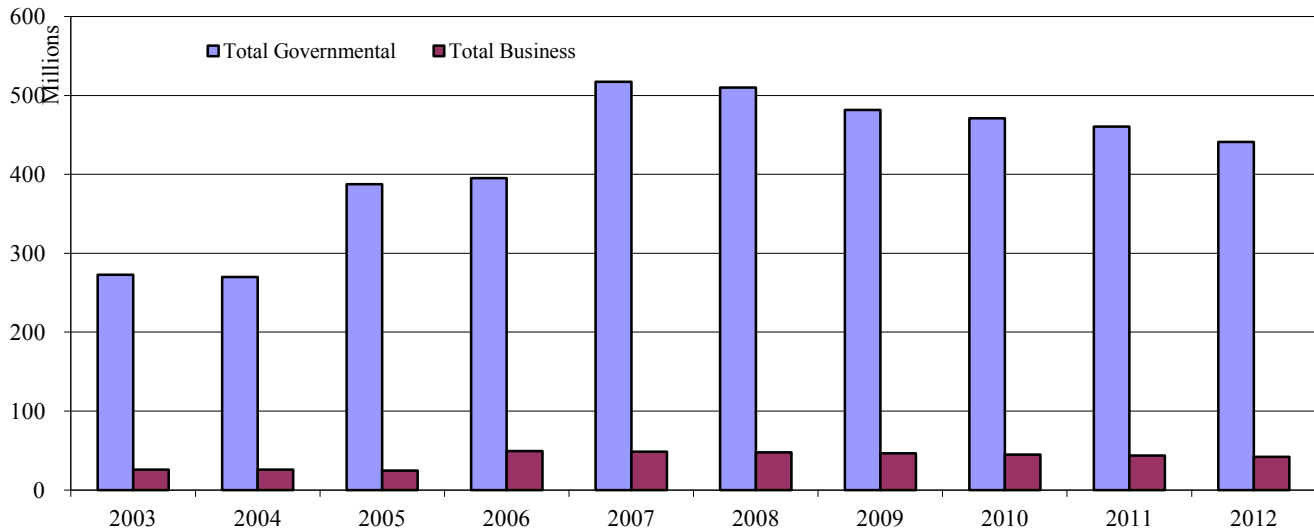
**CITY OF PITTSBURG**  
**Secured Tax Charges and Amount Delinquent as of June 30**  
**Last Seven Fiscal Years**



<u>Fiscal Year</u>	<u>Secured Tax Charges</u>	<u>Amount Delinquent Collections</u>	<u>Percent % Delinquent</u>
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%
10-11	8,398,671	144,235	1.72%
11-12	8,399,298	228,198	2.72%

\* Data prior to FY 05-06 not available  
Source: CA Municipal Statistics

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



**Governmental Activities**

Fiscal Year	Governmental Activities				Total
	Tax Allocation Bonds	Pass Through Obligations	Special Assessment Debt	Landfill Containment	
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
2011	420,857,213	6,342,224	33,580,000	N/A	460,779,437
2012	409,672,213	0	31,540,000	N/A	441,212,213

**Business-Type Activities**

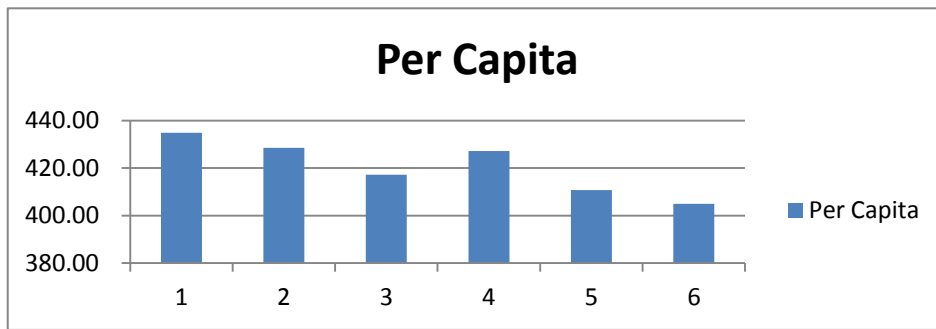
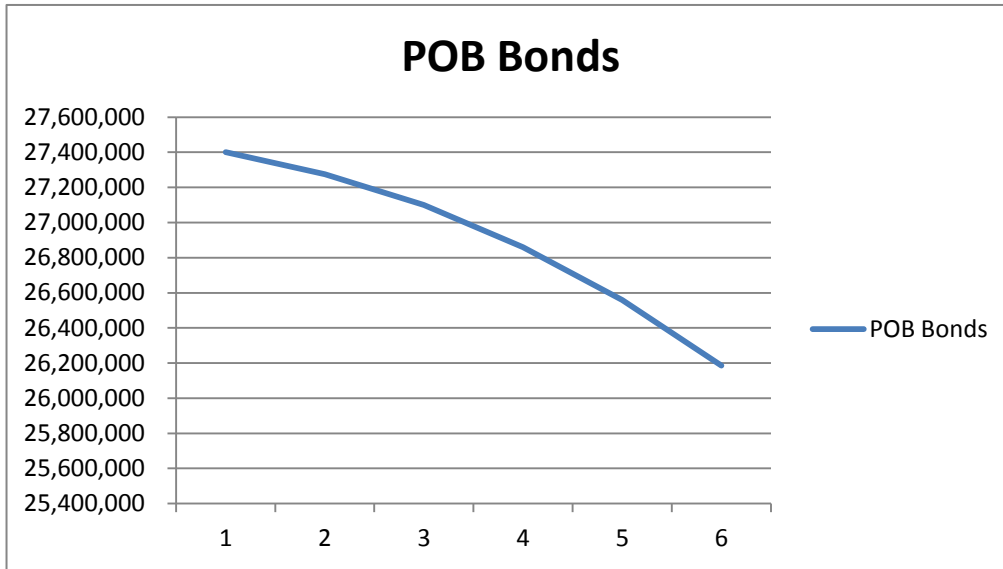
Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Water Revenue Bonds	Sewer Revenue Bonds	Total			
2003	\$ 14,070,000	\$ 11,545,000	\$ 25,615,000	\$ 298,577,758	10.48%	\$ 4,889
2004	13,760,000	11,845,000	25,605,000	295,589,720	9.76%	4,808
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
2011	35,515,000	8,025,000	43,540,000	504,319,437	12.62%	8,021
2012	34,580,000	7,420,000	42,000,000	483,212,213	11.77%	7,473

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

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

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

**CITY OF PITTSBURG**  
**Ratio of Pension Obligation Debt Outstanding**  
**Last Six Fiscal Years\***



Fiscal Year	General Bonded Debt Outstanding		Percentage of	
	POB Bonds	Total	Total Gross Revenue	Per Capita
2007	\$ 27,400,000	\$ 27,400,000	24.08%	\$ 434.89
2008	27,275,000	27,275,000	24.32%	428.50
2009	27,100,000	27,100,000	25.39%	417.13
2010	26,860,000	26,860,000	29.28%	427.18
2011	26,560,000	26,560,000	28.21%	410.76
2012	26,185,000	26,185,000	31.00%	404.96

Pension Obligation Bonds issued June 2006

\* This debt service schedule does not include the Capital Appreciation Bonds of \$12,166,055.85

**CITY OF PITTSBURG**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2012**

2011-12 Assessed Valuation \$1,798,522,405  
(After deducting \$3,648,079,063 Redevelopment Incremental Valuation)

	Total Debt Outstanding 6/30/2012	Percentage Applicable To City of Pittsburg	Amount Applicable To City of Pittsburg
<b>OVERLAPPING TAX AND ASSESSMENT DEBT</b>			
Bay Area Rapid Transit District GO Bonds	\$412,540,000	0.412%	\$1,699,665
Contra Costa Community College District	223,985,000	1.445%	3,236,583
Antioch Unified School District Facilities Improvement Distritet No. 1	39,927,391	1.844%	736,261
Mount Diablo Unified School District	458,250,057	0.953%	4,367,123
Mount Diablo Unified School District CFD No.1	52,675,000	0.953%	501,993
Pittsburg Unified School District	159,705,000	94.517%	150,948,375
City of Pittsburg Community Facilities District No. 2005-2	10,905,000	100%	10,905,000
City of Pittsburg 1915 Act Bonds	21,895,000	100%	21,895,000
East Bay Regional Park District	129,525,000	0.641%	830,255
<b>SUB-TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>	<b>\$1,509,407,448</b>		<b>195,120,255</b>
<b>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</b>			
Contra Costa County General Fund Obligations	\$301,690,976	1.438%	4,338,316
Contra Costa County Pension Obligations	358,495,000	1.438%	5,155,158
Contra Costa Community College District Certificates of Participation	855,000	1.445%	12,355
Antioch Unified School District Certificates of Participation	20,175,000	0.940%	189,645
Pittsburg Unified School District Certificates of Participation	28,830,000	94.517%	27,249,251
City of Pittsburg Pension Obligation Bonds	38,726,056	100%	38,726,056
Contra Costa Fire Protection District Pension Obligations	111,595,000	3.261%	3,639,113
<b>SUB-TOTAL GROSS AND OVERLAPPING GENERAL FUND DEBT</b>	<b>860,367,032</b>		<b>79,309,894</b>
<b>Less: Contra Costa County revenue supported obligations</b>			<b>(1,628,791)</b>
<b>TOTAL NET DIRECT &amp; OVERLAPPING GENERAL FUND DEBT</b>	<b>\$860,367,032</b>		<b>\$77,681,103</b>
<b>TOTAL DIRECT DEBT</b>			<b>\$38,726,056</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>235,704,093</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>234,075,302</b>
<b>GROSS COMBINED TOTAL DEBT</b>		(1)	<b>\$274,430,148</b>
<b>NET COMBINED TOTAL DEBT</b>	<b>\$2,369,774,480</b>		<b>\$272,801,357</b>

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

**RATIOS TO ADJUSTED ASSESSED VALUATION:**

Combined Direct Debt (\$38,726,056)	2.15%
Gross Combined Total Debt	15.26%
Net Combined Total Debt	15.17%

Source: HdL Coren & Cone, Contra Costa Aseesor and Auditor



**CITY OF PITTSBURG**  
**Computation of Legal Bonded Debt Margin**  
**June 30, 2012**

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	\$1,798,522,405 (1)
(1) Net of \$3,648,079,063 Redevelopment Incremental Valuation	

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) \$67,444,590

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	
Amount of debt subject to limit	0

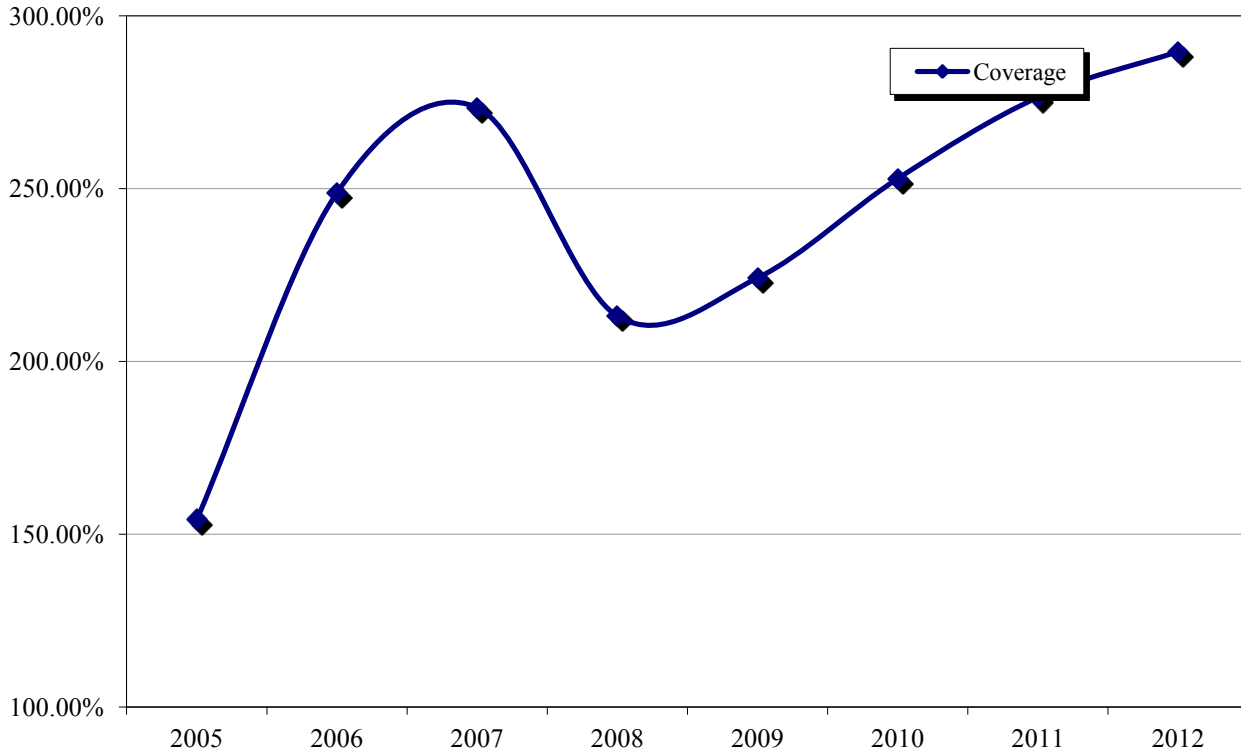
LEGAL BONDED DEBT MARGIN \$67,444,590

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
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%
2011	68,710,034	0	68,710,034	0.00%
2012	67,444,590	0	67,444,590	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**



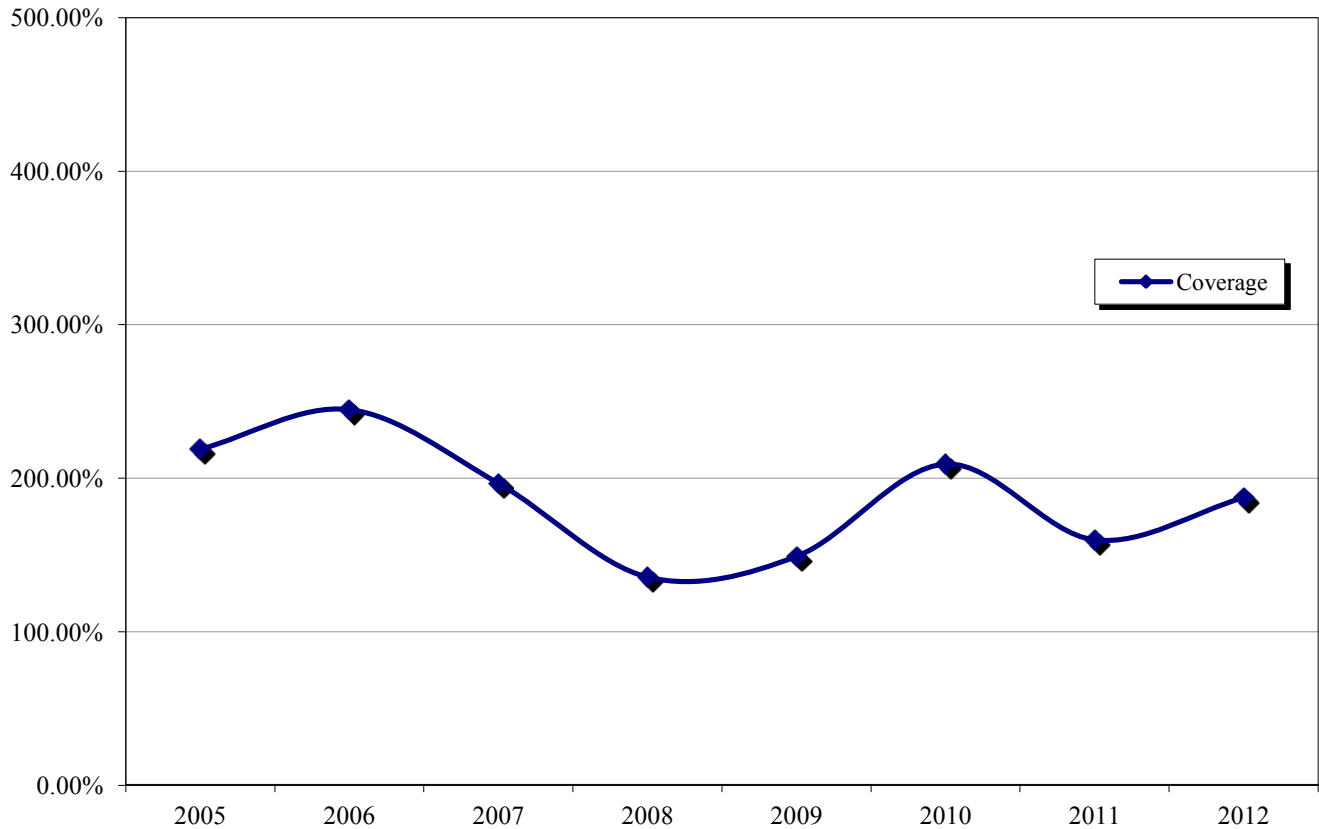
Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 2,684,198	\$ 1,255,320	\$ 1,428,878	\$ 510,000	\$ 416,557	\$ 926,557	1.54
2006	3,821,139	1,559,752	2,261,387	520,000	388,978	908,978	2.49
2007	4,104,374	1,557,192	2,547,182	530,000	401,640	931,640	2.73
2008	3,534,174	1,571,582	1,962,592	545,000	376,049	921,049	2.13
2009	3,951,296	1,887,607	2,063,689	555,000	365,802	920,802	2.24
2010	4,431,558	2,032,469	2,399,089	570,000	378,784	948,784	2.53
2011	4,407,092	1,846,762	2,560,330	590,000	336,436	926,436	2.76
2012	4,651,016	1,971,734	2,679,282	605,000	320,198	925,198	2.90

Notes:

This Schedule has been modified to reconcile to the Revenue Manager's Analysis for annual Bond Disclosures

Source: City of Pittsburgh Annual Financial Statements as analyzed by Finance Division Revenue Manager

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



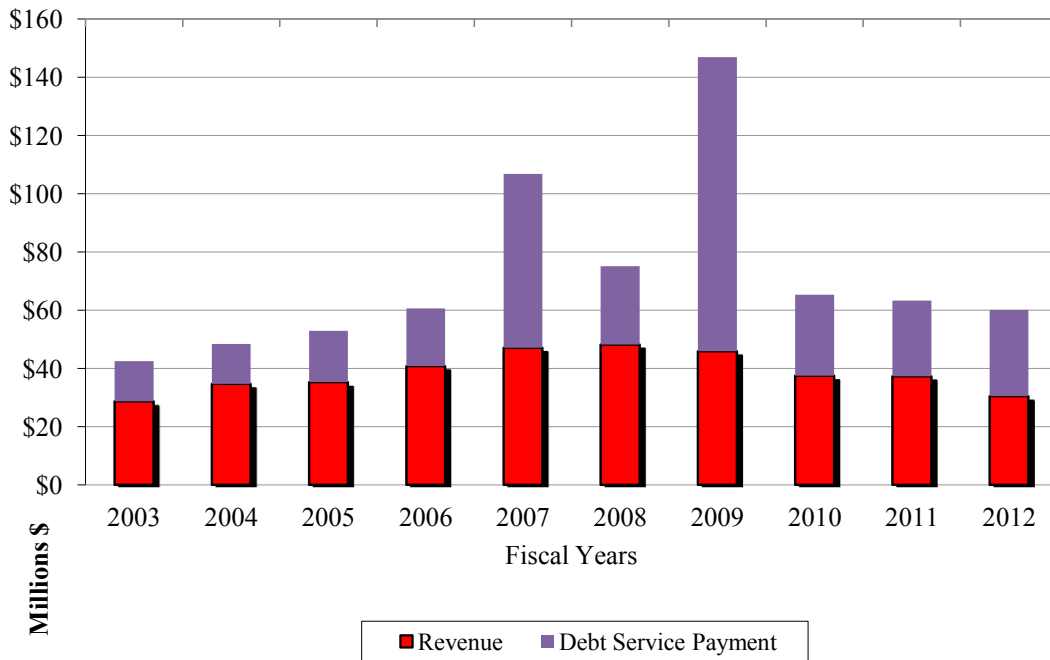
Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 11,544,389	\$ 9,565,349	\$ 1,979,040	\$ 310,000	\$ 594,049	\$ 904,049	2.19
2006	13,696,163	9,990,031	3,706,132	330,000	1,184,744	1,514,744	2.45
2007	15,675,745	11,075,094	4,600,651	720,000	1,618,683	2,338,683	1.97
2008	15,416,932	11,777,521	3,639,411	450,000	2,231,718	2,681,718	1.36
2009	15,261,927	11,776,223	3,485,704	450,000	1,887,100	2,337,100	1.49
2010	16,489,040	11,380,669	5,108,371	685,000	1,756,422	2,441,422	2.09
2011	16,622,010	11,087,014	5,534,996	835,000	2,626,509	3,461,509	1.60
2012	17,149,663	12,120,679	5,028,984	910,000	1,773,709	2,683,709	1.87

Notes:

This Schedule has been modified to reconcile to the Revenue Manager's Analysis for annual Bond Disclosures

Source: City of Pittsburgh Annual Financial Statements as Analyzed by the Finance Division Revenue Manager

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



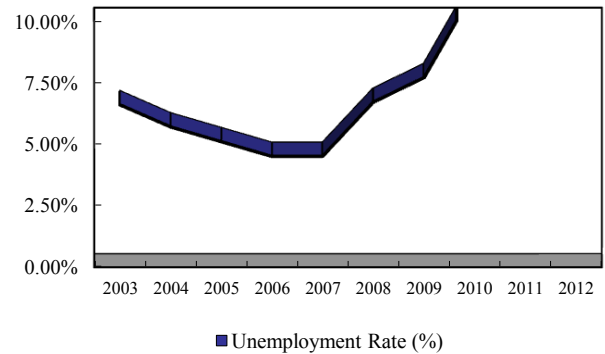
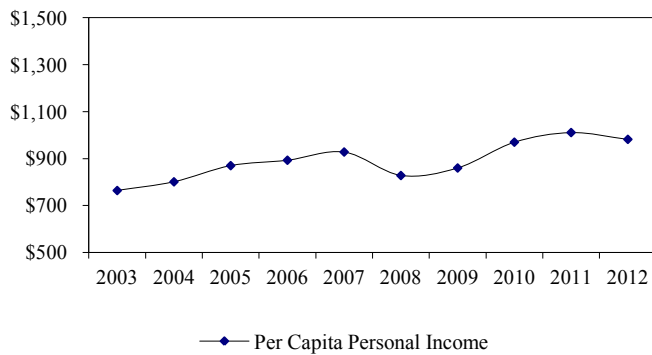
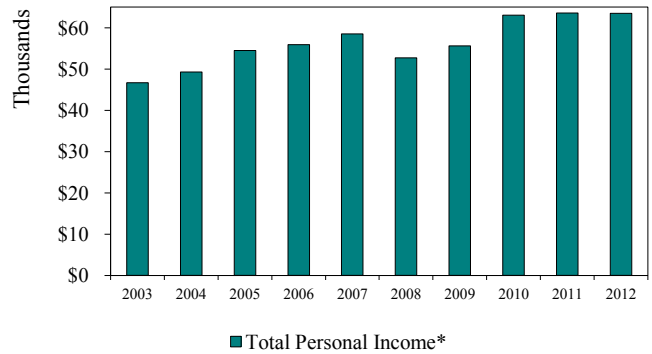
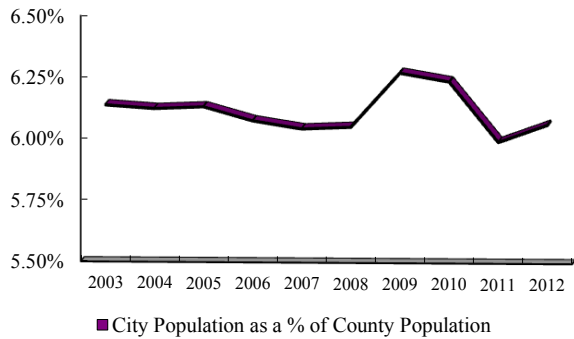
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
2003	\$ 28,663,760	\$ 4,510,000	\$ 9,330,885	\$ 13,840,885	2.07
2004	34,730,440	4,240,000	9,454,394	13,694,394	2.54
2005	35,255,101	4,100,000	13,576,709	17,676,709	1.99
2006	40,823,118	4,790,000	14,995,717	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
2011	37,342,837	9,310,000	16,683,580	25,993,580	1.44
2012	30,497,707	11,185,000	18,391,950	29,576,950	1.03

<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
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%
2011	62,877	63,570	1,011	12.3%	1,049,025	5.99%
2012	64,660	63,513	982	11.0%	1,066,096	6.07%

Source: On-line factfinder.census.gov

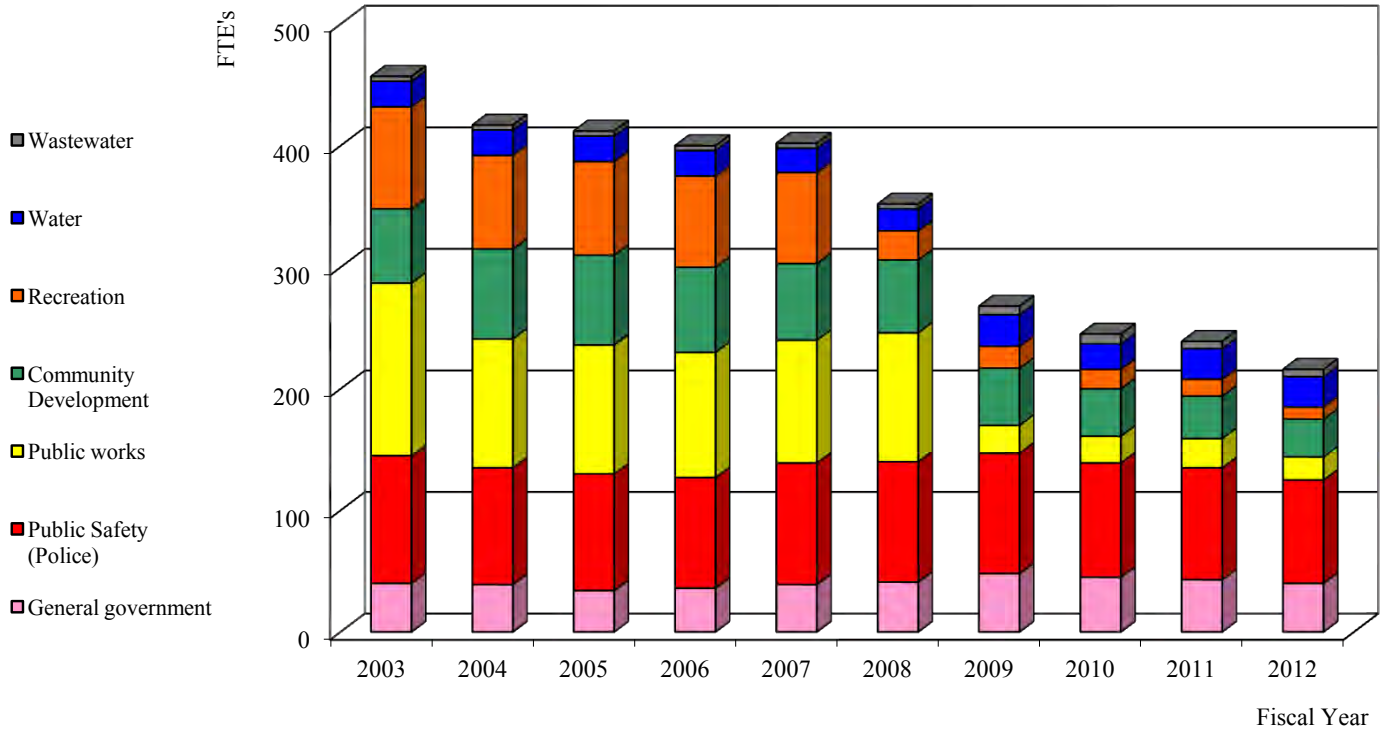
\*US Department of Commerce - Bureau of Economic Analysis (Contra Costa County)  
Pittsburg Chamber of Commerce

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

<u>Employer</u>	<u>2011-12</u>			<u>2002-03</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
Pittsburg Unified School District	965	1	2.8%			
USS - Posco Industries	700	2	2.0%	1,000	1	4.0%
Los Medanos Community College	640	3	1.9%			
Dow Chemical Company	400	4	1.2%	380	2	1.5%
Mi Pueblo Foods	250	5	0.7%			
City of Pittsburg	215	6	0.6%			
Angelica Corporation (Laundry)	220	7	0.6%			
Ramar Foods	220	7	0.6%			
Walmart	220	7	0.6%	220	3	0.9%
WinCo Foods	200	8	0.6%			
American Color Graphics				150	4	0.6%
Merit USA				95	5	0.4%
Signole Corporation				85	6	0.3%
ARB Construction				75	7	0.3%
Markstein Beverage Company				60	8	0.2%
Ramar International Corporation				55	9	0.2%
Bio-Zone Laboratories				45	10	0.2%
Subtotal	<u>4,030</u>		<u>11.7%</u>	<u>2,165</u>		<u>8.6%</u>
Employees in the City of Pittsburg	<u>34,525</u>					

Source: Telephone Survey by Finance Administrative Assistant  
2002-03 data from CAFR (Chamber of Commerce)

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



**Actual for Fiscal Year Ended June 30, 2011**

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	40	39	34	36	39	41	48	45	43	40
Public Safety (Police)	105	96	96	91	100	99	99	94	92	85
Public works	142	106	106	103	101	106	23	22 *	24	19
Community Development	61	74	74	70	63	60	47	39	35	31
Recreation	84	77	77	75	75	24	18 *	16	14	10
Water	21	21	21	21	20	18	26	21	25	25
Wastewater	4	4	4	4	4	4	7	8	6	6
<b>Total</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>	<b>239</b>	<b>216</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**  
*Comprehensive Annual Financial Report*  
*June 30, 2012*



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

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
<b>Function/Program</b>				
Public safety:				
Police:				
Police calls for Service	68,050	64,659	67,778	67,591
Law violations:				
Part I and Part II crimes	9,597	8,076	8,244	8,308
Physical arrests (adult and juvenile)	4,892	3,411	3,401	3,688
Traffic violations (VC14601 & VC12500)	1,112	871	568	636
 (1) Do not include Dec 2006 DOJ Monthly Report Traffic Violations reported to 12/18/06				
 (Fire Protection is Contra Costa County)				
Public works				
Street Re-surfacing (Miles)				
Streets Repaired (square feet)	96,023	62,472	78,411	42,509
Leisure Services:				
Community Services:	*			
Swim Participants	8,345	8,503	8,837	8,737
Softball Participants	649	210	145	320
Small World Park Gate Attendance	24,105	21,238	19,227	18,600
Senior Center Nutrition/Exercise Class	0	7,769	22,690	21,423
 (1) Senior Center Opened March 2004 January 2006 Senior Center flooded Closed 7.5 weeks				
Water				
Number of Meters Served	15,425	15,587	15,894	16,291
Water Main Breaks	n/a	n/a	65	61
Average Daily Consumption (millions of gallons)	9.487	9.769	9.155	9.508
Wastewater				
Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A)	150.22	155.72	155.72	157.72
Average daily treatment (thousands of gallons)	n/a	n/a	n/a	27
Solid Waste				
Refuse Landfilled (tons per year)	76,595	70,535	85,034	90,500
Recyclables Processed (tons per year)	27,709	31,946	33,037	35,000

Source: City of Pittsburg Divisions & Prior Year CAFR's  
Note: n/a denotes information not available.

\* Leisure Services Data not Available due to  
City Reorganization and Early Retirements

Fiscal Year					
2007	2008	2009	2010	2011	2012
71,643	70,707	74,487	69,078	70,623	67,779
8,923	8,117	8,545	7,568	8,084	8,044
4,042	3,955	4,406	3,512	4,708	4,558
901 (u)	1,163	1,613	1,502	1,986	1,950
76,240	133,103	86,553	0	0	0
9,135	9,134	N/A	N/A	N/A	264
429	465	N/A	N/A	N/A	2,300
18,660	17,376	N/A	15,833	N/A	19,783
18,777	15,735	N/A	16,777	18,186	13,786
16,731	16,579	16,718	17,097	17,254	17,444
102	76	65	74	45	60
10.320	10.36	8.86	8.48	7.85	8.52
159.12	159.12	159.12	171	172	172
34	34	34	34	34	34
68,000	85,700	77,817	49,978	45,106	N/A
42,000	43,425	25,750	33,948	35,868	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				
	2003	2004	2005	2006	2007
<b>Function/Program</b>					
Public safety:					
Police stations	1	1	1	1	1
Police patrol units (Includes Unmarked)	43	44	51	52	52
Public works					
Miles of streets (Center Line)	145.8	147.7	149.6	154.0	154.8
Street lights (Total)	3,580	3,741	3,766	3,796	3,975
Traffic Signals	50	50	51	52	59
Culture and recreation:					
Community services:					
City Parks	16	16	16	17	21
City parks acreage	122	122	122	125	145
Roadway landscaping acreage	12.9	13.2	13.2	13.2	13.2
Regional park acreage	46.4	47.7	53.2	54.0	56.0
Regional park facilities:					
Golf courses (18 holes)	1	1	1	1	1
Marina Fuel Station	1	1	1	1	1
Community Civic Center	1	1	1	1	1
Senior centers	1	1	1	1	1
Swimming pools	1	1	1	1	1
Tennis courts	1	1	1	1	1
Water					
Storage capacity (millions of gallons)	16.9	16.9	16.9	16.9	16.9
Miles of Water Mains					
Wastewater					
Miles of sanitary sewers	150	165	156	158	159

Source: City of Pittsburgh Staff & Prior Year CAFR's  
Note: n/a denotes information is not available.

**Fiscal Year**

<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
1 52	1 52	1 52	1 52	1
156.8 4,008 60	156.8 4,107 60	157.0 4,194 61	157.0 4,278 61	165.35 2,041 61
21 145	21 145	21 145	21 145	29 145
15 56.0	17 56.0	19 56.0	19 56.0	19 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 3	1 3	1 3
16.9 219	16.3 221	19.3 222	19.3 222	19.3 224
159	159	159	159	172



**CITY OF PITTSBURG**  
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