

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2014



City of Pittsburg, California

City of Pittsburg California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2014



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, 2014

City of Pittsburg
Basic Financial Statements
For the Year Ended June 30, 2014
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CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014



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

December 15, 2014

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, 2014. 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, 2014. 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.

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.

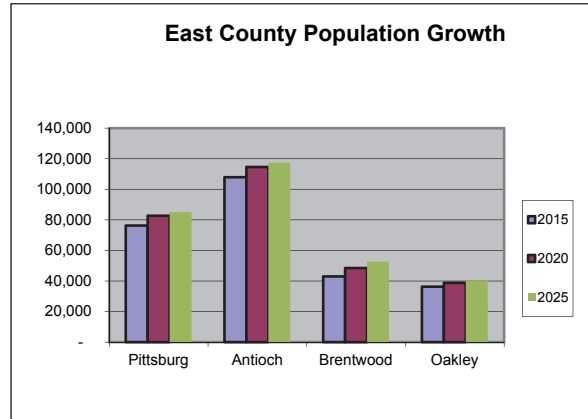
Reporting Entities

The financial statements included in this CAFR present the City (the primary government) with all the City funds, 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 Successor Agency Board, the Southwest Pittsburg Geologic Hazard Abatement District II ("GHAD II") Board, and the Pittsburg Power Board. Therefore, the financial information for the Housing Authority, Successor Agency, GHAD II, and Pittsburg Power is blended with the City's financial information.

Economic Conditions and Outlook

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

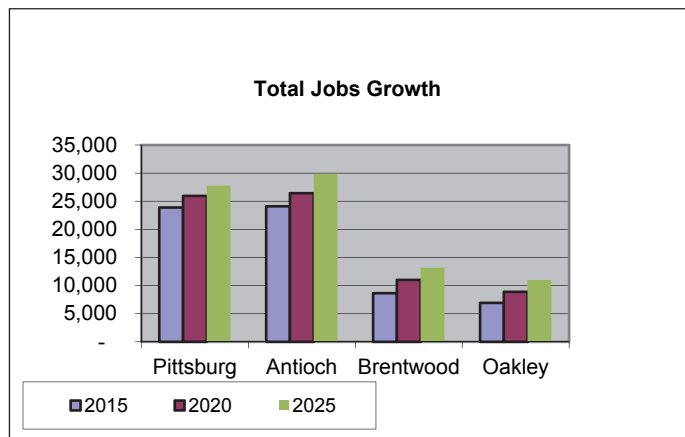
POPULATION GROWTH			
<i>ABAG Projects 2013</i>			
	<u>2015</u>	<u>2020</u>	<u>2025</u>
Pittsburg	76,300	82,700	85,100
Antioch	107,900	114,600	117,500
Brentwood	43,000	48,500	52,700
Oakley	36,300	38,800	40,300
	<hr/>	<hr/>	<hr/>
Contra Costa County:	1,128,800	1,179,500	1,209,900



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 2013 is at 23,890 by the year 2015 and at 27,770 by the year 2025. Out of the three neighboring cities in East County, Pittsburg's job growth outlook is the second to its neighboring city, Antioch.

TOTAL JOBS			
<i>ABAG Projects 2013</i>			
	<u>2015</u>	<u>2020</u>	<u>2025</u>
Pittsburg	23,890	25,950	27,770
Antioch	24,100	26,430	29,860
Brentwood	8,650	11,010	13,170
Oakley	6,930	8,890	10,990
	<hr/>	<hr/>	<hr/>
Contra Costa County:	445,140	470,480	495,460



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 2013 highlighted the Pittsburg Railroad Avenue eBART Station and the Old Town Pittsburg areas as 'Priority Development Areas' in Contra Costa County.

General Fund Condition and Long-term Plans

FY 2014-15 is year four in the City's 7-year General Fund Balancing Plan ("Plan") that is included in the FY 2014-15 budget book. As described in that Plan based on relatively conservative revenue and expenditure assumptions and a total of \$1.7 million in additional expenditures reductions and/or new revenues, the City will have a structurally balanced General Fund budget where total operating revenues equal operating expenses by FY 2018-19 and use approximately \$5.3 million from the Budget Stabilization Fund.

Every year since FY 2011-12 when we began using the Plan to develop and manage the City's budgets, actual expenditures have been less than projected and actual revenues have been greater than projected. As a result, through FY 2013-14 we have used a total of \$296,705 from the Budget Stabilization Fund to balance the General Fund budget which is significantly less than the over \$6.8 million we estimated to require to balance those budgets. However, we are learning to be more accurate in our revenue and expenditure projections. As a result, we don't anticipate that there to be a material difference in the actual amount of Budget Stabilization funds we will require to balance the FY 2014-15 budget than the \$2 million budgeted.

Fiscal Sustainability Ordinance - This is the second fiscal year that the City's General Fund budget was developed under the requirements outlined in the City's Fiscal Sustainability Ordinance. Specifically, as required by the Fiscal Sustainability Ordinance, the City is (1) depositing one-time sales tax revenues of \$312,500 into the Budget Stabilization Fund, (2) the balance of the Budget Stabilization Fund by the end of FY 2014-15 is estimated to be \$6.7 million which is greater than the \$2 million minimum balance, and (3) operating reserves have been increasing such that we will meet the 30% of operating expenses requirement by FY 2017-18.

In addition, in the beginning of FY 2013-14, the Budget Stabilization Fund balance was \$10,209,431 or \$2,709,431 more than the maximum of \$7.5 million allowed in the Fiscal Sustainability Ordinance. As required, the City allocated that \$2,709,431 as follows: \$500,000 to General Fund reserves, \$1,657,073 to the Infrastructure and Repair and Replacement Fund, and \$552,358 to the Other Post-Employment Benefits ("OPEB") fund which is used to pre-fund retiree health benefits. This is in addition to the \$666,755 that was included in the FY 2013-14 budget to pre-fund the City's OPEB liability for a total of \$1,219,113 to pre-fund OPEB liability in FY 2013-14. In January 2014, the City established an account at CalPERS to pre-fund OPEB with an initial deposit of \$1,219,113. The FY 2014-15 budget includes a total of \$666,755 to pre-fund OPEB that will also be deposited into the City's OPEB account at CalPERS. In short, the City is making progress towards retiring the City's unfunded OPEB liability.

Major Initiatives

Capital projects completed in Fiscal Year 2013-14 include the following:

- North Parkside Drive Widening Class III Bicycle Facility
- Cumberland Street Parking and Drainage Improvements
- Traffic Signal at East California Avenue/Loveridge Road
- Concrete Reservoir Rehabilitation
- Hillview Reservoir Recoating Interior
- Water Treatment Plant (“WTP”) Sluice Gate Replacement
- WTP Sludge Removal
- WTP Capital Repairs/Improvements
- Miscellaneous Sewer Main Replacements
- Library Coffee Shop/Expansion
- Marina Central Harbor Docks
- Island Energy Substation H Switchgear Upgrade

FY 2014-15 Major Initiatives:

Capital Projects - Through its former Redevelopment Agency, Pittsburg made great strides in redeveloping the City’s infrastructure and downtown areas as well as building new fire stations, new parks and renovating the City’s library. The City is continuing these efforts in FY 2014-15 with the construction of a new park in Old Town Pittsburg, a Kite Board ramp near the City’s Marina, renovation of the City’s Water Treatment Plant and related water facilities, and pavement renovation projects.

eBART Extension and Pittsburg Center Station - The most significant project to begin construction in FY 2014-15, however, is the eBART extension from the Pittsburg/Bay Point BART station to Hillcrest Avenue in Antioch. The eBART extension project includes a new station at Railroad Avenue and Highway 4 in Pittsburg also referred to by BART as the Pittsburg Center Station. In FY 2013-14, the City formed a Community Facilities District (“CFD”) in the surrounding area to help fund construction of the Civic Center Station. It is expected that the Civic Center Station will spur transit oriented development in the area such as higher density mixed-use housing and commercial development.

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, 2013 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 General Fund 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 General Fund appropriation limit for fiscal year 2013-14 amounted to \$126,188,039. The City's FY 2013-14 General Fund budget was \$33.6 million which is below the appropriation limit.

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, 2014 was 0.22%, a decrease of .02% compared to the same period of last fiscal year (June 30, 2013) 0.24%. Total LAIF interest earnings were \$78,599 for the fiscal year 2013-14, a decrease of \$13,721 from the fiscal year 2012-13. At June 30, 2014, 50% of the City's operating funds 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.

Certificate of Achievement


The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pittsburg for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. 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.

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 2013-14 Audited Financial Statements.

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

Respectfully submitted,

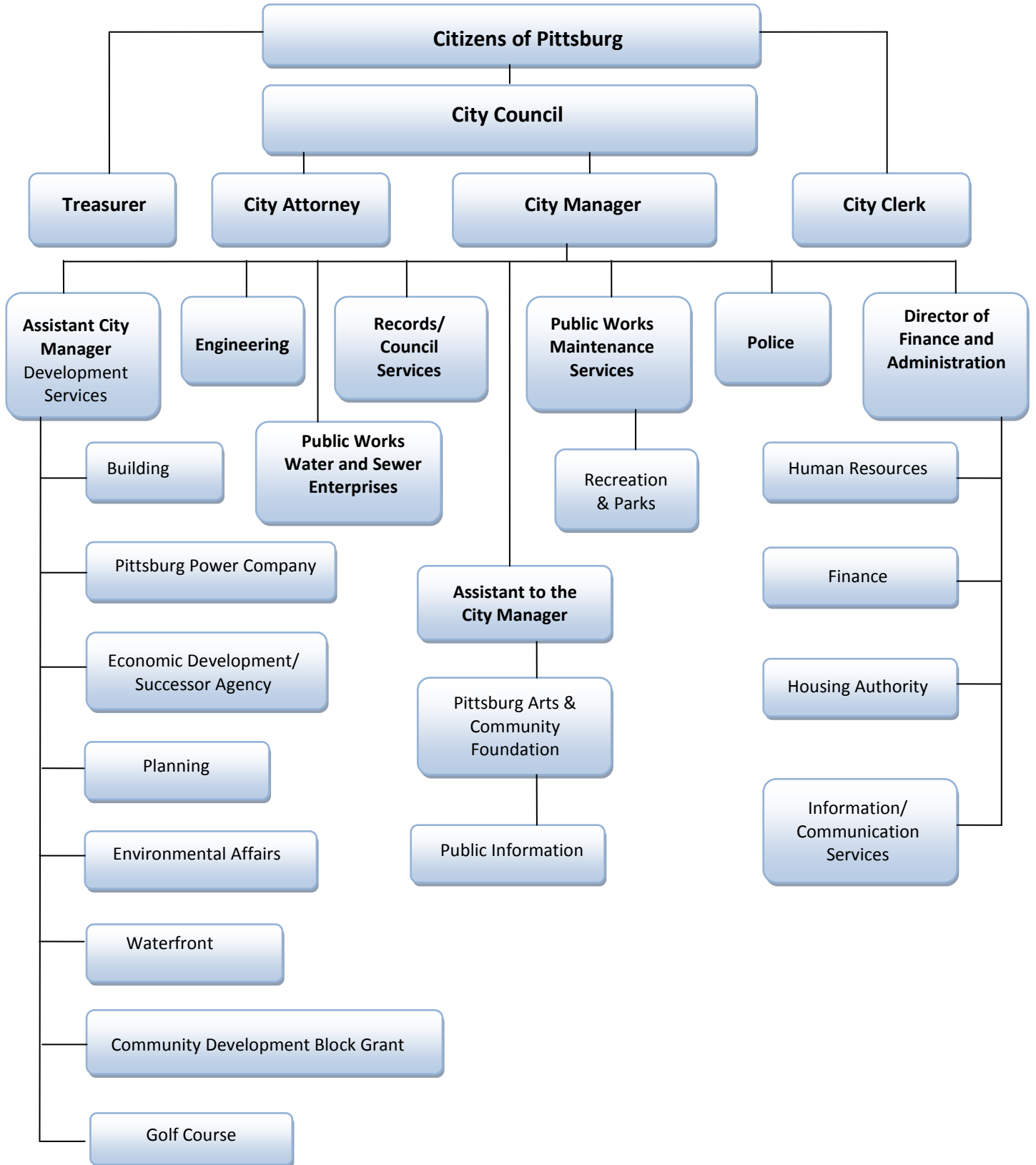


Joe Sbranti
City Manager



Tina Olson
Director of Finance and Administration

➤ CITY GOVERNMENT ORGANIZATION



**City of Pittsburgh
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2014**

◆ ◆ ◆ City Council

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

◆ ◆ ◆ Other Elected Officials

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

◆ ◆ ◆ City Attorney

Ruthann G. Ziegler, Esquire, City Attorney

◆ ◆ ◆ Management Staff

Joe Sbranti, City Manager
Garrett Evans, Assistant City Manager – Development Services

Brian Addington, 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, Manager of Housing Authority
Tina Olson, Director of Finance and Administration
Walter C. Pease, Director of Water and Sewer System Enterprises



Government Finance Officers Association

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

Presented to

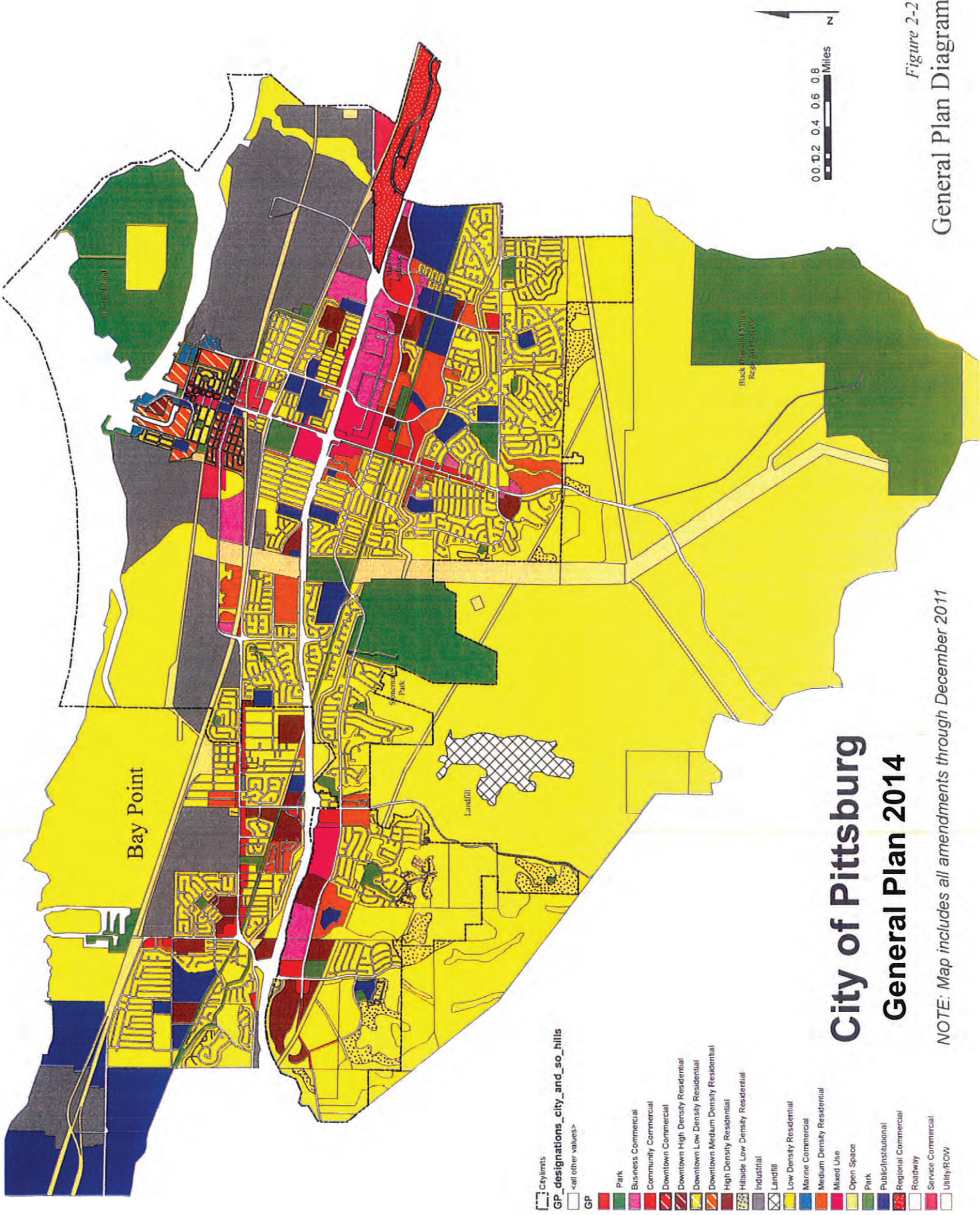
**City of Pittsburg
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013



Executive Director/CEO



- City limits
- GP_designations_city_and_so_hills
- GP
- <all other values>
- Park
- Business Commercial
- Community Commercial
- Downtown Commercial
- Downtown High Density Residential
- Downtown Low Density Residential
- Downtown Medium Density Residential
- High Density Residential
- Hillside Low Density Residential
- Industrial
- Landfill
- Low Density Residential
- Marine Commercial
- Medium Density Residential
- Mixed Use
- Open Space
- Park
- Public/Institutional
- Regional Commercial
- Roadway
- Service Commercial
- Utility/ROW

0.0 0.2 0.4 0.6 0.8 Miles



City of Pittsburgh General Plan 2014

NOTE: Map includes all amendments through December 2011

Figure 2-2
General Plan Diagram

INDEPENDENT AUDITOR'S REPORT

To the Honorable City Council of
City of Pittsburg, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pittsburg as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matters

Management adopted the provisions of Governmental Accounting Standards Board Statement 65 – *Items Previously Reported as Assets and Liabilities*, which became effective during the year ended June 30, 2014. See Note 1Q in the notes to basic financial statements.

The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Required Supplementary 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 the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

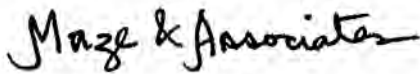
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2014 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
December 1, 2014



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

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, 2014. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). We encourage readers to consider the information presented here in conjunction with additional information which can be found in the introductory section of this report and within the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets & deferred outflow of resources of the City exceeded its liabilities at the close of the Fiscal Year 2013-2014 by \$440.4 million (M) (*net position*).

The City's total net position of \$440.4M increased from the prior fiscal year 2012-2013 by \$5.2M. The increase was primarily due to a one time revenue adjustment of \$7.4M related to the accreted value for the 2006 Pension Obligation Bond. This was offset by a net decrease of total capital assets of \$6M in governmental activities associated with depreciation. The remaining \$3.8M was the result of increased revenues and decreased expenditures.

As of June 30, 2014, the City's governmental funds reported combined ending fund balances of \$47.5M, an increase of \$3.8M in comparison with the prior fiscal year of \$43.7M which is a combination of increased revenues and decreased expenses from the prior fiscal year.

The City's net position from business type activities (enterprise funds) increased by approximately \$4M from \$120.6M to \$124.6M primarily as a result of decreased expenses in the Water, Sewer, and Power utilities.

- As of June 30, 2014, the fund balance (total assets minus total liabilities) for the General Fund, which includes the Budget Stabilization and Economic Development funds, was \$20.6M, of which \$3.4M is designated as "Non-spendable" for items that are not in spendable form such as deposits, interfund advances, and inventory; \$1.0M 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 \$16.2M, of which \$5.3M is the General Fund operating reserve which is available to cover expenses in the event of an emergency and \$10.9M is in the Budget Stabilization Fund that can be used to balance future budgets. The General Fund Cash and Investments balance is \$19.1M, which consisted of \$7.4M in General Fund operating reserves, \$10.9M in the Budget Stabilization Fund, and \$0.8M is in the Economic Development Fund.
- There are three major funds in the Governmental Funds section of the Comprehensive Annual Financial Report: 1) the General Fund, 2) Housing Authority (Section 8) and 3) Successor Agency Housing.
- There are the following four major enterprise funds in the Proprietary Funds section of the Comprehensive Annual Financial Report: (1) Water Utility, (2) Sewer Utility, (3) Marina, and (4) Pittsburg Power Company (including Island Energy).

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

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

The Government-Wide Financial Statements include not only the City itself but also the 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 activities and assets of Successor Agency are now reported in the 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 Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

- *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 40 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 four funds that are considered to be major funds. These funds consist of the General Fund, Housing Authority (Section 8), and the Successor Agency Housing Fund. Data from the other 37 governmental funds, which are combined into a single, aggregated presentation, are considered as non-major funds.

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

Proprietary Funds: The City maintains two different types of proprietary funds; Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as “business-type activities” in the Government-Wide Financial Statements. The Enterprise Funds are used to account for the Water, Sewer, Marina, Golf Course, Pittsburg Power Company operations (including Island Energy), 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 maintaining its fleet of vehicles, 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, the Marina Fund, and the Pittsburg Power Company (including Island Energy) 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, 2014

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, 2014

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, combined net assets (government and business-type activities) totaled \$440.4M at the close of the Fiscal Year ended June 30, 2014, which is \$5.2M more than Fiscal Year 2012-2013.

The Government-Wide Financial Statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The following table reflects the Summary of Net Position for the Fiscal Year ended June 30, 2014 with the comparative data for the Fiscal Year ended June 30, 2013.

City of Pittsburg
Summary of Net Position
As of June 30, 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Current Assets	\$ 94,860,323	\$ 97,401,608	\$ 41,796,226	\$ 39,927,303	\$ 136,656,549	\$ 137,328,911
Non-Current Assets	281,819,958	275,710,734	127,672,264	130,010,482	409,492,222	405,721,216
Total Assets	<u>376,680,281</u>	<u>373,112,342</u>	<u>169,468,490</u>	<u>169,937,785</u>	<u>546,148,771</u>	<u>543,050,127</u>
Deferred Outflow of Resources	-	-	3,762,848	3,839,760	3,762,848	3,839,760
Current Liabilities	9,706,955	8,134,153	6,302,894	5,452,693	16,009,849	13,586,846
Non-Current Liabilities	52,393,579	49,202,370	46,289,745	43,714,074	98,683,324	92,916,444
Total Liabilities	<u>62,100,534</u>	<u>57,336,523</u>	<u>52,592,639</u>	<u>49,166,767</u>	<u>114,693,173</u>	<u>106,503,290</u>
Net Investments in Capital Assets	281,680,787	275,604,919	87,252,264	92,058,482	368,933,051	367,663,401
Restricted	25,904,321	31,094,899	21,659,904	21,038,895	47,564,225	52,133,794
Unrestricted	6,994,639	9,076,001	11,726,531	11,513,401	18,721,170	20,589,402
Total Net Position	<u>\$ 314,579,747</u>	<u>\$ 315,775,819</u>	<u>\$ 120,638,699</u>	<u>\$ 124,610,778</u>	<u>\$ 435,218,446</u>	<u>\$ 440,386,597</u>

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

Statement of Net Position contains more detail information on Current Assets, Non-Current Assets, Current Liabilities and Non-current Liabilities.

At the end of the Fiscal Year 2013-2014 the total assets exceeded total liabilities by \$440.4M.

Changes in Net Position – In the Fiscal Year 2013-2014, the City's Governmental total revenues and transfers of \$68.3M exceeds total expenditure of \$67.1M by \$1.2M. The City's expenses cover a range of services. Of the Governmental Activities, the largest expenses were in the Community Development and Services category (\$18.7M), Public Safety (\$22.7M), and Public Works (\$16.3M). 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 \$1.2M in net assets and Business Activities reflects an increase of \$4.0M in net assets for the Fiscal Year 2013-14. A comparison of the cost of services by function for the City's Governmental Activities is shown below, along with the revenues used to

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

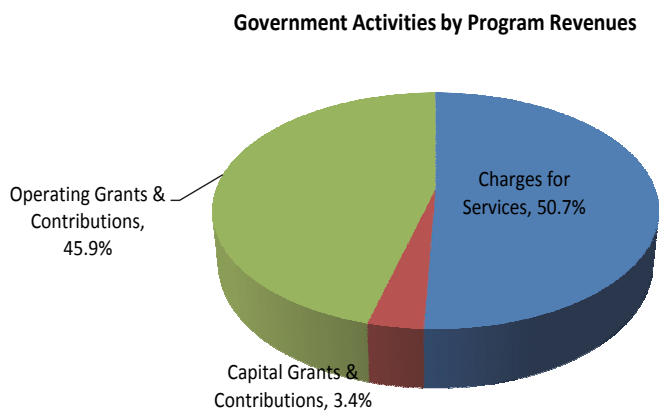
cover the net expenses of the Governmental Activities, and with the comparative data from Fiscal Year 2012-2013.

Statement of Changes in Net Position
Fiscal Year Ended June 30, 2014
With comparative data for fiscal year ended June 30, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$ 19,264,879	\$ 14,530,661	\$ 32,774,467	\$ 33,011,978	\$ 52,039,346	\$ 47,542,639
Operating Grants and Contributions	12,104,023	13,133,883		40,000	12,104,023	13,173,883
Capital Grants and Contributions	314,203	979,706	2,019,849	748,904	2,334,052	1,728,610
Sub-Total	<u>31,683,105</u>	<u>28,644,250</u>	<u>34,794,316</u>	<u>33,800,882</u>	<u>66,477,421</u>	<u>62,445,132</u>
<i>General Revenues:</i>						
Property Taxes	2,176,999	2,613,321	-	-	2,176,999	2,613,321
Sales Taxes	11,232,622	12,563,378	-	-	11,232,622	12,563,378
Franchise Fees	3,890,567	4,063,561	-	-	3,890,567	4,063,561
Motor Vehicle in lieu fees	3,727,494	3,795,560	-	-	3,727,494	3,795,560
Gas Taxes	1,475,397	2,046,099	-	-	1,475,397	2,046,099
Other Taxes	7,224,731	6,885,865	-	-	7,224,731	6,885,865
Miscellaneous		4,744,005	-	-	-	4,744,005
Investment Earnings -						
Unrestricted d	74,095	600,555	268,315	129,786	342,410	730,341
Gain on Sale of Assets	-	-	-	98,692	-	98,692
Sub-Total	<u>29,801,905</u>	<u>37,312,344</u>	<u>268,315</u>	<u>228,4786</u>	<u>30,070,220</u>	<u>37,540,822</u>
Total Revenues	<u>61,485,010</u>	<u>65,956,594</u>	<u>35,062,631</u>	<u>34,029,360</u>	<u>96,547,641</u>	<u>99,985,954</u>
Expenses:						
General Government	3,330,008	3,579,804	-	-	3,330,008	3,579,804
City Council	73,672	85,455	-	-	73,672	85,455
City Manager and City Clerk	430,697	479,812	-	-	430,697	479,812
City Attorney	595,468	456,544	-	-	595,468	456,544
Human Resources	632,980	687,692	-	-	632,980	687,692
Finance and Services	2,321,512	2,545,536	-	-	2,321,512	2,545,536
Community Development & Services	23,214,430	18,705,444	-	-	23,214,430	18,705,444
Public Safety	20,955,624	22,683,125	-	-	20,955,624	22,683,125
Public Works	19,679,890	16,305,801	-	-	19,679,890	16,305,801
Interest on Long-Term Debt	1,026,639	1,574,056	-	-	1,026,639	1,574,056
Water Utility	-	-	15,518,027	16,513,159	15,518,027	16,513,159
Sewer Utility	-	-	2,212,309	2,490,191	2,212,309	2,490,191
Marina	-	-	2,448,483	2,230,133	2,448,483	2,230,133
Golf Course	-	-	105,657	102,509	105,657	102,509
Pittsburg Power	-	-	4,459,081	5,659,707	4,459,081	5,659,707
Water Front Operations	-	-	420,059	718,835	420,059	718,835
Total Expenses	<u>72,260,920</u>	<u>67,103,269</u>	<u>25,163,616</u>	<u>27,714,534</u>	<u>97,424,536</u>	<u>94,817,803</u>
Increase in Net Position before Transfers	<u>(10,775,910)</u>	<u>(1,146,675)</u>	<u>9,899,015</u>	<u>6,314,826</u>	<u>(876,895)</u>	<u>5,168,151</u>
Transfers	1,681,364	2,342,747	(1,681,364)	(2,342,747)	-	-
Change in Net Position	<u>(9,094,546)</u>	<u>1,196,072</u>	<u>8,217,651</u>	<u>3,972,079</u>	<u>(876,895)</u>	<u>5,168,151</u>
Net Position- Beginning of Year	<u>323,674,293</u>	<u>314,579,747</u>	<u>112,421,048</u>	<u>120,638,699</u>	<u>436,095,341</u>	<u>435,218,446</u>
Net Position- End of Year	<u>\$ 314,579,747</u>	<u>\$ 315,775,819</u>	<u>\$ 120,638,699</u>	<u>\$ 124,610,778</u>	<u>\$ 435,218,446</u>	<u>\$ 440,386,597</u>

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

Total Program Revenues from Governmental Activities were \$28.6M in Fiscal Year 2013-2014. Per GASB 34, program revenues are derived directly from the program itself or from parties outside the reporting government's taxpayers or citizenry. Program Revenues reduce the net cost of the function to be financed from the government's general revenues. As reflected in the pie chart below, 50.7% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 45.9% from the Operating Grants and Contributions category (including restricted revenues such as Gas Tax, Measure C Tax, Asset Seizure fund and Federal/State Grants), and 3.4% are from Capital Grants and Contributions. The charges for services were reduced by \$(4.8)M from FY 2012-2013 mainly due to a one-time adjustment related to the former redevelopment agency dissolution.



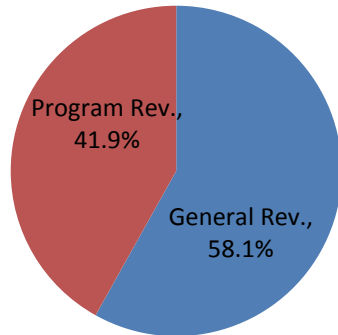
About 59% of General Government services are funded by General Revenues. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. Interest on long-term debt is paid through general revenues, 53% of Public Safety services and 39% of Public Works services are supported through general revenues.

General Revenues from Governmental Activities represented 58.1% of total City revenues, and Program revenues reflected 41.9% of total Governmental Activities revenues. Total General Revenues from Governmental Activities were \$39.7M in Fiscal Year 2013-2014. Sales Taxes comprised the largest percentage of General Revenues, 31.7% or \$12.6M, received during the fiscal year.

Program Revenues	\$	28,644,250	41.9%
General Revenues	\$	<u>39,655,091</u>	58.1%
		68,299,341	

City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2014

Governmental Activities by Program Revenues



Business-Type Activities – Net assets for Business-Type Activities were \$125M, a net increase of \$4M from the prior fiscal year. Total program revenues for Business-Type Activities were \$33.8M. Total expenses for the Business-Type Activities were \$27.7M for the Fiscal Year 2013-2014

City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2014

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 fund balances. Such information is useful in assessing the City’s financing requirements. In particular, unreserved fund balances are a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of FY 2013-2014, the City’s Governmental Funds reported combined ending fund balances of \$47.5M an increase of \$3.8M, in comparison with the prior fiscal year. Approximately 34% percent of this total amount or \$16.2M constitutes unassigned General Fund balance which is available for spending at the government's discretion and \$10.9M is designated to balance future budgets. The remainder of fund balance is either designated as "Non-spendable" (\$3.7M) to indicate that it is not available for new expenditures because it is not in a spendable form, or designated as "Assigned" due to being committed to make contract payments (encumbrances) and various departmental reservations (\$1.1M). 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 is reported as a Special Revenue Fund, had an increase of fund balance of \$160K. This is due to slight increase in program funding from Housing Urban Department (HUD) and internal reduction in cost during FY 2013-14.

General Fund Budgetary Highlights – The final amended FY 2013-2014 General Fund budget totaled \$34M, including \$361,153 for prior fiscal year budget carry forwards and new appropriation amendments to the originally adopted budget. These amendments are briefly summarized below.

Per Resolutions 13-12009 the City Council adopted the approval of the follow additional appropriations and project carry-forwards:

Budget Carry Forwards

\$	1,000 Contractual & Professional Services (City Manager)
	380 Maintenance Agreements (City Manager)
	400 Equipment Rental (City Manager)
	5,755 Capital Equipment & Furniture (City Clerk)
	8,622 Salaries (Human Resources)
	13,893 Contractual and Professional Services (Human Resources)
	7,200 Financial Management System (Finance UB)
	1,942 Computer Supplies (Building Code Enforcement)
	4,700 Maintenance Agreements (Building Code Enforcement)
	5,390 Computer Supplies (Engineering)
	1,890 Special Departmental Supplies (Engineering)
	1,500 Capital Equipment & Furniture (Engineering)
	4,749 Part Time Salaries (Recreation)
	5,796 Misc. Services and Supplies (Recreation)
	2,540 Advertising and Promotion (Recreation)
	38,174 County Tax Admin. Fees (Non-Departmental)
	245,396 Economic Development
	11,826 Contingency
\$	<u>361,153</u> Sub-Total Budget Carry Over

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

Approved Amendments

\$	6,848	City Manager
	3,235	City Clerk
	18,627	Human Resources
	12,564	Finance/Accounting
	9,431	Finance/Utility Billing
	577	Graffiti Removal Program
	11,996	Building Code Enforcement
	125,731	Engineering
	1,494	Recreation - Sports
	1,998	Recreation - Small World Park
	11,018	Recreation - Senior Center
	263,806	Police - Operations Bureau
	45,671	Police - Investigations
	28,914	Police - Support Services
	485	Public Works Administration
	25,436	Public Works - Streets
	(8,227)	Non-Departmental
	337,680	Economic Development
\$	<u>897,284</u>	Sub-Total Approved Appropriations
\$	<u>1,258,437</u>	Total Budget Carry Forwards and Approved Appropriations

A couple of the General Fund revenues did not reach their budgeted forecasts. Property Taxes for the City fell short by \$261K of its budgeted projection. On a positive note, sales taxes and other taxes exceeded their budget forecasts by \$2,268K and \$186K respectively and governmental service fees exceeded the estimated budget by \$426K. The increase in sales taxes was mainly due to higher Measure P sales taxes collected than originally estimated.

There is a total deferral of General Fund revenue of \$989.2K including \$540K 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 \$25K, deferred interest loans of \$15K, future GIS mapping fees of \$30K, various donations for Teen activities, the Senior Center, Sister City donations, and recycling containers of \$8K and miscellaneous unavailable revenues of \$14K.

At the end of the fiscal year, the total actual expenses in the General Fund were \$1,626K less than 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 expenses were also a major factor to the lowered expenditure. The two largest under budget divisions were Public Safety under budget by (\$994K) and General Government under budget by (\$457K).

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

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 and Pittsburg Power Company 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 Fund as a major fund to maintain continuity with the prior year's reporting format.

Total net position of the Proprietary Funds at the end of the year were \$124.6M, an increase of \$4.0M from the prior fiscal year, in which \$92.1M is capital assets net of related debt. The \$4.0M increase in net position is related to a decrease in liabilities associated with paying down bond 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, 2014 amounted to \$406M (net of accumulated depreciation) including 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 FY 2013-2014 was \$(4)M.

City of Pittsburg
Capital Assets
(Net of Depreciation)
June 30, 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Non-depreciable assets:						
Land	\$ 33,828,944	\$ 33,838,944	\$ 1,143,506	\$ 1,143,506	\$ 34,972,450	\$ 34,982,450
Construction in progress	20,492,611	25,194,054	15,432,387	20,659,398	35,924,998	45,853,452
Total	<u>54,321,555</u>	<u>59,032,998</u>	<u>16,575,893</u>	<u>21,802,904</u>	<u>70,897,448</u>	<u>80,835,902</u>
Depreciable assets (net of depreciation):						
Buildings and improvements	59,811,465	55,926,267	9,013,264	6,511,234	68,824,729	62,437,501
Machinery and equipment	2,815,673	2,356,234	4,196,098	4,082,505	7,011,771	6,438,739
Infrastructure	164,871,265	158,395,235	97,887,009	97,613,839	262,758,274	256,009,074
Total	<u>227,498,403</u>	<u>216,677,736</u>	<u>111,096,371</u>	<u>108,207,578</u>	<u>338,594,774</u>	<u>324,885,314</u>
Total capital assets	<u>\$ 281,819,958</u>	<u>\$ 275,710,734</u>	<u>\$ 127,672,264</u>	<u>\$ 130,010,482</u>	<u>\$ 409,492,222</u>	<u>\$ 405,721,216</u>

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

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2014

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 \$33M for the 2006 Pension Obligation Bonds and \$106K for the telephone voice over internet protocol (VOIP) system capital lease. During the year, the City refunded \$6.8M of the 2004 Wastewater Revenue Bonds. The refunding was financed through a private placement with Bank of the West. The net present value savings for this refunding is approximately \$672K over the life of the bond. As of June 30, 2014, the \$38M in Business-Type Activities Long-term Debt represents two revenue bonds in the Water and Sewer Funds.

In addition, during the year, the Successor Agency refunded \$79.2M of the 1999 and 2003A Bonds that resulted in a net present value savings of \$7.5M.

City of Pittsburg
Long-Term Debt
June 30, 2014

	Governmental Activities		Business-Type Activities		Total	
	2013	2014	2013	2014	2013	2014
Pension Obligation Bonds	\$ 38,351,056	33,157,051	\$ -	-	\$ 38,351,056	\$ 33,157,051
Capital Lease	139,171	105,815	-	-	139,171	105,815
Revenue Bonds	-	-	40,420,000	37,952,000	40,420,000	37,952,000
Total	\$ 38,490,227	\$ 33,262,866	\$ 40,420,000	\$ 37,952,000	\$ 78,910,227	\$ 71,214,866

Thanks to the passage of Measure P in June 2012 that increased the City's sales tax rate by 1/2 cent and the Bay Area's economic recovery, the City was able to balance the FY 2013-14 budget without reducing City services or laying-off staff. The City was also added 6.5 FTE new positions to the City's budget and fully funded City's Police Officer positions. In addition, the General Fund did not, in the end, require a transfer from the City's Budget Stabilization Fund in order to balance.

Nevertheless, the City 7-year General Fund Balancing Plan anticipates a few more years of structural imbalance that will require additional expense reductions and/or new revenues as well as the use of the Budget Stabilization Fund through FY 2018-19 that will result in a balanced General Fund budget by end of FY 2018-19.

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.

**BASIC
FINANCIAL
STATEMENTS**



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

City of Pittsburg
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 50,353,943	\$ 27,999,668	\$ 78,353,611
Restricted cash and investments (Note 2)	1,543,722	4,245,430	5,789,152
Receivables:			
Accounts	4,931,442	4,518,163	9,449,605
Interest	107,629	-	107,629
Loans/notes (Note 3)	42,389,424	-	42,389,424
Internal balances (Note 1H)	(2,735,999)	2,735,999	-
Inventory	758,733	303,126	1,061,859
Prepaid items and other assets	52,714	124,917	177,631
Total current assets	<u>97,401,608</u>	<u>39,927,303</u>	<u>137,328,911</u>
Noncurrent assets:			
Capital assets (Note 6):			
Land and nondepreciable assets	59,032,998	21,802,904	80,835,902
Depreciable capital assets, net of accumulated depreciation	216,677,736	108,207,578	324,885,314
Total capital assets, net	<u>275,710,734</u>	<u>130,010,482</u>	<u>405,721,216</u>
Total Assets	<u>373,112,342</u>	<u>169,937,785</u>	<u>543,050,127</u>
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives (Note 7)	-	3,839,760	3,839,760
Total Deferred Outflow of Resources	<u>-</u>	<u>3,839,760</u>	<u>3,839,760</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,065,769	1,431,164	3,496,933
Salaries payable	544,993	-	544,993
Interest payable (Note 1J)	761,096	39,818	800,914
Refundable deposits	762,206	824,639	1,586,845
Taxes payable	14,735	152,913	167,648
Loans payable	174,123	-	174,123
Due to other agencies	538,593	-	538,593
Unearned revenue (Note 4)	1,053,278	924,159	1,977,437
Claims and judgment payable due within one year (Note 10)	195,065	-	195,065
Compensated absences - due within one year (Note 1M)	1,460,000	304,000	1,764,000
Long-term debt - due within one year (Note 7)	564,295	1,776,000	2,340,295
Total current liabilities	<u>8,134,153</u>	<u>5,452,693</u>	<u>13,586,846</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year (Note 1M)	517,891	101,354	619,245
Derivative instrument (Note 7)	-	3,839,760	3,839,760
OPEB liability (Note 12)	15,985,908	3,596,960	19,582,868
Long-term debt - due in more than one year (Note 7)	32,698,571	36,176,000	68,874,571
Total noncurrent liabilities	<u>49,202,370</u>	<u>43,714,074</u>	<u>92,916,444</u>
Total Liabilities	<u>57,336,523</u>	<u>49,166,767</u>	<u>106,503,290</u>
NET POSITION (Note 9)			
Net investment in capital assets	<u>275,604,919</u>	<u>92,058,482</u>	<u>367,663,401</u>
Restricted for:			
Capital projects	19,504,610	9,300,953	28,805,563
Debt service	2,070,165	3,449,531	5,519,696
Special purpose projects (Note 9D)	9,520,124	4,245,430	13,765,554
Facility fee reserve	-	4,042,981	4,042,981
Total restricted net position	<u>31,094,899</u>	<u>21,038,895</u>	<u>52,133,794</u>
Unrestricted	<u>9,076,001</u>	<u>11,513,401</u>	<u>20,589,402</u>
Total Net Position	<u>\$ 315,775,819</u>	<u>\$ 124,610,778</u>	<u>\$ 440,386,597</u>

See accompanying notes to financial statements

City of Pittsburg
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$ 3,579,804	\$ 5,338,175	\$ 1,000	\$ -	\$ 1,759,371	\$ -	\$ 1,759,371
City Council	85,455	-	-	-	(85,455)	-	(85,455)
City Manager and City Clerk	479,812	687	-	-	(479,125)	-	(479,125)
City Attorney	456,544	20,000	-	-	(436,544)	-	(436,544)
Human Resources	687,692	5,000	-	-	(682,692)	-	(682,692)
Finance and services	2,545,536	134,787	-	-	(2,410,749)	-	(2,410,749)
Community development and services	18,705,444	7,054,779	12,434,751	912,213	1,696,299	-	1,696,299
Public safety	22,683,125	1,072,098	698,132	7,317	(20,905,578)	-	(20,905,578)
Public works	16,305,801	905,135	-	60,176	(15,340,490)	-	(15,340,490)
Interest on long-term debt	1,574,056	-	-	-	(1,574,056)	-	(1,574,056)
Total Governmental Activities	67,103,269	14,530,661	13,133,883	979,706	(38,459,019)	-	(38,459,019)
Business-type Activities:							
Water Utility	16,513,159	19,640,140	-	748,904	-	3,875,885	3,875,885
Sewer Utility	2,490,191	4,918,873	-	-	-	2,428,682	2,428,682
Marina	2,230,133	2,020,396	-	-	-	(209,737)	(209,737)
Pittsburg Power	5,659,707	5,913,071	40,000	-	-	293,364	293,364
Golf Course	102,509	-	-	-	-	(102,509)	(102,509)
Water Front Operations	718,835	519,498	-	-	-	(199,337)	(199,337)
Total Business-type Activities	27,714,534	33,011,978	40,000	748,904	-	6,086,348	6,086,348
Total	\$ 94,817,803	\$ 47,542,639	\$ 13,173,883	\$ 1,728,610	(38,459,019)	6,086,348	(32,372,671)
General revenues:							
Taxes:							
Property taxes					2,613,321	-	2,613,321
Sales taxes					12,563,378	-	12,563,378
Franchise taxes					4,063,561	-	4,063,561
Motor vehicle (unrestricted)					3,795,560	-	3,795,560
Gas taxes					2,046,099	-	2,046,099
Other taxes					6,885,865	-	6,885,865
Miscellaneous					4,744,005		4,744,005
Investment earnings-unrestricted					600,555	129,786	730,341
Gain on sale of assets					-	98,692	98,692
Transfers (Note 5C)					2,342,747	(2,342,747)	-
Total General Revenues and Transfers					39,655,091	(2,114,269)	37,540,822
Change in Net Position					1,196,072	3,972,079	5,168,151
Net Position-Beginning of Year					314,579,747	120,638,699	435,218,446
Net Position-End of Year					\$ 315,775,819	\$ 124,610,778	\$ 440,386,597

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, 2014

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

City of Pittsburg
Balance Sheet
Governmental Funds
June 30, 2014

	General Fund	Housing Authority (Section 8)	Successor Agency Housing
ASSETS			
Cash and investments (Note 2)	\$ 19,122,024	\$ 1,137,885	\$ 770,995
Restricted cash and investments (Note 2)	-	-	-
Receivables:			
Accounts	3,218,012	20,653	-
Interest	107,629	-	-
Loans and notes (Note 3)	3,446,053	-	33,068,586
Due from other funds (Note 5A)	160,910	-	-
Inventory	96,933	1,374	-
Prepaid items and other assets	20,963	-	-
Advances to other funds (Note 5B)	163,443	-	-
Total Assets	\$ 26,335,967	\$ 1,159,912	\$ 33,839,581
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,186,753	\$ 10,269	\$ 3,375
Salaries payable	548,099	-	-
Taxes payable	14,735	-	-
Refundable deposits	660,069	3,605	-
Loans payable	-	-	-
Due to other agencies	-	-	-
Due to other funds (Note 5A)	-	-	-
Advances from other funds (Note 5B)	2,323,394	79,218	-
Total Liabilities	4,733,050	93,092	3,375
Deferred Inflows of Resources:			
Unavailable revenue (Note 4B)	989,247	125,521	33,068,586
Total Liabilities and Deferred Inflows of Resources	5,722,297	218,613	33,071,961
Fund Balances (Deficit) (Note 9):			
Nonspendable	3,370,929	1,374	-
Restricted	-	939,925	767,620
Committed	-	-	-
Assigned	1,057,673	-	-
Unassigned	16,185,068	-	-
Total fund balances (deficits)	20,613,670	941,299	767,620
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 26,335,967	\$ 1,159,912	\$ 33,839,581

See accompanying notes to basic financial statements

Other Governmental Funds	Total Governmental Funds
\$ 23,808,829	\$ 44,839,733
1,543,722	1,543,722
1,667,130	4,905,795
-	107,629
5,874,785	42,389,424
-	160,910
281,561	379,868
11,556	32,519
-	163,443
<u>\$ 33,187,583</u>	<u>\$ 94,523,043</u>

\$ 512,082	\$ 1,712,479
-	548,099
-	14,735
98,532	762,206
174,123	174,123
538,593	538,593
160,910	160,910
424,633	2,827,245
<u>1,908,873</u>	<u>6,738,390</u>

<u>6,013,509</u>	<u>40,196,863</u>
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<u>7,922,382</u>	<u>46,935,253</u>
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293,117	3,665,420
22,222,532	23,930,077
3,399,608	3,399,608
56,642	1,114,315
(706,698)	15,478,370

<u>25,265,201</u>	<u>47,587,790</u>
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<u>\$ 33,187,583</u>	<u>\$ 94,523,043</u>
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CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

City of Pittsburg
Reconciliation of the
Governmental Funds Balance Sheet
with the Statement of Net Position
June 30, 2014

Total fund balances reported on the governmental funds balance sheet \$ 47,587,790

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 274,145,220

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 (33,157,051)
Interest payable (761,096)
Non-current portion of compensated absences (1,915,379)
OPEB Liability (15,985,908)

ACCRUAL OF NON-CURRENT ITEMS

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

Other (2,205)
Unavailable revenue 39,143,585

ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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

Cash and investments 5,514,210
Accounts receivable 25,647
Inventory 378,865
Prepaid/other assets 22,400
Capital assets 1,565,514
Accounts payable (353,290)
Salaries payable 3,106
Compensated absences (62,512)
Advance from other funds (72,197)
Claims and judgments payable (195,065)
Capital lease (71,520)
Long-term debt - due in one year (34,295)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 315,775,819

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, 2014

	General Fund	Housing Authority (Section 8)	Successor Agency Housing
REVENUES:			
Property tax	\$ 2,613,321	\$ -	\$ -
Sales tax	12,563,378	-	-
Franchise tax	3,911,841	-	-
Other taxes	5,156,058	-	-
Intergovernmental revenues	1,269,503	11,776,532	-
Permits, licenses, and fees	831,238	-	-
Fines and forfeitures	186,921	-	-
Special assessments	-	-	-
Service fees	3,454,113	945,641	-
Use of money and property	517,327	3,520	38,559
Other revenues	1,712,604	100,576	658,434
Total Revenues	32,216,304	12,826,269	696,993
EXPENDITURES:			
Current:			
General government	2,407,117	-	-
City Council	85,455	-	-
City Manager and City Clerk	367,941	-	-
City Attorney	457,023	-	-
Human resources	627,154	-	-
Finance and services	2,211,267	-	-
Community development and services	5,290,142	12,654,525	252,954
Public safety	19,385,007	-	-
Public works - administration	91,803	-	-
Public works - streets	1,832,980	-	-
Public works - parks	77,909	-	-
Capital outlay and improvements	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	32,833,798	12,654,525	252,954
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(617,494)	171,744	444,039
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of capital assets	21,720	-	-
Transfers in (Note 5C)	4,104,811	-	-
Transfers out (Note 5C)	(1,069,058)	(11,714)	-
Total Other Financing Sources (uses)	3,057,473	(11,714)	-
NET CHANGE IN FUND BALANCES	2,439,979	160,030	444,039
FUND BALANCES (Note 9):			
Beginning of year	18,173,691	781,269	323,581
End of year	\$ 20,613,670	\$ 941,299	\$ 767,620

See accompanying notes to basic financial statements

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 2,613,321
-	12,563,378
151,720	4,063,561
4,324,636	9,480,694
3,014,167	16,060,202
1,057,097	1,888,335
-	186,921
3,246,831	3,246,831
3,000,422	7,400,176
55,988	615,394
959,969	3,431,583
<u>15,810,830</u>	<u>61,550,396</u>
29,213	2,436,330
-	85,455
-	367,941
-	457,023
2,522	629,676
-	2,211,267
4,190,057	22,387,678
1,457,138	20,842,145
309,536	401,339
5,059,517	6,892,497
-	77,909
812,551	812,551
450,000	450,000
1,587,697	1,587,697
<u>13,898,231</u>	<u>59,639,508</u>
<u>1,912,599</u>	<u>1,910,888</u>
	21,720
979,293	5,084,104
<u>(2,087,875)</u>	<u>(3,168,647)</u>
<u>(1,108,582)</u>	<u>1,937,177</u>
804,017	3,848,065
24,461,184	43,739,725
<u>\$ 25,265,201</u>	<u>\$ 47,587,790</u>

City of Pittsburg
Reconciliation of the
Net Change in Fund Balances-Total Governmental Funds
with the Statement of Activities
For the year ended June 30, 2014

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 3,848,065

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	812,551
Amounts charged to Community Services department	4,153,656
Depreciation expense is deducted from the fund balance (Depreciation expense is net of Internal Service Fund depreciation \$584,621 which has already been allocated to serviced funds.)	(10,639,002)
Retirements of capital assets are deducted from the fund balance	(53,784)

LONG TERM DEBT AND PAYMENTS

Repayment of debt principal is added back to fund balance	450,000
Accreted interest	4,744,005

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	13,641
Deferred revenue	3,222
Compensated absences	(198,207)
OPEB liability	(2,044,540)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

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

Change in Net Position - All Internal Service Funds	<u>106,465</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,196,072

See accompanying notes to financial statements

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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

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

City of Pittsburgh
Statement of Net Position
Proprietary Funds
June 30, 2014

	Major Enterprise Funds			
	Water Utility	Sewer Utility	Marina	Pittsburg Power
ASSETS				
Current assets:				
Cash and investments (Note 2)	\$ 13,350,647	\$ 6,819,003	\$ 833,871	\$ 6,915,168
Restricted cash and investments (Note 2)	4,024,064	119,287	-	102,079
Receivables:				
Accounts	2,934,820	716,152	19,318	835,415
Interest	-	-	-	-
Inventory	153,783	39,823	9,149	100,371
Prepaid items and other assets	-	-	-	73,152
Total current assets	<u>20,463,314</u>	<u>7,694,265</u>	<u>862,338</u>	<u>8,026,185</u>
Noncurrent assets:				
Advance to other funds (Note 5B)	2,735,999	-	-	375,000
Capital assets (Note 6):				
Land and nondepreciable assets	8,398,680	7,068,697	1,804,562	4,530,965
Depreciable assets, net	68,642,997	22,303,906	12,632,378	4,295,327
Total noncurrent assets	<u>79,777,676</u>	<u>29,372,603</u>	<u>14,436,940</u>	<u>9,201,292</u>
Total Assets	<u>100,240,990</u>	<u>37,066,868</u>	<u>15,299,278</u>	<u>17,227,477</u>
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives (Note 7)	3,839,760	-	-	-
Total Deferred Outflow of Resources	<u>3,839,760</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	839,770	176,325	47,685	335,089
Salaries payable	-	-	-	-
Refundable deposits	661,600	5,000	84,040	49,099
Loans payable - due within one year	-	-	-	-
Taxes payable	-	-	69,765	83,148
Accrued interest payable	34,030	5,788	-	-
Unearned revenue (Note 4)	3,411	-	-	773,481
Compensated absences payable - due within one year (Note 1M)	152,084	36,860	45,206	69,850
Claims and judgments payable - due within one year (Note 10C)	-	-	-	-
Long-term debt - due within one year (Note 7)	1,035,000	741,000	-	-
Total current liabilities	<u>2,725,895</u>	<u>964,973</u>	<u>246,696</u>	<u>1,310,667</u>
Noncurrent liabilities:				
Advance from other funds (Note 5B)	-	-	-	-
Compensated absences payable - due in more than one year (Note 1M)	50,705	12,289	15,072	23,288
Derivative instrument (Note 7)	3,839,760	-	-	-
OPEB liability (Note 12)	1,726,540	431,635	431,635	1,007,150
Long-term debt - due in more than one year (Note 7)	31,575,000	4,601,000	-	-
Total noncurrent liabilities	<u>37,192,005</u>	<u>5,044,924</u>	<u>446,707</u>	<u>1,030,438</u>
Total Liabilities	<u>39,917,900</u>	<u>6,009,897</u>	<u>693,403</u>	<u>2,341,105</u>
NET POSITION (Notes 1K and 9)				
Net investment in capital assets	44,431,677	24,030,603	14,436,940	8,826,292
Restricted for:				
Capital Project	3,682,971	3,141,614	91,922	2,309,959
Debt service	2,627,766	821,765	-	-
Special purpose	4,024,064	119,287	-	102,079
Facility fees	3,872,171	170,810	-	-
Unrestricted	5,524,201	2,772,892	77,013	3,648,042
Total Net Position	<u>\$ 64,162,850</u>	<u>\$ 31,056,971</u>	<u>\$ 14,605,875</u>	<u>\$ 14,886,372</u>

See accompanying notes to basic financial statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 80,979	\$ 27,999,668	\$ 5,514,210
-	4,245,430	-
12,458	4,518,163	25,647
-	-	-
-	303,126	378,865
51,765	124,917	22,400
145,202	37,191,304	5,941,122
-	3,110,999	-
-	21,802,904	-
332,970	108,207,578	1,565,514
332,970	133,121,481	1,565,514
478,172	170,312,785	7,506,636
-	3,839,760	-
-	3,839,760	-
32,295	1,431,164	353,290
-	-	(3,106)
24,900	824,639	-
-	-	-
-	152,913	-
-	39,818	-
147,267	924,159	-
-	304,000	-
-	-	195,065
-	1,776,000	34,295
204,462	5,452,693	579,544
375,000	375,000	72,197
-	101,354	62,512
-	3,839,760	-
-	3,596,960	-
-	36,176,000	71,520
375,000	44,089,074	206,229
579,462	49,541,767	785,773
332,970	92,058,482	1,459,699
74,487	9,300,953	-
-	3,449,531	-
-	4,245,430	-
-	4,042,981	-
(508,747)	11,513,401	5,261,164
\$ (101,290)	\$ 124,610,778	\$ 6,720,863

City of Pittsburgh
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2014

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
OPERATING REVENUES:			
Charges for services	\$ 18,074,412	\$ 4,826,575	\$ 1,253,758
Meter fees	55,119	-	-
Other fees	354,827	-	125
Facility reserve fees	601,240	1,689	-
Rent and concessions	-	-	70,165
Gas and oil sales	-	-	685,053
Other operating revenues	554,542	90,609	11,295
Total Operating Revenues	19,640,140	4,918,873	2,020,396
OPERATING EXPENSES:			
Salaries and wages	2,303,005	576,007	369,156
Department supplies	6,423,913	47,710	601,988
Rentals	12,294	739	10,836
Utilities	789,432	8,721	142,506
Maintenance and operations	1,603,358	123,157	191,943
Depreciation (Note 6)	1,499,783	687,128	479,605
Insurance premiums	-	-	-
Insurance deductible	79,524	21,660	11,412
Fringe benefits	1,516,664	411,613	283,774
Other operating expenses	863,194	206,870	138,913
Total Operating Expenses	15,091,167	2,083,605	2,230,133
OPERATING INCOME (LOSS)	4,548,973	2,835,268	(209,737)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	32,233	2,017	499
Interest and fiscal charges	(1,421,992)	(399,786)	-
Gain (loss) on disposal of assets	-	(6,800)	-
Total Nonoperating Revenues (Expenses)	(1,389,759)	(404,569)	499
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	3,159,214	2,430,699	(209,238)
CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	748,904	-	-
Transfers in (Note 5C)	63,700	112,410	-
Transfers out (Note 5C)	(1,031,908)	(629,751)	(21,126)
Total Contributions and Transfers	(219,304)	(517,341)	(21,126)
Change in Net Position	2,939,910	1,913,358	(230,364)
NET POSITION:			
Beginning of Year	61,222,940	29,143,613	14,836,239
End of Year	\$ 64,162,850	\$ 31,056,971	\$ 14,605,875

See accompanying notes to basic financial statements

Pittsburg Power	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 4,908,340	\$ -	\$ 29,063,085	\$ 8,332,946
-	-	55,119	-
622,112	-	977,064	-
-	-	602,929	-
209,872	496,364	776,401	-
-	-	685,053	-
212,747	23,134	892,327	254,478
5,953,071	519,498	33,051,978	8,587,424
1,029,663	195,220	4,473,051	590,822
1,756,020	413	8,830,044	898,618
25,318	2,052	51,239	44,088
13,590	-	954,249	281,529
1,120,644	194,078	3,233,180	954,098
365,254	86,737	3,118,507	584,621
103,506	-	103,506	786,879
30,480	5,640	148,716	215,660
681,662	130,741	3,024,454	4,480,333
533,570	206,463	1,949,010	66,226
5,659,707	821,344	25,885,956	8,902,874
293,364	(301,846)	7,166,022	(315,450)
95,437	(400)	129,786	(14,839)
-	-	(1,821,778)	-
98,692	-	91,892	9,464
194,129	(400)	(1,600,100)	(5,375)
487,493	(302,246)	5,565,922	(320,825)
-	-	748,904	-
-	16,713	192,823	641,755
(852,785)	-	(2,535,570)	(214,465)
(852,785)	16,713	(1,593,843)	427,290
(365,292)	(285,533)	3,972,079	106,465
15,251,664	184,243	120,638,699	6,614,398
\$ 14,886,372	\$ (101,290)	\$ 124,610,778	\$ 6,720,863

City of Pittsburg
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2014

	Major Enterprise Funds			
	Water Utility	Sewer Utility	Marina	Pittsburg Power
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 20,145,977	\$ 5,020,712	\$ 2,008,936	\$ 5,434,217
Cash payments to suppliers of goods and services	(10,557,792)	(502,366)	(1,098,265)	(3,522,706)
Cash payments to employees for services	(3,789,002)	(971,806)	(652,925)	(1,701,894)
Other operating revenues	554,542	90,609	11,295	212,747
Net cash provided (used) by operating activities	6,353,725	3,637,149	269,041	422,364
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Interfund receipts	1,064,001	-	-	-
Interfund payments	-	-	-	-
Transfers in	63,700	112,410	-	-
Transfers out	(1,031,908)	(629,751)	(21,126)	(852,785)
Net cash provided (used) by noncapital financing activities	95,793	(517,341)	(21,126)	(852,785)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on long-term debt	(1,010,000)	(1,458,000)	-	-
Interest and fiscal charges paid on long-term debt	(1,489,962)	(416,618)	-	-
Capital lease obligations	-	-	-	-
Proceeds from sale of capital assets	-	(6,800)	-	98,692
Capital contributions	748,904	-	-	-
Acquisition of capital assets	(1,701,149)	(2,535,406)	(35,749)	(1,184,420)
Net cash provided (used) by capital and related financing activities	(3,452,207)	(4,416,824)	(35,749)	(1,085,728)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	32,233	2,017	499	95,437
Net cash provided (used) by investing activities	32,233	2,017	499	95,437
Net increase (decrease) in cash and cash equivalents	3,029,544	(1,294,999)	212,665	(1,420,712)
CASH AND CASH EQUIVALENTS:				
Beginning of Year	14,345,167	8,233,289	621,206	8,437,959
End of Year	\$ 17,374,711	\$ 6,938,290	\$ 833,871	\$ 7,017,247
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,548,973	\$ 2,835,268	\$ (209,737)	\$ 293,364
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,499,783	687,128	479,605	365,254
Changes in operating assets and liabilities:				
Accounts receivable	1,078,426	184,204	(376)	(198,294)
Interest receivable	3,977	3,150	211	3,119
Loans receivable	-	-	-	(72,700)
Inventory	(22,024)	5,094	-	(5,590)
Prepaid items	-	-	-	(1,686)
Accounts payable	(937,178)	(93,509)	8,161	(31,362)
Salaries and wages payable	-	-	-	-
Loans payable	-	-	-	-
Refundable deposits	151,101	-	3,053	10,456
Taxes payable	-	-	(11,881)	81,328
Deferred revenue	-	-	-	(30,956)
Compensated absences	30,667	15,814	5	9,431
OPEB liability	-	-	-	-
Insurance claims payable	-	-	-	-
Net cash provided (used) by operating activities	\$ 6,353,725	\$ 3,637,149	\$ 269,041	\$ 422,364
SCHEDULE OF NON CASH ACTIVITY:				
Capital contributions	\$ 748,904	\$ -	\$ -	\$ -

See accompanying notes to basic financial statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 438,364	\$ 33,048,206	\$ 8,218,025
(387,571)	(16,068,700)	(5,108,586)
(331,601)	(7,447,228)	(3,087,991)
-	869,193	254,478
<u>(280,808)</u>	<u>10,401,471</u>	<u>275,926</u>
-	1,064,001	-
-	-	(26,603)
16,713	192,823	-
-	(2,535,570)	427,290
<u>16,713</u>	<u>(1,278,746)</u>	<u>400,687</u>
-	(2,468,000)	-
-	(1,906,580)	-
-	-	(33,356)
-	91,892	9,464
-	748,904	-
-	(5,456,724)	(203,533)
-	(8,990,508)	(227,425)
(401)	129,785	(14,839)
(401)	129,785	(14,839)
(264,496)	262,002	434,349
345,475	31,983,096	5,079,861
<u>\$ 80,979</u>	<u>\$ 32,245,098</u>	<u>\$ 5,514,210</u>
\$ (301,846)	\$ 7,166,022	\$ (315,450)
86,737	3,118,507	584,621
-	-	-
(415)	1,063,545	(13,099)
130	10,587	-
-	(72,700)	-
-	(22,520)	(101,822)
16,998	15,312	-
18,712	(1,035,176)	92,927
-	-	(36,776)
-	-	-
16	164,626	-
-	69,447	-
(101,140)	(132,096)	-
-	55,917	(655)
-	-	-
-	-	66,180
<u>\$ (280,808)</u>	<u>\$ 10,401,471</u>	<u>\$ 275,926</u>
\$ -	\$ 748,904	\$ -



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

City of Pittsburg
Statement of Fiduciary Net Position
June 30, 2014

ASSETS	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Agency Funds
Cash and investments (Note 2)	\$ 5,311,775	\$ 4,829,220
Cash and investments held by fiscal agent (Note 2)	88,118,037	2,764,040
Assessment receivable	-	2,204,521
Accounts receivable	280,819	-
Interest receivable	-	-
Inventory	16,821	-
Prepaid items and other assets	240,933	-
Loans receivable (Notes 14A)	12,228,238	-
Capital Assets (Note 14B):		
Land and construction in progress	22,017,046	-
Depreciable capital assets, net	1,764,296	-
Total assets	129,977,965	9,797,781
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow of resources (Note 14C)	15,385,942	-
Total Deferred Outflow of Resources	15,385,942	-
LIABILITIES		
Accounts payable	381,720	240,182
Interest payable	4,059,478	-
Refundable deposits	101,520	-
Deferred assessments	-	2,204,521
Due to other parties	-	6,006
Due to other governments	792,763	-
Due to bond-holders	-	7,347,072
Compensated absences payable:		
Due in one year	14,661	-
Due in more than one year	16,531	-
Long-term obligations (Note 14C):		
Derivative instrument	15,385,942	
Due in one year	13,647,665	-
Due in more than one year	361,293,682	-
Total Liabilities	395,693,962	\$ 9,797,781
NET POSITION		
Held in Trust for Private Purpose	\$ (250,330,055)	

See accompanying notes to financial statements

City of Pittsburg
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2014

	Successor Agency to the Redevelopment Agency Private-Purpose Trust
ADDITIONS	
Property tax	\$ 38,486,428
Intergovernmental revenues	23,411
Use of money and property	1,059,088
Other revenues	1,977,755
Total Additions	<u>41,546,682</u>
DEDUCTIONS	
General administration	1,603,853
Depreciation expense	43,542
Repair and improvements	1,456,348
Interest and fiscal charges	23,704,225
Total Deductions	<u>26,807,968</u>
Change in Net Position	14,738,714
NET POSITION HELD IN TRUST	
Beginning of Year	<u>(265,068,769)</u>
End of Year	<u>\$ (250,330,055)</u>

See accompanying notes to financial statements



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

Housing Authority

Housing Authority Section 8, 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. The Housing Authority also administers the Veterans Affairs Supportive Housing (VASH), which provides rental and other clinical services to homeless veterans. The Housing Authority is reported in the special revenue fund of the City. No separate financial report is issued by the 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.

Since the City of Pittsburg 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.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

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

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

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Governmental Fund Financial Statements

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

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

<u>Fund</u>	<u>Balances</u>
General Fund	\$ 8,970,879
Budget Stabilization	10,916,101
Economic Development	726,690
Total	<u>\$20,613,670</u>

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

Successor Agency Housing 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.

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

Proprietary Fund Financial Statements

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

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

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

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

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 Pittsburgh. 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.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

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.

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

The City also reports fiduciary fund types.

Fiduciary Fund Financial Statements - Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Change in Fiduciary Net Position. The City's fiduciary funds represent a private purpose trust fund 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.

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.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

C. Use of Restricted/Unrestricted Net Position

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

D. Spending Policy

The City's policy is to spend restricted fund balances first, before spending unrestricted fund balances, for expenditures incurred for purposes for which both restricted and unrestricted fund balances are available, except for instances wherein an Agency ordinance or resolution specifies the fund balance. 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, 2014

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, 2014

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. Contributed assets are valued at their estimated fair value on the date contributed.

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

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

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

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

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

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

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

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

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

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.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Fund Financial Statements

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

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

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

L. Unearned Revenue

Government-Wide Financial Statements

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

Fund Financial Statements

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

M. Compensated Absences

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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	\$ 1,780,339	\$ 349,436	\$ 2,129,775
Additions/Payments, net	197,552	55,918	253,470
	<u> </u>	<u> </u>	<u> </u>
Ending Balance	<u>\$ 1,977,891</u>	<u>\$ 405,354</u>	<u>\$ 2,383,245</u>
	<u> </u>	<u> </u>	<u> </u>
Current Portion	<u>\$ 1,460,000</u>	<u>\$ 304,000</u>	<u>\$ 1,764,000</u>

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has reported deferred outflows of resources in the Statement of Net Position and proprietary fund statements for the accumulated decrease in fair value of hedging derivatives.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position or fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

O. 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.

P. New, Closed and Combined Funds

During fiscal year ended June 30, 2014, the City opened two new Special Revenue funds: Railroad Avenue Specific Plan and Bailey Road Maintenance. The City closed the COPS Hiring Recovery Special Revenue Fund. In addition, the Island Energy and Pittsburg Power Enterprise Funds were combined into the Pittsburg Power Enterprise Fund.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Q. Implementation of Governmental Accounting Standards Board Statement (GASB)

The City has implemented the requirements of the following GASB Pronouncement:

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities.* This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012. This Statement required the Successor Agency to the Redevelopment Agency Private-Purpose Trust to remove its remaining unamortized bond issuance costs previously reported as deferred charges on the Statement of Fiduciary Net Position as of June 30, 2013.

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.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

B. Classification

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

	Government-Wide Statement of Net Position			Separate	Total
	Governmental Activities	Business-Type Activities	Total	Fiduciary Funds	
Cash and investments	\$ 50,353,943	\$ 27,999,668	\$ 78,353,611	\$ 10,140,995	\$ 88,494,606
Restricted cash and investments	1,543,722	4,245,430	5,789,152	90,882,077	96,671,229
Total cash and investments	\$ 51,897,665	\$ 32,245,098	\$ 84,142,763	\$ 101,023,072	\$ 185,165,835

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) (CAMP)	n/a	none	\$50 million	none
	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.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City's investments with Local Agency Investment Fund (LAIF), a State of California external investment pool, at June 30, 2014, 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, 2014, the City had \$45,246,216 invested in LAIF, which had invested 1.09% of the pool investment funds in Structured Notes and Medium-term Asset-Backed Securities. The LAIF fair value factor of 1.00029875 was used to calculate the fair value of the investments in LAIF. The fair value of the City's position in the pool is materially equivalent to the value of the pool share. At June 30, 2014, these investments matured in an average of 232 days.

D. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
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
(CAMP)	n/a	none

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

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.

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>		
	<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>Total</u>
U.S. Treasury & Federal Obligations	\$ 12,846,188	\$ 56,058,032	\$ 68,904,220
Medium-Term Notes	-	6,120,434	6,120,434
Local Agency Investment Fund	45,246,216	-	45,246,216
Guaranteed Investment Agreements CAMP	-	2,179,281	2,179,281
	3,758,007		3,758,007
Money Market Funds	33,994,488	-	33,994,488
Non-negotiable Certificates of Deposit	15,102,079	-	15,102,079
Total Investments	<u>\$ 110,946,978</u>	<u>\$ 64,357,747</u>	<u>175,304,725</u>
Cash in banks and on hand			<u>9,861,110</u>
Total Cash and Investments			<u>\$ 185,165,835</u>

Money Market Funds are available for withdrawal on demand and at June 30, 2014 matured in an average of 27 days.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (Continued)

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, 2014 for each investment type as provided by Standard and Poor's investment rating system.

	Fair Value	AAA	AAAm	AA+	A+	A	Not Rated
U.S. Treasury & Agency Obligations	\$ 68,904,220	\$ -	\$ -	\$ 68,904,220	\$ -	\$ -	\$ -
Medium-Term Notes	6,120,434	-	-	2,009,920	2,102,202	2,008,312	-
CAMP	3,758,007	-	3,758,007	-	-	-	-
Money Market Funds	33,994,488	-	33,994,488	-	-	-	-
Guaranteed Investment Agreements	2,179,281	2,179,281	-	-	-	-	-
Local Agency Investment Fund	45,246,216	-	-	-	-	-	45,246,216
Non-negotiable Certificates of Deposit	15,102,079	-	-	-	-	-	15,102,079
Total Investments	175,304,725	<u>\$2,179,281</u>	<u>\$ 37,752,495</u>	<u>\$ 70,914,140</u>	<u>\$2,102,202</u>	<u>\$2,008,312</u>	<u>\$ 60,348,295</u>
Cash in banks and on hand	9,861,110						
Total Cash and Investments	<u>\$ 185,165,835</u>						

G. Concentration of Credit Risk

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

Issuer	Investment Type	Amount
<i>Government-Wide:</i>		
Federal National Mortgage Association	Securities of U.S. Government	\$ 50,031,776

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - LOANS AND NOTES RECEIVABLES

As of June 30, 2014, loans and notes receivable consisted of the following:

Description	Total Balance at June 30, 2014
<i>Governmental Funds:</i>	
HUD Community Development Block Grant	\$ 357,714
CalHome Program Loans	454,626
Rehabilitation and Construction Loans	1,576,889
Nana's Place	235,937
La Veranda Café, Inc.	745,361
9th Street Associates (Santa Fe Commons Housing Development)	1,655,287
Miriam Cancel	3,000
Residential Loans on Vidrio	3,089,590
Century Plaza Corporation	356,463
Fairfield Belmont, L.P. Loan	4,650,889
Steadfast Marina Heights L.P.	1,400,000
Low Income Families Loans	917,440
Presidio Village Senior Housing	658,178
Palm Plaza Group, LLC	364,000
Palm Plaza Development	470,000
Resources for Community Development Loan	6,727,738
Mariner Walk Loan	180,000
Vista Del Mar Loans	300,000
Mercy Housing California Loan	4,437,800
Domus Development LLC Loan	4,853,943
Domus Development LLC (Gateway DEV)	8,108,598
Francis Palermo & Mary Lieser (PACF)	821,549
Miriam Cancel (PACF)	24,422
Total Governmental Funds - Loans and Notes Receivable	<u>\$ 42,389,424</u>

A. HUD Community Development Block Grant (CDBG) Loans

The HUD CDBG Special Revenue fund had a loans receivable balance of \$357,714 as of June 30, 2014, which consisted of \$159,123 in CDBG entitlement loans and \$198,591 in First Time Homebuyer loans.

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, 2014 was \$454,626.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

C. Rehabilitation and Construction Loans

Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types was \$1,576,889 as of June 30, 2014.

D. Community Capital Improvement and Neighborhood Stabilization Program Loans

These are rehabilitation and construction loans to eliminate blight to a number of small businesses and property owners to assist improvements and rehabilitation of properties that were currently vacant or underutilized.

- 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, 2014 was \$235,937.
- 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, 2014 was \$745,361.
- During fiscal year 2011-2012, the City provided a property development loan of \$1,614,713 to 9th Street Associates LP to develop the units at Santa Fe Commons. The loan terms include 3% simple interest and are due in 55 years. The repayment will be made from residual receipts. The outstanding balance as of June 30, 2014 was \$1,655,287.
- During fiscal year 2009-2010, the City approved a rehabilitation loan to Miriam Cancel for her property at 48 Dolphin Drive. The loan bears interest of 0% and is fully forgivable in 5 years if the home remains as the buyer's primary residence. The outstanding balance as of June 30, 2014 was \$3,000.

E. Other Loans

- During fiscal year 2010-2011, the City of Pittsburg financed the residential loans to the homebuyers of Vidrio Condominium. The outstanding amount as of June 30, 2014 was \$3,089,590.
- During fiscal year 2013-14, the City of Pittsburg approved a loan to Century Plaza Corporation for anchor tenant retention and remodeling of the Century Plaza. The total approved loan amount was \$1,300,000 and will be disbursed in five years. Loan bears 2% annual interest and is due and payable on July 1, 2023. Century Plaza Corporation will receive a loan repayment credit effective July 1, 2019 if it is in compliance with the terms stipulated by the loan agreement. The accrued interest will be forgiven along with the loan credit. The outstanding amount as of June 30, 2014 was \$356,463.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

F. Housing Successor Agency Loans

During fiscal year 2004-2005, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$4,880,000 to the Fairfield Belmont, L.P. for the purchase and renovation of 224 affordable residential units located within the Redevelopment Project Area. The loan bears the lesser interest of 1% per year or the amount of the former Redevelopment Agency Receipts and provides for the Agency to receive 20% of the project's residual receipts annually. With the dissolution of the Redevelopment Agency effective February 1, 2012, the assets of the Agency, including this loan were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$4,650,889.

During fiscal year 2004-2005, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$1,400,000 to the Steadfast Marina Heights L.P. for the purchase and renovation of 200 affordable residential units located within the Redevelopment Project Area. The loan bears interest of 7% per year or the amount of Agency Receipts and provides for the Agency to receive 30% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, the assets of the Agency, including this loan were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$1,400,000.

During fiscal year 2006-2007 and 2007-2008, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds to low income families to purchase homes. The loans bear no interest and are deferred until the property changes title or are refinanced for cash. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$917,440.

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$566,150 to Pacific Community Services for prior construction of 104 units called the Presidio Village Senior Housing. The loan bears interest of 3% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance and accrued interest as of June 30, 2014 was \$658,178.

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund provided \$728,000 and \$940,000 to Palm Plaza Group, LLC and Palm Plaza Development, respectively, for the purchase and renovation of residential units located within the Redevelopment Project Area. With the dissolution of the Agency effective February 1, 2012, these loans were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$364,000 for Palm Plaza Group, LLC and \$470,000 for Palm Plaza Development, respectively, totaling \$834,000.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$6,105,848 to Resources for Community Development for the development of 71 rental dwellings and a community center. During the fiscal year 2008-2009, an amendment was filed to increase the loan up to an additional \$350,000 and \$5,710,730 of the loan was disbursed to the Developer. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$6,727,738.

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. With the dissolution of the Agency effective February 1, 2012, these loans were assumed by the Housing Successor. The balance outstanding as of June 30, 2014 was \$180,000 and \$300,000 for the property owners.

During fiscal year 2005-2006, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$1,052,854 to Mercy Housing California for the development of a 64-unit dwelling and child care center located within the Redevelopment Project Area. During the fiscal year 2007-2008, an amendment was filed to increase the loan for a total of \$4,952,854. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$4,437,800.

During fiscal year 2007-2008, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$250,000 to Domus Development LLC for the feasibility study of a senior affordable housing development (Siena Court). 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. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor. The outstanding balance as of June 30, 2014 was \$4,853,943.

In Fiscal Year 2005-2006, the former Redevelopment Agency entered into 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 foot ground floor commercial space at the northeast corner of Railroad Avenue and 10th Street. Funding was provided by the Housing-Set Aside funds in the amount of \$6,000,000 and \$2,000,000 by future tax increments. During the fiscal year 2007-2008, an amendment was filed to increase the loan up to an additional \$800,000 and \$4,845,755 of the loan was disbursed to the Developer. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the by the Housing Successor Agency. The outstanding balance as of June 30, 2014 was \$8,108,598.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

G. Pittsburgh 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 4th Street, with a balloon payment due on December 1, 2023. The outstanding amount as of June 30, 2014 was \$821,549.

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, 2014 was \$24,422.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 4 - UNEARNED AND UNAVAILABLE REVENUE

A. Government-Wide Financial Statements

Unearned revenues in Government-Wide Financial Statements represent amounts for which revenues have not been earned. At June 30, 2014, unearned revenues in the Government-Wide Financial Statements consisted of unearned developer, donation, and grant revenues of \$1,053,278 in Governmental Activities and \$924,159 in Business-Type Activities.

B. Fund Financial Statements

At June 30, 2014, the following amounts were recorded in the Fund Financial Statements because either the revenues had not been earned or the funds were not available to finance expenditures of the current period:

	Governmental Funds				
	General Fund	Housing Authority (Sec. 8)	Successor Agency Housing	Non-Major Governmental Funds	Total Governmental Funds
Unearned developer/donation revenue	\$ 23,514	\$ -	\$ -	\$ -	\$ 23,514
Loans receivable	356,463	-	33,068,586	5,718,536	39,143,585
Unearned service revenue	609,270	125,521	-	294,973	1,029,764
Total	<u>\$ 989,247</u>	<u>\$ 125,521</u>	<u>\$ 33,068,586</u>	<u>\$ 6,013,509</u>	<u>\$ 40,196,863</u>

	Business-Type			
	Water	Pittsburg Power	Non-Major Enterprise	Total
Unearned developer/donation revenue	\$ -	\$ 484,478	\$ -	\$ 484,478
Unearned service revenue	3,411	289,003	147,267	439,681
	<u>\$ 3,411</u>	<u>\$ 773,481</u>	<u>\$ 147,267</u>	<u>\$ 924,159</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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:		
<i>Special Revenue Funds:</i>		
HUD Community Development Block Grant	General Fund	\$ 143,879
San Marco CFD 2004-1	General Fund	1,750
Vista Del Mar CFD 2005-2	General Fund	3,685
Public Safety Service CFD 2005-1	General Fund	11,196
Pittsburg Arts & Community Foundation	General Fund	400
	Due to General Fund	<u>\$ 160,910</u>

B. Interfund Advances

At June 30, 2014, the following funds had advances that were not expected to be repaid within the next year:

<u>FROM FUND:</u>	<u>TO FUND :</u>	<u>AMOUNT</u>
GOVERNMENTAL FUND		
General Fund	Park Maintenance CFD 2007-1 Special Revenue Fund	\$ 163,443
PROPRIETARY FUNDS		
Water Utility	General Fund	2,323,394
<i>Special Revenue Funds:</i>		
Water Utility	Housing Authority (Section 8)	79,218
Water Utility	Lighting & Landscape	128,783
Water Utility	Storm Water Utility (NPDES)	43,857
Water Utility	HUD Community Development Block Grant	11,459
Water Utility	San Marco CFD 2004-1	46,821
Water Utility	Vista Del Mar CFD-2005-2	5,312
Water Utility	Public Safety Service CFD 2005-1	21,862
Water Utility	Park Maintenance CFD 2007-1	3,096
<i>Internal Service Funds:</i>		
Water Utility	Fleet Maintenance	35,703
Water Utility	Building Maintenance	25,024
Water Utility	Information/Communication Services	11,470
	<i>Sub-total: Advance from Water Utility</i>	<u>2,735,999</u>
Pittsburg Power	Golf Course	375,000
	<i>Total: Advances from Proprietary Fund</i>	<u>3,110,999</u>
	TOTAL ADVANCES	<u><u>\$ 3,274,442</u></u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

During fiscal year 2006-2007, the General Fund advanced \$150,000 to the Park Maintenance CFD 2007-1 Special Revenue Fund to help to eliminate the deficit fund balance. Interest is accrued annually at the LAIF rate. The balance as of June 30, 2014 was 163,444.

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 .36% per year. The repayment began in fiscal year 2012 - 2013 with an interest only payment, and the current balance as of June 30, 2014 was \$2,735,999.

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.

C. *Interfund Transfers*

At June 30, 2014, the City had the following inter-fund transfers:

- A. Transfers to the General Fund were to fund General Fund operations and administrative services for which the other funds received services.
- B. Transfers to cover Citywide Lighting & Landscaping operating expenses and building projects.
- C. Transfer to fund Citywide Pavement projects.
- D. Transfer to fund building projects and road maintenance projects.
- E. Transfers to the Water and Sewer Utility Enterprise Fund to subsidize senior discount.
- F. Transfer to Golf Course fund to cover property taxes and building allocation charge.
- G. Transfers to fund unfunded OPEB liabilities.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT</u>	
Non-Major Governmental Funds		\$ 1,730,877	
Water Utility		803,918	
Sewer Utility		599,898	
Pittsburg Power		786,500	
Internal Service Funds		<u>183,618</u>	
	General Fund	<u>4,104,811</u>	A
General Fund		558,442	B
Water Utility		110,000	C
Non-Major Governmental Funds		<u>310,851</u>	D
	Non-Major Governmental Funds	<u>979,293</u>	
	<i>Sub-total: Total Governmental Funds</i>	<u>5,084,104</u>	
General Fund	Water Utility	63,700	E
General Fund	Sewer Utility	112,410	E
General Fund	Non-Major Enterprise Funds	16,713	F
General Fund	Internal Service Funds	317,793	G
Housing Authority (Section 8)	Internal Service Funds	11,714	G
Non-Major Governmental Funds	Internal Service Funds	46,147	G
Water Utility	Internal Service Funds	117,990	G
Sewer Utility	Internal Service Funds	29,853	G
Marina	Internal Service Funds	21,126	G
Pittsburg Power	Internal Service Funds	66,285	G
Internal Service Fund	Internal Service Funds	<u>30,847</u>	G
	<i>Sub-total: Total Proprietary Funds</i>	<u>834,578</u>	
	TOTAL TRANSFERS	<u>\$ 5,918,682</u>	

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 6 - CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2014, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 33,838,944	\$ 1,143,506	\$ 34,982,450
Construction in progress	25,194,054	20,659,398	45,853,452
Total non-depreciable assets	<u>59,032,998</u>	<u>21,802,904</u>	<u>80,835,902</u>
Depreciable assets:			
Buildings and improvements	81,607,618	24,135,543	105,743,161
Machinery and equipment	13,008,115	6,854,470	19,862,585
Infrastructure	283,948,421	130,422,455	414,370,876
Total depreciable assets	<u>378,564,154</u>	<u>161,412,468</u>	<u>539,976,622</u>
Less accumulated depreciation:			
Buildings and improvements	(25,681,351)	(17,624,309)	(43,305,660)
Machinery and equipment	(10,651,881)	(2,771,965)	(13,423,846)
Infrastructure	(125,553,186)	(32,808,616)	(158,361,802)
Total accumulated depreciation	<u>(161,886,418)</u>	<u>(53,204,890)</u>	<u>(215,091,308)</u>
Total net depreciable assets	<u>216,677,736</u>	<u>108,207,578</u>	<u>324,885,314</u>
Total capital assets	<u>\$ 275,710,734</u>	<u>\$ 130,010,482</u>	<u>\$ 405,721,216</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 6 - CAPITAL ASSETS (Continued)

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

	Balance at July 1, 2013	Additions	Deletions	Reclass- ifications	Balance at June 30, 2014
Non-depreciable assets:					
Land	\$ 33,828,944	\$ 10,000	\$ -	\$ -	\$ 33,838,944
Construction in progress	20,492,611	4,701,443	-	-	25,194,054
Total	54,321,555	4,711,443	-	-	59,032,998
Depreciable assets:					
Buildings and improvements	81,996,455	-	(51,902)	(336,935)	81,607,618
Machinery and equipment	12,684,945	456,740	(136,901)	3,331	13,008,115
Infrastructure	283,614,817	-	-	333,604	283,948,421
Total	378,296,217	456,740	(188,803)	-	378,564,154
Less accumulated depreciation:					
Buildings and improvements	(22,184,990)	(3,500,310)	3,949	-	(25,681,351)
Machinery and equipment	(9,869,272)	(913,679)	131,070	-	(10,651,881)
Infrastructure	(118,743,552)	(6,809,634)	-	-	(125,553,186)
Total	(150,797,814)	(11,223,623)	135,019	-	(161,886,418)
Total depreciable assets, net	227,498,403	(10,766,883)	(53,784)	-	216,677,736
Total capital assets, net	\$ 281,819,958	\$ (6,055,440)	\$ (53,784)	\$ -	\$ 275,710,734

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 6 - CAPITAL ASSETS (Continued)

Governmental activities depreciation expense for capital assets for the year ended June 30, 2014 is as follows:

General government	\$ 1,336,137
City Manager and City Clerk	50,401
City Attorney	82
Human Resources	5,510
Finance and services	101,219
Community development and services	165,527
Public Safety	451,364
Public Works	9,113,383
Total depreciation expense	<u>\$ 11,223,623</u>

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

	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2014</u>
Non-depreciable assets:				
Land	\$ 1,143,506	\$ -	\$ -	\$ 1,143,506
Construction in progress	15,432,387	5,241,264	(14,253)	20,659,398
Total	<u>16,575,893</u>	<u>5,241,264</u>	<u>(14,253)</u>	<u>21,802,904</u>
Depreciable assets:				
Buildings and improvements	24,135,543	-	-	24,135,543
Machinery and equipment	6,624,756	229,714	-	6,854,470
Infrastructure	130,422,455	-	-	130,422,455
Total	<u>161,182,754</u>	<u>229,714</u>	<u>-</u>	<u>161,412,468</u>
Less accumulated depreciation:				
Buildings and improvements	(15,122,279)	(2,502,030)	-	(17,624,309)
Machinery and equipment	(2,428,658)	(343,307)	-	(2,771,965)
Infrastructure	<u>(32,535,446)</u>	<u>(273,170)</u>	<u>-</u>	<u>(32,808,616)</u>
Total	<u>(50,086,383)</u>	<u>(3,118,507)</u>	<u>-</u>	<u>(53,204,890)</u>
Total depreciable assets, net	<u>111,096,371</u>	<u>(2,888,793)</u>	<u>-</u>	<u>108,207,578</u>
Total capital assets, net	<u>\$ 127,672,264</u>	<u>\$ 2,352,471</u>	<u>\$ (14,253)</u>	<u>\$ 130,010,482</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 6 - CAPITAL ASSETS (Continued)

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2014 are as follows:

Water Utility	\$ 1,499,783
Sewer Utility	687,128
Marina	479,605
Pittsburg Power	365,254
Golf Course	86,737
Total	<u>\$ 3,118,507</u>

B. Fund Financial Statements

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

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

NOTE 7 - LONG TERM DEBT

Governmental Activities

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2014:

Description	Original Issue Amount	Beginning Balance July 1, 2013	Additions	Retirements and Adjustments	Ending Balance June 30, 2014	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities:							
2006 Pension Obligation Bonds	\$ 39,566,056	\$ 38,351,056	\$ 1,130,647	\$ 6,324,652	\$ 33,157,051	\$ 530,000	\$ 32,627,051
Capital Lease	176,450	139,171	-	33,356	105,815	34,295	71,520
Total Governmental Activities		<u>\$ 38,490,227</u>	<u>\$ 1,130,647</u>	<u>\$ 6,358,008</u>	<u>\$ 33,262,866</u>	<u>\$ 564,295</u>	<u>\$ 32,698,571</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 - LONG TERM DEBT (Continued)

Series 2006 Pension Obligation Bonds

On June 15, 2006, the City issued \$39,566,056 of Series 2006 Taxable Pension Obligations Bonds bearing interest at 5.784-6.115% to prepay the City’s unfunded accrued actuarial liability of the Miscellaneous and Safety plans through the California Public Employees’ Retirement System. The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to \$12,700,000 as of June 30, 2006. The Bonds are issued as current interest bonds and capital interest bonds where the current interest is payable annually on July 1, and the capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable from any form of taxation. 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 \$83,093,280. For the current year, principal and interest paid were \$1,981,228 and city-wide revenues were \$65,956,595.

The Bonds unaccrued discount and the current year accretion totaled \$25,542,949 and \$1,130,647, respectively at June 30, 2014. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates between 5.85% and 6.12%. Repayment of the accreted principal will commence July 1, 2015. Final repayment will be July 1, 2031.

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2014, were as follows:

Year Ending June 30,	Principal (1)	Interest	Total
2015	\$ 530,000	\$ 1,502,886	\$ 2,032,886
2016	1,955,000	1,479,171	3,434,171
2017	2,019,999	1,461,241	3,481,240
2018	2,090,001	1,440,995	3,530,996
2019	2,160,001	1,418,272	3,578,273
2020-2024	12,170,000	6,652,319	18,822,319
2025-2029	13,840,001	5,691,696	19,531,697
2030-2034	15,974,998	4,267,776	20,242,774
2035-2036	7,960,000	478,924	8,438,924
Total	<u>\$ 58,700,000</u>	<u>\$ 24,393,280</u>	<u>\$ 83,093,280</u>

(1) Includes unaccrued discount in the total amount of \$25,542,949.

Capital Lease for Governmental Activities

On November 2, 2012, the City entered into a four-year tax-exempt lease agreement for a total principal cost of \$310,572 with Key Government Finance, Inc., the proceeds of which were used to upgrade the telephone voice over internet protocol (VOIP) system. The interest rate on the capital lease is 2.820% and principal and interest payments are due annually, commencing November 2, 2012, maturing on November 2, 2016. As of June 30, 2014, the outstanding principal balance on the lease was \$105,815.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 - LONG TERM DEBT (Continued)

The annual debt service requirements to mature the lease outstanding at June 30, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2015	\$ 34,295	\$ 2,984	\$ 37,279
2016	35,263	2,016	37,279
2017	36,257	1,021	37,278
Totals	<u>\$ 105,815</u>	<u>\$ 6,021</u>	<u>\$ 111,836</u>

Business-Type Activities

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2014:

Description	Original Issue Amount	Beginning Balance July 1, 2013	Additions	Retirements	Ending Balance June 30, 2014	Amounts Due Within One Year	Amounts Due in More Than One Year
Business-Type Activities:							
2004 Waste Water Revenue Bonds	\$11,950,000	\$ 6,800,000	\$ -	\$ 6,800,000	\$ -	\$ -	\$ -
2008A Water Revenue Refunding Bonds	38,395,000	33,620,000	-	1,010,000	32,610,000	1,035,000	31,575,000
2014 Waste Water Revenue Refunding Bonds	5,342,000	-	5,342,000	-	5,342,000	741,000	4,601,000
Total Business-Type Activities		<u>\$ 40,420,000</u>	<u>\$ 5,342,000</u>	<u>\$ 7,810,000</u>	<u>\$ 37,952,000</u>	<u>\$ 1,776,000</u>	<u>\$ 36,176,000</u>

2004 Wastewater Revenue Bonds and 2014 Wastewater Revenue Refunding Bonds (Bank of the West Private Placement)

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 - LONG TERM DEBT (Continued)

To refinance the 2004 Bonds, the Financing Authority with the City, entered into a new installment sale agreement to provide funds in an aggregate principal amount of \$5,342,000. The financing was placed privately with Bank of the West. A portion of the proceeds of the Financing was deposited into an irrevocable escrow for full redemption of the 2004 Bonds. The installment sales payments bear an interest rate of 1.55% per annum with interest payments made semi-annually on June 1 and December 1 commencing December 1, 2014 through June 1, 2021. The installments are payable solely from Net Wastewater Revenues. Annual principal and interest payments are expected to require less than 15% percent of net revenues. The total principal and interest remaining to be paid is \$5,650,081. For the current year, principal and interest paid were \$916,053 and wastewater net revenues were \$2,835,268.

The Refunding of the 2004 bonds resulted in a net present value savings of \$672,338 of the refunded bonds.

Year Ending June 30,	Principal	Interest	Total
2015	\$ 741,000	\$ 73,263	\$ 814,263
2016	737,000	68,463	805,463
2017	753,000	56,970	809,970
2018	761,000	45,268	806,268
2019	772,000	33,434	805,434
2020-2022	1,578,000	30,683	1,608,683
Total	\$ 5,342,000	\$ 308,081	\$ 5,650,081

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 7 - LONG TERM DEBT (Continued)

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 rates, 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, 2014, \$32,610,000 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 \$45,186,188. For the current year, principal and interest paid were \$1,073,583 and Water System net operating revenues were \$4,548,973.

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, 2014, were as follows:

Year Ending June 30,	Principal	Interest	Remarketing & LOC Fees	Total
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	1,165,000	1,055,146	330,248	2,550,394
2019	1,215,000	1,013,148	317,130	2,545,278
2020-2024	6,825,000	4,384,563	1,370,532	12,580,095
2025-2029	8,125,000	3,055,132	956,921	12,137,053
2030-2034	9,825,000	1,465,472	462,956	11,753,428
2035	2,190,000	73,746	24,477	2,288,223
Total	\$ 32,610,000	\$ 14,448,562	\$ 4,528,605	\$ 51,587,167

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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, 2014 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.

Associated Bonds	2008 Water Revenue Bonds
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	Baa2/ A / A-
Total Value	(\$3,839,760)

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 \$3,839,760 for the 2008 Water Revenue Bonds. This fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

Credit risk. As of June 30, 2014, 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.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

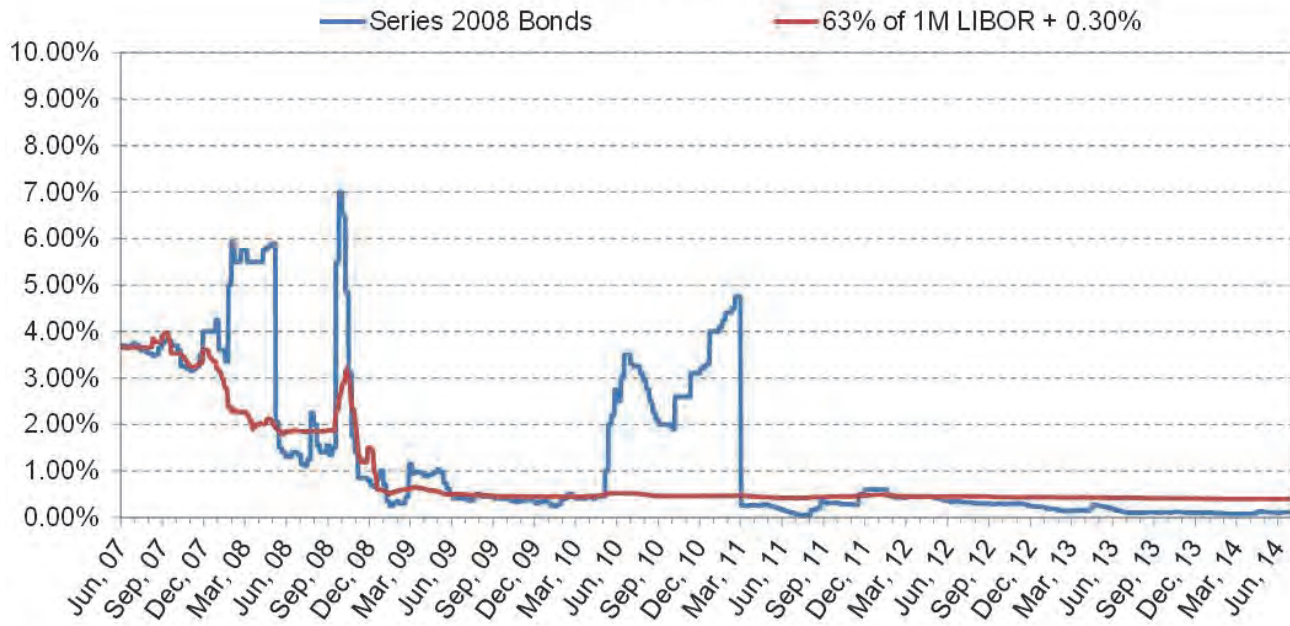
NOTE 7 - LONG TERM DEBT (Continued)

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.

Actual Bond Rate vs. Swap Floating Rate



City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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.

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, 2014, was as follows:

	Balance June 30, 2013	Retirements	Balance June 30, 2014
2001-03 Century Plaza A.D. Bonds	\$ 3,645,000	\$ 105,000	\$ 3,540,000
2005 Vista Del Mar A.D. Bonds	10,640,000	275,000	10,365,000
2011 Pittsburgh IFA Bonds	16,890,000	980,000	15,910,000
Total	\$ 31,175,000	\$ 1,360,000	\$ 29,815,000

2001-03 Century Plaza Assessment District Bonds – 2001-03 Limited Obligation Improvement Assessment District Bonds (Century Plaza Bonds) outstanding at June 30, 2014, amounted to \$3,540,000. 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 Pittsburgh issued \$12,115,000 in 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 were used to finance certain public infrastructure improvements within the City’s Community Facilities District No. 2005-2. The outstanding balance at June 30, 2014 amounted to \$10,365,000.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT
(Continued)

2011 Pittsburgh Infrastructure Financing Authority Bonds - In August 2011, the City refinanced the 1998 Marina Walk Assessment District Bonds, 1998 Pittsburgh Infrastructure Financing Authority Bonds, 2001-01 San Marco Assessment District Bonds and 2001-02 Oak Hills South Assessment District Bonds. These Districts were consolidated into one Reassessment District No. 2011-1. The true interest cost of the refunded bonds is 4.5%. The outstanding balance at June 30, 2014 amounted to \$15,910,000.

NOTE 9 - NET POSITION AND FUND BALANCES

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

A. Net Position

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

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

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

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

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

B. Fund Balances

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

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.

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

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

To comply with GASB 54 requirements, the Budget Stabilization, Economic Development and California Theatre activities are consolidated within the General Fund. The following table provides details of the General Fund's fund balance at June 30, 2014:

<u>Fund/Activity</u>	<u>Nonspendable</u>	<u>Assigned</u>	<u>Unassigned</u>	<u>Total</u>
General	\$ 3,370,929	\$ 350,394	\$ 5,268,968	\$ 8,990,291
Budget stabilization	-	-	10,916,100	10,916,100
Economic development	-	707,279	-	707,279
Other Governmental Fund Deficit	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 3,370,929</u>	<u>\$ 1,057,673</u>	<u>\$ 16,185,068</u>	<u>\$ 20,613,670</u>

Budget Stabilization Arrangement

City Council adopted a Resolution establishing a Budget Stabilization Fund for the City's General Fund and requires the City to deposit year-end surpluses into it. The funds can only be used to help balance future budgets. As of June 30, 2014, the Budget Stabilization, which is reported within the unassigned fund balance of the General Fund, had a balance of \$10,916,100. Of the \$10,916,000, \$1,909,949 are one-time sales tax revenue that the State Board of Equalization ("BOE") is auditing to determine whether the revenue belongs to the City or County. BOE advised the City to not spend the \$1,909,949 until BOE completes their audit.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2014, are listed below:

Fund Balance Classifications	General Fund	Special Revenue		Other Governmental Funds	Total
		Housing Authority Section 8	Successor Agency Housing		
<i>Nonspendables:</i>					
Items not in spendable form:					
Deposits for Land	\$ 15,000	\$ -	\$ -	\$ -	\$ 15,000
Loans & Notes Receivable	3,089,590	-	-	-	3,089,590
Interfund Advances	163,443	-	-	-	163,443
Prepaid	5,963	-	-	11,556	17,519
Inventory	96,933	1,374	-	281,561	379,868
Total Nonspendable Fund Balances	3,370,929	1,374	-	293,117	3,665,420
<i>Restricted for:</i>					
Traffic and Transit Projects	-	-	-	2,430,253	2,430,253
Street Lighting and Landscaping	-	-	-	190,357	190,357
Pollutants Reduction	-	-	-	496,368	496,368
Geological Mitigation and Abatement	-	-	-	2,484,337	2,484,337
Solid Waste	-	-	-	341,816	341,816
Community Arts and Literacy	-	-	-	665,692	665,692
Low Income Housing	-	939,925	767,620	512,684	2,220,229
Debt Service	-	-	-	2,187,696	2,187,696
Capital Projects	-	-	-	12,913,329	12,913,329
Total Restricted Fund Balances	-	939,925	767,620	22,222,532	23,930,077
<i>Committed to:</i>					
Capital Improvement	-	-	-	2,771,477	2,771,477
Field Replacement	-	-	-	261,090	261,090
Public Education	-	-	-	367,041	367,041
Total Committed Fund Balances	-	-	-	3,399,608	3,399,608
<i>Assigned to:</i>					
Encumbrances (PO's)	319,753	-	-	12,500	332,253
Police Buys	1,220	-	-	-	1,220
Leisure Service	6,656	-	-	-	6,656
Payroll Imprest Fund Balance	22,765	-	-	-	22,765
Economic Development	707,279	-	-	-	707,279
Public Safety	-	-	-	44,142	44,142
Total Assigned Fund Balances	1,057,673	-	-	56,642	1,114,315
<i>Unassigned:</i>					
General fund	5,268,968	-	-	-	5,268,968
Stabilization Arrangements	10,916,100	-	-	-	10,916,100
Other governmental fund deficit	-	-	-	(706,698)	(706,698)
Total Unassigned Fund Balances	16,185,068	-	-	(706,698)	15,478,370
Total Fund Balances	\$ 20,613,670	\$ 941,299	\$ 767,620	\$ 25,265,201	\$ 47,587,790

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

C. Deficit Fund Balance/Net Position

At June 30, 2014, the following funds had deficit fund balances:

Fund	Amount
<i>Special Revenue Funds:</i>	
Energy Efficiency & Conservation (EECBG)	\$ 487,907 (a)
San Marco CFD 2004-1	48,571 (b)
Vista Del Mar CFD 2005-2	8,997 (b)
Public Safety Service CFD 2005-1	33,058 (b)
Park Maintenance CFD 2007-1	127,335 (b)
Railroad Avenue Specific Area Plan	830 (b)
 <i>Enterprise Funds:</i>	
Golf Course	36,077 (c)
Water Front Operations	65,213 (d)

- (a) The deficit will be eliminated when the loan is received.
- (b) The deficits will be reduced with future years' assessment revenues.
- (c) The deficit is caused by annual depreciation.
- (d) The deficit will be reduced with future revenues and loans from Pittsburgh Power Company.

D. Restricted Net Position for Special Projects and Programs

At June 30, 2014, the City has the following restricted net position for special projects and programs approved by Resolution 14-12198:

Measure C Fund	\$ 2,209,125
Gas Tax Fund	700,000
Traffic Congestion Fund	17,116
NPDES Fund	233,967
Local Traffic Mitigation Fund	585,438
Park Dedication Fund	2,375,822
City Capital Improvement Project Fund	301,938
Kirker Creek Drainage Fund	788,096
Community Capital Improvement Fund	1,583,110
Regional Traffic Mitigation Fund	725,512
	\$ 9,520,124

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RISK MANAGEMENT

A. General Liability Insurance

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

B. Workers' Compensation

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

C. Estimated Reserves for Claims

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

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

For the Years Ended June 30,	Claims Payable 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
2013	117,713	47,199	(36,027)	128,885
2014	128,885	88,503	(22,323)	195,065

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
2012	\$ 24,480	\$ -	\$ -	\$ 24,480
2013	24,480	24,480	-	-
2014	-	-	-	-

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 10 - RISK MANAGEMENT (Continued)

D. Purchased Insurance

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

<u>Coverage Type</u>	<u>Deductible</u>	<u>Coverage Limits</u>
All Risk Fire and Property	\$ 25,000	\$ 1,000,000,000
Boiler and Machinery	5,000	50,000,000
All Vehicles (Physical Damage)	2,000	250,000
Police Vehicles (Physical Damage)	3,000	250,000
Workers' Compensation	None	Statutory Limits
Liability	25,000	29,000,000
Employment Liability	50,000	1,000,000
Cyber Liability	50,000	2,000,000
Public Entity Pollution Liability	100,000	1,000,000
Government Crime Coverage	10,000	1,000,000

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

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

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

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

E. Adequacy of Protection

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

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).

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

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, 2014, are summarized as follows:

<i>Miscellaneous Plan:</i>	Tier I	Tier II	PEPRA
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefits payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	62	62
Monthly benefits, as % of annual salary	1.426-2.366%	2%	2%
Required employee contribution rate	7%	6.25%	6.25%
Required employer contribution rate	12.711%	12.711%	12.711%
<i>Safety Plan:</i>	Tier I	Tier II	PEPRA
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefits payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50
Monthly benefits, as % of annual salary	3%	2.7%	2.70%
Required employee contribution rate	9%	11.50%	11.50%
Required employer contribution rate	28.34%	20.774%	11.50%

Assembly Bill (AB) 340 pension reform created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and the final compensation period, as well as new contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of new member under PEPRA. This created a second tier for the City's pension plan.

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.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost - For 2013-2014, the City's annual pension cost of \$4,845,023 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 3.30% to 14.20% for miscellaneous employees and from 3.30% to 14.20% 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 2.75%. 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, 2014, was 26 years for miscellaneous and 19 years for 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>
6/30/2012	\$ 4,678,569	100%	\$ -
6/30/2013	4,594,142	100%	-
6/30/2014	4,845,023	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, 2014

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.

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)
6/30/2011	\$52,512,073	\$60,051,999	\$7,539,926	87.44%	\$12,601,426	59.8%
6/30/2012	55,083,474	63,717,235	8,633,761	86.45%	10,998,284	78.5%
6/30/2013	51,501,789	67,373,068	15,871,279	76.44%	11,190,758	141.8%

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.

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)
6/30/2011	\$49,000,318	\$62,090,376	\$13,090,058	78.92%	\$7,615,061	171.9%
6/30/2012	47,297,898	64,138,617	16,840,719	73.74%	6,775,722	248.5%
6/30/2013	53,210,982	68,638,324	15,427,342	77.52%	6,400,891	241.0%

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.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

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

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

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

Funding Policy. There is not statutory requirement for the City to prefund its OPEB obligation. The City has currently chosen to prefund OPEB. There are no employee contributions.

For fiscal year 2013-2014, the City paid \$2,487,460 for retiree healthcare plan benefits, including \$1,040,401 in premium payments for retirees, \$252,946 for implied subsidies and \$1,194,113 for contributions to CERBT fund.

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation. The following table, based on the City's most recent actuarial valuation dated November 18, 2013, as of June 30, 2013, 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	\$ 4,852,000
Interest on net OPEB obligation	877,000
Adjustment to annual required contribution	<u>(1,197,000)</u>
Annual OPEB cost (expense)	4,532,000
Payments made on current retiree premiums	(1,040,401)
Contributions to CERBT	(1,194,113)
Implied subsidy payments	<u>(252,946)</u>
Increase in net OPEB obligation	2,044,540
Net OPEB obligation - beginning of year	<u>17,538,328</u>
Net OPEB obligation - end of year	<u>\$ 19,582,868</u>

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:

<u>Fiscal Year Ended</u>	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2012	\$ 3,874,000	30.0%	\$ 13,664,264
June 30, 2013	5,314,000	23.3%	17,538,328
June 30, 2014	4,532,000	23.0%	19,582,868

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:

Actuarial accrued liability (AAL)	\$ 46,094,000
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 46,094,000
Funded ratio (actuarial value of plan assets/AAL)	0%
Projected covered payroll (active Plan members)	\$ 17,985,000
UAAL as a percentage of covered payroll	256.3%

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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 June 30, 2013 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 5.00% 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 8.0% for 2015 and grading down to 5.0% for 2021 and thereafter. The Medicare premiums were assumed to increase at a rate of 8.3% 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 June 30, 2010 and will be amortized as a level dollar amortization over a 27 year period from June 30, 2013.

**Schedule of Funding Progress
Postemployment Healthcare Plan**

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)
1/1/2009	\$ -	\$ 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%
6/30/2013	-	46,094,000	46,094,000	0%	17,985,000	256.3%

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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, 2014, 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 Pittsburg 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, 2014

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

D. Construction Commitments

As of June 30, 2014 the City has construction commitments to various capital projects as shown in the table below:

Project	Amount
2010/11 Sewer Replacement Program	\$ 2,697,516
Multimodal Transit Station Access Impr 2013-19	1,506,276
Ambrose Park Master Plan & Improvements (2008-21)	1,172,439
Rossmoor Well Replacement	1,148,550
Substation E Switchgear Upgrade/Relocation	1,029,727
Old Town Park	961,499
Railroad Ave. Storm Drainage Improvements (2009-10)	788,096
Seismic Retrofit Bridge	770,395
James Donlon Extension Project	725,512
Loveridge Road Waterline Project	717,290
2014/15 Citywide Pavement Management	700,000
Citywide Storm Drain Improvements (2009-01)	623,426
2013/14 WTP Capital Repairs & Improvements	438,670
Mare Island Residential Units - Gas Electric Meters	411,690
California Ave Widening - Phase I (North Side) (2007-05)	389,654
Railroad Ave Improvements (Linscheid to Hwy 4)	333,022
Capital Reinvestment Projects	300,919
IE Facility Relocation Project	300,272
Bailey Road Widening/Streetscape Improvements (2007-31)	289,238
Water Main - Buchanan Road	280,000
2013/14 Water Main/Service/Valve Repl Program	279,593
Railroad Ave. Building Improvements	243,674
Railroad Ave Pavement Rehab (2009-28)	241,952
Traffic Signal Install - 4 Locations	221,938
School Area Safety Improvements 2013-18	219,417
2009/10 Citywide Sewer Rehab/Water & Sewer Conversion	214,675
Water Main/Service/Valve Replacement Project	160,350
2012/13 Pavement Rehab/North Parkside Improvements (2010-6)	160,256
IPM Garden (2013-09)	153,278
Water Treatment Plant Sludge Handling Facility	152,205
West Leland Reservoir Demolition	150,000
Highway 4 Trunk Line Relief (2007-09)	133,113
Vista Del Mar/San Marco Trail Project 2013-08	120,910
Mare Island Residential Units - Development Refund	106,356
Total of Construction Commitments < \$100,000	1,640,825
Total Construction Commitments	<u>\$ 19,782,733</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES

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

A. Notes and Loans Receivable

The various rehabilitation and construction loans including deferred and accrued interest balance is \$12,228,238 as of June 30, 2014. These loans have been made to individual homeowners, businesses and developers within the Redevelopment Project Area. The terms of these loans are specific to the borrower and interest rates, as well as usage and repayment requirements, vary according to the loan type. The following are descriptions of the various loans:

- Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types as of June 30, 2014 was \$314,126.
- In 2005, a long agreement was entered into with the Mt. Diablo Unified School District (District) in the amount of \$6,178,936 for capital improvements. The funding was provided with the 2003A Bond proceeds. The District will repay the loan from school impact fees collected until the Agency is fully reimbursed or 35 years, whichever occurs first. The balance outstanding as of June 30, 2014 was \$4,840,160.
- The remaining loans receivable of \$7,073,952 as of June 30, 2014 represent a number of small business and property owner rehabilitation and construction loans to eliminate blight by assisting improvements and rehabilitation of properties that were vacant or underutilized.

B. Capital Assets

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

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

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

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

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

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

Capital Asset Additions, Retirements and Balances

	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Balance at June 30, 2014</u>
Capital assets not being depreciated:			
Land	\$ 22,017,046	\$ -	\$ 22,017,046
Total capital assets not being depreciated	<u>22,017,046</u>	<u>-</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>1,919,494</u>
Less accumulated depreciation for:			
Buildings and Improvements	(111,656)	(43,541)	(155,197)
Net capital assets being depreciated	<u>1,807,838</u>	<u>(43,541)</u>	<u>1,764,297</u>
Total capital assets, net	<u>\$ 23,824,884</u>	<u>\$ (43,541)</u>	<u>\$ 23,781,343</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, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

C. Long-Term Debt

The Successor Agency' long term debt activities for fiscal year ended June 30, 2014 are as follows:

Description	Original Issue Amount	Balance June 30, 2013	Additions	Retirements	Balance June 30, 2014	Amounts Due Within One Year	Amounts Due in More Than One Year
Tax Allocation Bonds:							
1999 RDA Bonds	\$ 30,106,357	\$ 27,201,357	\$ 7,539,514	\$ 6,805,000	\$ 27,935,871	\$ -	\$ 27,935,871
2002A RDA Refunding Bonds							
	59,970,000	14,205,000	-	4,495,000	9,710,000	4,730,000	4,980,000
2003A RDA Bonds							
	88,375,000	74,095,000	-	74,095,000	-	-	-
2004A RDA Housing Set-Aside Bonds							
	18,270,000	15,770,000	-	380,000	15,390,000	395,000	14,995,000
2004A RDA Subordinated Bonds							
	117,615,000	113,725,000	-	4,030,000	109,695,000	4,170,000	105,525,000
2006A RDA Housing Set-Aside Bonds							
	11,020,000	9,755,000	-	205,000	9,550,000	220,000	9,330,000
2006B RDA Subordinated Bonds							
	36,840,000	33,430,000	-	3,465,000	29,965,000	3,655,000	26,310,000
2006C RDA Subordinated Refunding Bonds							
	46,660,000	45,385,000	-	160,000	45,225,000	170,000	45,055,000
2008A RDA Subordinated Refunding Bonds							
	61,660,856	60,510,856	-	-	60,510,856	15,000	60,495,856
2014 RDA Tax Allocation Refunding Bonds							
	67,445,000	-	67,445,000	-	67,445,000	-	67,445,000
Sub-total		394,077,213	74,984,514	93,635,000	375,426,727	13,355,000	362,071,727
Unamortized Premium		3,094,629	-	442,090	2,652,539	442,090	2,210,449
Deferred amount on refunding on 2006C RDA		(3,287,344)	-	(149,425)	(3,137,919)	(149,425)	(2,988,494)
Total Successor Agency Debt		\$ 393,884,498	\$ 74,984,514	\$ 93,927,665	\$ 374,941,347	\$ 13,647,665	\$ 361,293,682

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

1999 Redevelopment Agency Tax Allocation Bonds

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2014 amounted to \$27,935,871. The bonds bear interest at rates between 4.1 % and 6.2% with interest payments made semi-annually on February 1 and August 1. The bonds mature on August 1 of each year. The proceeds of the bonds were used to provide money for certain public capital improvements located within the Agency's Project Area, to fund a reserve account, and to pay cost of issuance incurred in connection with the issuance. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 20% from these revenues. The total principal and interest remaining to be paid on the bonds is \$95,795,000. For FY 2013-14, principal and interest paid were \$1,066,310. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

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

The Bonds unaccreted discount and the current year accretion totaled \$67,859,129 and \$7,539,514, respectively at June 30, 2014. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates between 6.10% and 6.20%. Repayment of the accreted principal will commence August 1, 2019. Final repayment will be August 1, 2030.

The annual debt service requirements to mature the Capital Appreciation Bond portion of the 1999 RDA Bonds outstanding at June 30, 2014, were as follows:

Year Ending June 30,	Principal (1)	Interest	Totals
2015	\$ -	\$ -	\$ -
2016	-	-	-
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020-2024	32,955,000	-	32,955,000
2025-2029	44,550,000	-	44,550,000
2030-2031	18,290,000	-	18,290,000
Totals	\$ 95,795,000	\$ -	\$ 95,795,000

(1) Includes unaccreted discount in the total amount of \$67,859,129.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - 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, 2014 amounted to \$9,710,000. 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 \$10,226,338. For FY 2013-14, principal and interest paid were \$5,122,769. 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, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 4,730,000	\$ 385,613	\$ 5,115,613
2016	4,980,000	130,725	5,110,725
Total	<u>\$ 9,710,000</u>	<u>\$ 516,338</u>	<u>\$ 10,226,338</u>

2003 Series A Redevelopment Agency Tax Allocation Bonds

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 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.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

In June 2014, the City issued the 2014 Successor Agency to the Redevelopment Agency of the City of Pittsburg Bonds which refunded the current outstanding principal balance of the 2003A bonds.

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, 2014 amounted to \$15,390,000. 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 \$26,336,628. For FY 2013-14, principal and interest paid were \$1,233,452. 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, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	460,000	769,027	1,229,027
2019	485,000	744,136	1,229,136
2020-2024	2,840,000	3,288,288	6,128,288
2025-2029	3,705,000	2,401,136	6,106,136
2030-2034	4,855,000	1,216,028	6,071,028
2035-2038	1,795,000	87,251	1,882,251
Total	\$ 15,390,000	\$ 10,946,828	\$ 26,336,828

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

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, 2014 amounted to \$109,695,000. 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 \$180,557,703. For FY 2013-14, total principal and interest paid were \$4,085,651.

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.

In March 2011, the Agency and LOC providers, State Street Bank and CalSTRS, renewed the Letter of Credit ("LOC") for the 2004A bonds. The agreement included a provision that the LOC fees would increase by 75 basis points from 2.00% to 2.75% of the outstanding principal in the event the underlying rating on the 2004A bonds dropped below BB+. In August 2012, Fitch reduced the underlying rating on the 2004A bonds to BB-. As a result of the rating decrease, in fiscal year 2013-14, the LOC fee increased by \$853,955. Because Tax Increment growth has been relatively stagnant, the LOC providers agreed to defer charging the increased LOC fee until December 29, 2014. The Agency will owe \$1,650,675 associated with the LOC deferred fee increase through June 30, 2014. Fortunately, Fitch upgraded the underlying rating on the bonds to BB+ on December 8, 2014. Thus, the LOC fee is expected to decrease to 2.00% based on Fitch's recent upgrade of the 2004A bond. The debt service table below includes the LOC fee at 2.75% for FYs 2012-13 through December 2014.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

The annual debt service requirements on the 2004A Bonds outstanding at June 30, 2014, are as follows:

Year Ending June 30,	Principal	Interest	Remarketing & LOC Fees	Total
2015	\$ 4,170,000	\$ 3,893,076	\$ 2,702,029	\$ 10,765,105
2016	4,330,000	3,745,082	2,208,597	10,283,679
2017	4,495,000	3,591,411	2,116,151	10,202,562
2018	4,660,000	3,431,883	2,016,498	10,108,381
2019	4,835,000	3,266,500	1,914,609	10,016,109
2020-2024	26,845,000	13,664,892	7,938,086	48,447,978
2025-2029	26,090,000	8,927,155	5,085,635	40,102,790
2030-2034	27,240,000	3,873,911	2,020,461	33,134,372
2035-2036	7,030,000	339,640	127,087	7,496,727
Total	<u>\$ 109,695,000</u>	<u>\$ 44,733,550</u>	<u>\$ 26,129,153</u>	<u>\$ 180,557,703</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, 2014 amounted to \$9,550,000. 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 \$16,616,609. For FY 2013-14, principal and interest paid were \$715,040. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2014, were as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 220,000	\$ 499,170	\$ 719,170
2016	230,000	487,662	717,662
2017	240,000	475,641	715,641
2018	255,000	462,855	717,855
2019	265,000	449,296	714,296
2020-2024	1,560,000	2,015,766	3,575,766
2025-2029	2,015,000	1,544,838	3,559,838
2030-2034	2,615,000	932,747	3,547,747
2035-2039	2,150,000	198,634	2,348,634
Total	<u>\$ 9,550,000</u>	<u>\$ 7,066,609</u>	<u>\$ 16,616,609</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

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, 2014 amounted to \$29,965,000. 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 \$35,740,262. For FY 2013-14, principal and interest paid were \$5,104,758. 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, 2014, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	4,250,000	850,307	5,100,307
2019	4,475,000	622,797	5,097,797
2020-2023	9,705,000	514,065	10,219,065
Total	<u>\$ 29,965,000</u>	<u>\$ 5,775,262</u>	<u>\$ 35,740,262</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - 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, 2014 amounted to \$45,225,000. On November 29, 2006, the Agency issued \$46,660,000 of Series 2006C Bonds bearing interest at 3.50-4.50% to refund, on an advance basis, the Agency's outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 1993B, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006C 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 \$80,893,166. For FY 2013-14, total principal and interest paid were \$2,116,908.

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, 2014, were as follows:

Year Ending June 30,	Principal	Interest	Total
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	190,000	1,928,339	2,118,339
2019	195,000	1,921,240	2,116,240
2020-2024	1,105,000	9,481,818	10,586,818
2025-2029	1,355,000	9,229,141	10,584,141
2030-2034	30,880,000	7,039,178	37,919,178
2035-2037	10,975,000	238,063	11,213,063
Total	<u>45,225,000</u>	<u>\$ 35,668,166</u>	<u>\$ 80,893,166</u>
Deferred amount on refunding	(3,137,919)		
Total	<u>\$ 42,087,081</u>		

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - 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, 2014 amounted to \$60,510,856. 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 \$105,037,230. For FY 2013-14, total principal and interest paid were \$3,913,281. 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, 2014 were as follows:

Year Ending June 30,	Principal	Interest	Total
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	90,000	3,904,681	3,994,681
2019	120,000	3,898,756	4,018,756
2020-2024	18,615,000	17,650,473	36,265,473
2025-2029	41,335,000	6,917,035	48,252,035
2030-2032	230,856	422,072	652,928
Total	<u>\$ 60,510,856</u>	<u>\$ 44,526,374</u>	<u>\$ 105,037,230</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2014 Refunding Bonds

2014 Series Successor Agency to the Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2014 STAB Bonds) outstanding at June 30, 2014 amounted to \$67,445,000. The 2014 STAB Bonds bear interest at rates between 4.00% and 5.00% with interest payments made semi-annually on February 1 and August 1. The 2014 STAB Bonds mature annually from 2016 to 2030 on August 1 in amounts ranging from \$2,645,000 to \$6,335,000. Proceeds from the 2014 STAB Bonds were used to refund \$74,049,000 of the Agency's 2003A RDA Bonds, partially refund the 1999 RDA Bonds, and to pay costs of issuance incurred in connection with the issuance, sales and delivery of 2014 STAB Bonds. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 14% from these revenues. The total principal and interest remaining to be paid on the bonds is \$88,979,425. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bond. The Refunding of the 2003A bonds resulted in a net present value savings of \$7,532,075 of the refunded bonds.

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

Year Ending June 30,	Principal	Interest	Total
2015	\$ -	\$ 1,944,675	\$ 1,944,675
2016	2,645,000	3,203,300	5,848,300
2017	7,960,000	2,991,200	10,951,200
2018	9,145,000	2,603,375	11,748,375
2019	8,735,000	2,156,375	10,891,375
2020-2024	23,515,000	6,294,375	29,809,375
2025-2029	12,745,000	2,273,625	15,018,625
2030	2,700,000	67,500	2,767,500
Total	<u>\$ 67,445,000</u>	<u>\$ 21,534,425</u>	<u>\$ 88,979,425</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 Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

Terms. The terms, including the counterparty credit ratings of the outstanding swap, as of June 30, 2014 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	Baa2/ A / A-
Total Value	(\$15,385,942)

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, 2014 of \$15,385,942 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, 2014, 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.

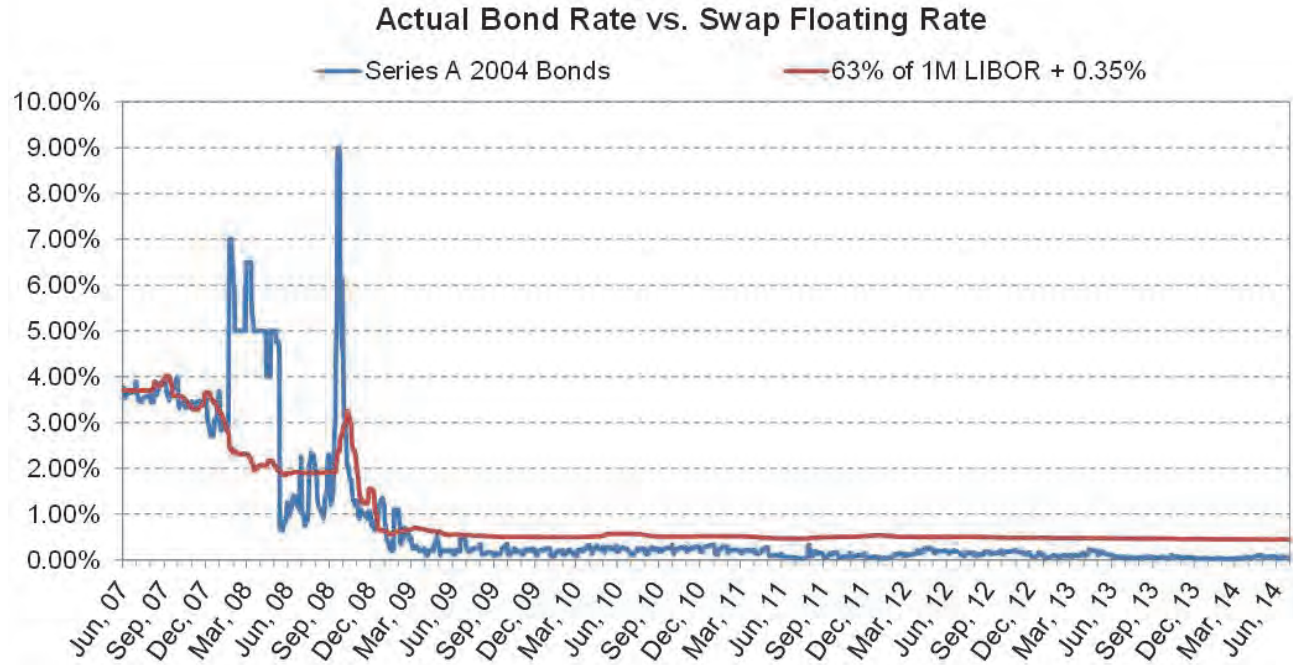
City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

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

Basis risk. Basis risk is the risk that the interest rate paid by the Agency on underlying variable rate bonds to bondholders temporarily differs from the variable swap rate received from the applicable counterparty. The Agency bears 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.



City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

Tax risk. Tax risk is a specific type of basis risk. Tax risk is a permanent mismatch between the interest rate paid on the Agency's 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.

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.

D. Commitments and Contingencies

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. The State Controller's Office conducted a review of propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time. On September 4, 2014, the State Controller's Office issued a draft report for the Agency to review. Staff reviewed the draft report and submitted a response to the State Controller's Office on September 19, 2014. As of the issuance of this report, the State Controller's office has not yet issued its final report.

REQUIRED

SUPPLEMENTARY

INFORMATION

City of Pittsburg
Required Supplementary Information
For the Year Ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Public hearings are conducted at the City to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds are adopted on a basis consistent with GAAP.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2014, 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 2013-2014 budget, capital project appropriations will be continuing appropriations until the project is completed.

City of Pittsburgh
Required Supplementary Information
For the Year Ended June 30, 2014

1. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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

The following funds had expenditures in excess of appropriation:

Energy Efficiency & Conservation (EECBG) Special Revenue Fund	\$ 29,712	(a)
Vista Del Mar CFD 2005-2 Special Revenue Fund	3,901	(b)
Traffic Impact Fair Share Capital Projects Fund	4,296	(c)

- (a) The spending was supported by prefunding in fiscal year 2012-2013.
- (b) This fund tried to reduce its excess fund balance collected over previous years.
- (c) Developers paid fees in advance for transportation projects in a new development area.

2. DEFINED PENSION PLAN

The following are the provisions for the City's Miscellaneous and Safety Plans:

Miscellaneous Plan:

	Tier I	Tier II	PEPRA
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefits payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	62	62
Monthly benefits, as % of annual salary	1.426-2.366%	2%	2%
Required employee contribution rate	7%	6.25%	6.25%
Required employer contribution rate	12.711%	12.711%	12.711%

Safety Plan:

	Tier I	Tier II	PEPRA
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefits payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	50
Monthly benefits, as % of annual salary	3%	2.7%	2.70%
Required employee contribution rate	9%	11.50%	11.50%
Required employer contribution rate	28.34%	20.774%	11.50%

City of Pittsburgh
Required Supplementary Information
For the Year Ended June 30, 2014

2. DEFINED PENSION PLAN (Continued)

The Miscellaneous Plan's funding status over the past three years is set forth below at their actuarial valuation date of June 30, 2013:

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)
6/30/2011	\$52,512,073	\$60,051,999	\$7,539,926	87.44%	\$12,601,426	59.8%
6/30/2012	55,083,474	63,717,235	8,633,761	86.45%	10,998,284	78.5%
6/30/2013	51,501,789	67,373,068	15,871,279	76.44%	11,190,758	141.8%

The Safety Plan's funding status over the past three years is set forth below at their actuarial valuation date of June 30, 2013:

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)
6/30/2011	\$49,000,318	\$62,090,376	\$13,090,058	78.92%	\$7,615,061	171.9%
6/30/2012	47,297,898	64,138,617	16,840,719	73.74%	6,775,722	248.5%
6/30/2013	53,210,982	68,638,324	15,427,342	77.52%	6,400,891	241.0%

City of Pittsburg
General Fund
Schedule of Revenues and Expenditures
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Property tax	\$ 2,455,000	\$ 2,874,788	\$ 2,613,321	\$ (261,467)
Sales tax	10,294,800	10,294,800	12,563,378	2,268,578
Franchise tax	3,893,000	3,893,000	3,911,841	18,841
Other taxes	4,952,000	4,970,000	5,156,058	186,058
Intergovernmental revenues	1,295,900	1,295,900	1,269,503	(26,397)
Permits, licenses, and fees	696,300	696,300	831,238	134,938
Fines and forfeitures	197,500	197,500	186,921	(10,579)
Service fees	3,028,467	3,028,467	3,454,113	425,646
Use of money and property	320,600	320,600	517,327	196,727
Other revenues	1,129,955	1,502,365	1,712,604	210,239
Total revenues	28,263,522	29,073,720	32,216,304	3,142,584
EXPENDITURES:				
Current:				
General government	2,804,251	2,864,024	2,407,117	456,907
City Council	86,385	86,385	85,455	930
City Manager and City Clerk	401,019	418,637	367,941	50,696
City Attorney	426,766	426,766	457,023	(30,257)
Human resources	637,691	678,833	627,154	51,679
Finance and services	2,257,375	2,286,570	2,211,267	75,303
Community development and services	4,195,590	5,099,919	5,290,142	(190,223)
Public safety	20,024,577	20,379,187	19,385,007	994,180
Public works - administration	92,106	92,591	91,803	788
Public works - streets	1,987,408	2,012,844	1,832,980	179,864
Public works - parks	80,977	80,977	77,909	3,068
Interest and fiscal charges	33,000	33,000	-	33,000
Total expenditures	33,027,145	34,459,733	32,833,798	1,625,935
OTHER FINANCING SOURCES (USES)				
Proceeds from the sale of capital assets	-	-	21,720	(21,720)
Transfers in	6,448,456	6,465,656	4,104,811	2,360,845
Transfers (out)	(3,128,635)	(3,483,545)	(1,069,058)	(2,414,487)
Total other financing sources (uses)	3,319,821	2,982,111	3,057,473	(75,362)
NET CHANGE IN FUND BALANCE	\$ (1,443,802)	\$ (2,403,902)	2,439,979	\$ 4,843,881
FUND BALANCE:				
Beginning of year			18,173,691	
End of year			\$ 20,613,670	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 11,200,734	\$ 11,200,734	\$ 11,776,532	\$ 575,798
Service fee	894,943	894,943	945,641	50,698
Use of money and property	78,123	78,123	3,520	(74,603)
Other revenues	21,800	21,800	100,576	78,776
Total revenues	12,195,600	12,195,600	12,826,269	630,669
EXPENDITURES:				
Community development and services	13,437,893	13,447,864	12,654,525	793,339
General non-departmental	30,982	30,982	-	30,982
Total expenditures	13,468,875	13,478,846	12,654,525	824,321
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(11,714)	(11,714)	(11,714)	-
Total other financing sources (uses)	(11,714)	(11,714)	(11,714)	-
NET CHANGE IN FUND BALANCE	\$ (1,284,989)	\$ (1,294,960)	160,030	\$ 1,454,990
FUND BALANCE:				
Beginning of year			781,269	
End of year			\$ 941,299	

City of Pittsburgh

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

Successor Agency Housing

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 48,633	\$ 48,633	\$ 38,559	\$ (10,074)
Other revenues	158,012	158,012	658,434	(500,422)
Total revenues	206,645	206,645	696,993	(510,496)
EXPENDITURES:				
Community development and services	261,126	261,588	252,954	8,634
Total expenditures	261,126	261,588	252,954	8,634
NET CHANGE IN FUND BALANCE	\$ (54,481)	\$ (54,943)	444,039	\$ (501,862)
FUND BALANCE:				
Beginning of year			323,581	
End of year			\$ 767,620	



CITY OF PITTSBURG
Comprehensive Annual Financial Report
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SUPPLEMENTARY

INFORMATION



CITY OF PITTSBURG
Comprehensive Annual Financial Report
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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.

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, Continued:

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

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

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

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

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, Continued:

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.

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

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.

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

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

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

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



CITY OF PITTSBURG
Comprehensive Annual Financial Report
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City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue			
	Small Cities Grants	Gas Tax	Traffic Congestion Relief	Measure C Tax Fund
ASSETS				
Cash and investments	\$ 45,995	\$ 1,422,023	\$ 5,256	\$ 87,964
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	257,158	-	696,875
Loans/notes	1,576,889	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	\$ 1,622,884	\$ 1,679,181	\$ 5,256	\$ 784,839
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 39,023
Refundable deposits	-	-	-	-
Loans payable - current	15,000	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	-
Total Liabilities	15,000	-	-	39,023
Deferred inflows of resources:				
Unearned revenue	1,561,889	-	-	-
Total Deferred Inflows of Resources	1,561,889	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	45,995	1,679,181	5,256	745,816
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficit)	45,995	1,679,181	5,256	745,816
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,622,884	\$ 1,679,181	\$ 5,256	\$ 784,839

Special Revenue

Lighting & Landscape	Lighting & Landscape Oak Hills	Miscellaneous Grants	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant
\$ 450,030	\$ 27,923	\$ 129,601	\$ 86,926	\$ 171,280	\$ 15,548
-	-	-	-	-	-
1,355	-	76,105	-	-	33,768
-	-	-	-	-	-
43,411	-	69,709	15,874	-	31,848
-	-	-	-	-	-
<u>\$ 494,796</u>	<u>\$ 27,923</u>	<u>\$ 275,415</u>	<u>\$ 102,800</u>	<u>\$ 171,280</u>	<u>\$ 81,164</u>
\$ 159,939	\$ 230	\$ 16,943	\$ 1,516	\$ -	\$ 5,229
-	-	-	41,268	-	-
-	-	-	-	-	-
-	-	12,281	-	-	-
-	-	-	-	-	-
128,783	-	-	-	-	-
<u>288,722</u>	<u>230</u>	<u>29,224</u>	<u>42,784</u>	<u>-</u>	<u>5,229</u>
-	-	176,482	-	-	44,087
-	-	176,482	-	-	44,087
43,411	-	69,709	15,874	-	31,848
162,663	27,693	-	-	-	-
-	-	-	-	171,280	-
-	-	-	44,142	-	-
-	-	-	-	-	-
<u>206,074</u>	<u>27,693</u>	<u>69,709</u>	<u>60,016</u>	<u>171,280</u>	<u>31,848</u>
<u>\$ 494,796</u>	<u>\$ 27,923</u>	<u>\$ 275,415</u>	<u>\$ 102,800</u>	<u>\$ 171,280</u>	<u>\$ 81,164</u>

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue			
	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	NSP Neighborhood Stabilization Program
ASSETS				
Cash and investments	\$ 2,486,633	\$ 541,926	\$ -	\$ 42,921
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	25,907	215,612	-
Loans/notes	-	-	357,714	1,658,287
Inventory	-	1,829	-	-
Prepaid items	-	-	-	-
Total Assets	\$ 2,486,633	\$ 569,662	\$ 573,326	\$ 1,701,208
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 13,940	\$ 27,607	\$ 47,792	\$ -
Refundable deposits	(11,645)	-	-	-
Loans payable - current	-	-	159,123	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	143,879	-
Advance from other funds	-	43,857	11,459	-
Total liabilities	2,295	71,464	362,253	-
Deferred inflows of resources:				
Unearned revenue	-	-	198,591	1,658,287
Total Deferred Inflows of Resources	-	-	198,591	1,658,287
Fund Balances:				
Nonspendable	-	1,829	-	-
Restricted	2,484,338	496,369	12,482	42,921
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	2,484,338	498,198	12,482	42,921
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,486,633	\$ 569,662	\$ 573,326	\$ 1,701,208

Special Revenue

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
\$ 33,193	\$ 38,405	\$ -	\$ 272,924	\$ -	\$ -
-	-	-	-	-	-
-	-	-	109,010	-	-
454,626	-	-	-	-	-
-	-	-	1,448	-	-
-	-	-	-	-	-
<u>\$ 487,819</u>	<u>\$ 38,405</u>	<u>\$ -</u>	<u>\$ 383,382</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 27,620	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	526,312	-	-	-	-
-	-	1,750	-	3,685	11,196
-	-	46,821	-	5,312	21,862
-	<u>526,312</u>	<u>48,571</u>	<u>27,620</u>	<u>8,997</u>	<u>33,058</u>
454,626	-	-	-	-	-
<u>454,626</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	1,448	-	-
33,193	-	-	341,814	-	-
-	-	-	-	-	-
-	-	-	12,500	-	-
-	(487,907)	(48,571)	-	(8,997)	(33,058)
<u>33,193</u>	<u>(487,907)</u>	<u>(48,571)</u>	<u>355,762</u>	<u>(8,997)</u>	<u>(33,058)</u>
<u>\$ 487,819</u>	<u>\$ 38,405</u>	<u>\$ -</u>	<u>\$ 383,382</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue			
	Park Maintenance CFD 2007-1	Pittsburg Arts & Community Foundation	Hillview Jr. High Athletic Field	Public, Education and Government Fees (PEG)
ASSETS				
Cash and investments	\$ 12,896	\$ 791,996	\$ 89,811	\$ 329,552
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	26,375	3,709	-	37,489
Loans/notes	-	845,971	-	-
Inventory	-	116,556	-	-
Prepaid items	-	11,556	-	-
Total Assets	\$ 39,271	\$ 1,769,788	\$ 89,811	\$ 367,041
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 67	\$ 46,635	\$ -	\$ -
Refundable deposits	-	20,700	-	-
Loans payable - current	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	400	-	-
Advance to other funds	166,539	-	-	-
Total Liabilities	166,606	67,735	-	-
Deferred inflows of resources:				
Unearned revenue	-	908,249	-	-
Total Deferred Inflows of Resources	-	908,249	-	-
Fund Balances:				
Nonspendable	-	128,112	-	-
Restricted	-	665,692	-	-
Committed	-	-	89,811	367,041
Assigned	-	-	-	-
Unassigned	(127,335)	-	-	-
Total Fund Balances (deficit)	(127,335)	793,804	89,811	367,041
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 39,271	\$ 1,769,788	\$ 89,811	\$ 367,041

Railroad Avenue Specific Area Plan	Debt Service	Capital Projects			
	Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local ST Road Impr	Kirker Creek Drainage Fees
\$ -	\$ 897,921	\$ 378,093	\$ 499,732	\$ 1,873	\$ 1,248,288
-	1,289,775	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,187,696</u>	<u>\$ 378,093</u>	<u>\$ 499,732</u>	<u>\$ 1,873</u>	<u>\$ 1,248,288</u>
\$ 830	\$ -	\$ -	\$ -	\$ -	\$ 1,847
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,847</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,187,696	378,093	499,732	1,873	1,246,441
-	-	-	-	-	-
-	-	-	-	-	-
(830)	-	-	-	-	-
<u>(830)</u>	<u>2,187,696</u>	<u>378,093</u>	<u>499,732</u>	<u>1,873</u>	<u>1,246,441</u>
<u>\$ -</u>	<u>\$ 2,187,696</u>	<u>\$ 378,093</u>	<u>\$ 499,732</u>	<u>\$ 1,873</u>	<u>\$ 1,248,288</u>

(Continued)

City of Pittsburgh
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Capital Projects			
	Traffic Mitigation	Capital Improvement	Park Dedication	Regional Traffic Mitigation
ASSETS				
Cash and investments	\$ 2,688,173	\$ 712,066	\$ 1,925,814	\$ 5,997,347
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	-	112,923	-
Loans/notes	-	-	-	-
Inventory	-	-	886	-
Prepaid items	-	-	-	-
Total assets	\$ 2,688,173	\$ 712,066	\$ 2,039,623	\$ 5,997,347
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 375	\$ -	\$ 65,063	\$ 24,261
Refundable deposits	-	48,209	-	-
Loans payable - current	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Advance to other funds	-	-	-	-
Total Liabilities	375	48,209	65,063	24,261
Deferred inflows of resources:				
Unearned revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	886	-
Restricted	2,687,798	-	1,973,674	5,973,086
Committed	-	663,857	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficit)	2,687,798	663,857	1,974,560	5,973,086
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 2,688,173	\$ 712,066	\$ 2,039,623	\$ 5,997,347

Capital Projects			
Infrastructure Repair & Replacement	Community Capital Improvement	Bailey Road Maintenance	Non-Major Governmental Funds
\$ 1,665,500	\$ 251,337	\$459,882	\$ 23,808,829
-	253,947	-	1,543,722
-	-	70,844	1,667,130
-	981,298	-	5,874,785
-	-	-	281,561
-	-	-	11,556
<u>\$ 1,665,500</u>	<u>1,486,582</u>	<u>\$ 530,726</u>	<u>\$ 33,187,583</u>
\$ -	\$ 33,165	\$ -	\$ 512,082
-	-	-	98,532
-	-	-	174,123
-	-	-	538,593
-	-	-	160,910
-	-	-	424,633
-	33,165	-	1,908,873
-	1,011,298	-	6,013,509
-	1,011,298	-	6,013,509
-	-	-	293,117
-	-	530,726	22,222,532
1,665,500	442,119	-	3,399,608
-	-	-	56,642
-	-	-	(706,698)
<u>1,665,500</u>	<u>442,119</u>	<u>530,726</u>	<u>25,265,201</u>
<u>\$ 1,665,500</u>	<u>\$ 1,486,582</u>	<u>\$ 530,726</u>	<u>\$ 33,187,583</u>

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2014

	Special Revenue			
	Small Cities Grants	Gas Tax	Traffic Congestion Relief	Measure C Tax Fund
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	2,046,099	-	653,933
Intergovernmental revenues	-	60,176	-	-
Licenses, permits, and fees	-	-	-	-
Special assessments	-	-	-	-
Service fees	-	190	-	84
Use of money and property	11,253	(1,221)	(42)	1,588
Other revenues	157,065	-	-	-
Total Revenues	168,318	2,105,244	(42)	655,605
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	-	-	181,198
Public safety	-	-	-	-
Public works - administration	-	-	-	-
Public works - streets	-	1,084,219	32,884	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	1,084,219	32,884	181,198
REVENUES OVER (UNDER)				
EXPENDITURES	168,318	1,021,025	(32,926)	474,407
OTHER FINANCING SOURCES (USES):				
Transfers in	-	152,425	32,884	-
Transfers out	-	(1,052,560)	-	(729,958)
Total other financing sources (uses)	-	(900,135)	32,884	(729,958)
Net change in fund balances	168,318	120,890	(42)	(255,551)
FUND BALANCES (DEFICITS):				
Beginning of Year	(122,323)	1,558,291	5,298	1,001,367
End of Year	\$ 45,995	\$ 1,679,181	\$ 5,256	\$ 745,816

Special Revenue

Lighting & Landscape	Lighting & Landscape Oak Hills	Miscellaneous Grants	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	315,893	-	-	74,147
-	-	-	-	-	-
2,750,199	33,959	-	-	-	-
-	-	-	-	34,303	-
1,557	(116)	1,054	(73)	34	158
9,669	-	5,000	6,946	-	-
<u>2,761,425</u>	<u>33,843</u>	<u>321,947</u>	<u>6,873</u>	<u>34,337</u>	<u>74,305</u>
29,213	-	-	-	-	-
-	-	-	-	-	-
-	-	2,522	-	-	-
-	-	-	-	-	-
-	-	12,150	-	-	42,451
-	-	307,274	60,680	-	31,852
-	-	-	-	-	-
3,384,779	47,568	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,413,992</u>	<u>47,568</u>	<u>321,946</u>	<u>60,680</u>	<u>-</u>	<u>74,303</u>
<u>(652,567)</u>	<u>(13,725)</u>	<u>1</u>	<u>(53,807)</u>	<u>34,337</u>	<u>2</u>
601,484	-	-	-	-	-
(18,836)	-	-	-	-	-
<u>582,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(69,919)	(13,725)	1	(53,807)	34,337	2
275,993	41,418	69,708	113,823	136,943	31,846
<u>\$ 206,074</u>	<u>\$ 27,693</u>	<u>\$ 69,709</u>	<u>\$ 60,016</u>	<u>\$ 171,280</u>	<u>\$ 31,848</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, 2014

	Special Revenue			
	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	NSP Neighborhood Stabilization Program
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	608,497	656,013	-	-
Intergovernmental revenues	-	-	593,389	-
Licenses, permits, and fees	-	-	-	-
Special assessments	-	-	-	-
Service fees	-	-	40	-
Use of money and property	(720)	(1,243)	-	(21)
Other revenues	22,374	2,658	-	-
Total Revenues	630,151	657,428	593,429	(21)
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	404,610	-	507,337	-
Public safety	-	196	-	-
Public works - administration	-	309,536	-	-
Public works - streets	-	457,020	-	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	404,610	766,752	507,337	-
REVENUES OVER (UNDER) EXPENDITURES	225,541	(109,324)	86,092	(21)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	100,000	-	-
Transfers out	(6,430)	(54,351)	(86,051)	-
Total other financing sources (uses)	(6,430)	45,649	(86,051)	-
Net change in fund balances	219,111	(63,675)	41	(21)
FUND BALANCES (DEFICITS):				
Beginning of Year	2,265,227	561,873	12,441	42,942
End of Year	\$ 2,484,338	\$ 498,198	\$ 12,482	\$ 42,921

Special Revenue

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	125,037	235,057
-	-	-	-	-	-
-	-	435,612	-	-	-
-	-	-	448,765	-	-
(17)	-	(520)	(15)	(164)	(134)
-	-	-	5,049	-	-
<u>(17)</u>	<u>-</u>	<u>435,092</u>	<u>453,799</u>	<u>124,873</u>	<u>234,923</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	246,694	-	-
-	-	526,917	116,609	152,117	261,493
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	29,712	5,400	-	10,152	4,680
<u>-</u>	<u>29,712</u>	<u>532,317</u>	<u>363,303</u>	<u>162,269</u>	<u>266,173</u>
<u>(17)</u>	<u>(29,712)</u>	<u>(97,225)</u>	<u>90,496</u>	<u>(37,396)</u>	<u>(31,250)</u>
-	-	-	-	-	-
-	-	(6,722)	(101,980)	(865)	(3,228)
<u>-</u>	<u>-</u>	<u>(6,722)</u>	<u>(101,980)</u>	<u>(865)</u>	<u>(3,228)</u>
(17)	(29,712)	(103,947)	(11,484)	(38,261)	(34,478)
33,210	(458,195)	55,376	367,246	29,264	1,420
<u>\$ 33,193</u>	<u>\$ (487,907)</u>	<u>\$ (48,571)</u>	<u>\$ 355,762</u>	<u>\$ (8,997)</u>	<u>\$ (33,058)</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, 2014

	Special Revenue			
	Park Maintenance CFD 2007-1	Pittsburg Arts & Community Foundation	Hillview Jr. High Athletic Field	Public, Education and Government Fees (PEG)
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ 151,720
Other taxes	-	-	-	-
Intergovernmental revenues	26,375	12,000	-	-
Licenses, permits, and fees	-	-	-	-
Special assessments	27,061	-	-	-
Service fees	-	1,451	25,650	-
Use of money and property	24	23,096	34	285
Other revenues	-	633,972	-	15,410
Total Revenues	53,460	670,519	25,684	167,415
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	749,211	-	27,561
Public safety	-	-	-	-
Public works - administration	-	-	-	-
Public works - streets	48,751	-	-	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	4,126	-	-	-
Total Expenditures	52,877	749,211	-	27,561
REVENUES OVER (UNDER)				
EXPENDITURES	583	(78,692)	25,684	139,854
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(266)	-	-	-
Total other financing sources (uses)	(266)	-	-	-
Net change in fund balances	317	(78,692)	25,684	139,854
FUND BALANCES (DEFICITS):				
Beginning of Year	(127,652)	872,496	64,127	227,187
End of Year	\$ (127,335)	\$ 793,804	\$ 89,811	\$ 367,041

Special Revenue	Debt Service	Capital Projects		
Railroad Avenue Specific Area Plan	Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Proposition 1B Local ST Road Imp
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	2,489,280	-	-	-
-	1,823	(185)	(257)	(1)
-	-	-	-	-
-	2,491,103	(185)	(257)	(1)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
830	-	-	-	-
-	-	-	-	-
-	-	-	4,296	-
-	-	-	-	-
-	450,000	-	-	-
-	1,533,627	-	-	-
830	1,983,627	-	4,296	-
(830)	507,476	(185)	(4,553)	(1)
-	-	-	-	-
-	-	-	-	-
(830)	507,476	(185)	(4,553)	(1)
-	1,680,220	378,278	504,285	1,874
\$ (830)	\$ 2,187,696	\$ 378,093	\$ 499,732	\$ 1,873

(Continued)

City of Pittsburg

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended June 30, 2014

	Capital Projects			
	Kirker Creek Drainage Fees	Traffic Mitigation	Capital Improvement	Park Dedication
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental revenues	-	-	-	72,222
Licenses, permits, and fees	710	-	-	-
Special assessments	-	-	-	-
Service fees	-	-	-	214
Use of money and property	(813)	(1,402)	3,574	8,164
Other revenues	-	-	-	-
Total Revenues	(103)	(1,402)	3,574	80,600
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	17,566	-	-
Public safety	-	-	-	-
Public works - administration	-	-	-	-
Public works - streets	-	-	-	-
Capital outlay and improvements	59,169	77,605	-	593,602
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	59,169	95,171	-	593,602
REVENUES OVER (UNDER) EXPENDITURES	(59,272)	(96,573)	3,574	(513,002)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(16,628)	(10,000)	-	-
Total other financing sources (uses)	(16,628)	(10,000)	-	-
Net change in fund balances	(75,900)	(106,573)	3,574	(513,002)
FUND BALANCES (DEFICITS):				
Beginning of Year	1,322,341	2,794,371	660,283	2,487,562
End of Year	\$ 1,246,441	\$ 2,687,798	\$ 663,857	\$ 1,974,560

Capital Projects

Regional Traffic Mitigation	Infrastructure Repair & Replacement	Community Capital Improvement	Bailey Road Maintenance	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 151,720
-	-	-	-	4,324,636
-	-	1,859,965	-	3,014,167
526,872	-	-	529,515	1,057,097
-	-	-	-	3,246,831
-	-	445	-	3,000,422
27	8,427	623	1,211	55,988
95,526	-	6,300	-	959,969
<u>622,425</u>	<u>8,427</u>	<u>1,867,333</u>	<u>530,726</u>	<u>15,810,830</u>
-	-	-	-	29,213
-	-	-	-	-
-	-	-	-	2,522
-	-	-	-	-
-	-	2,000,449	-	4,190,057
-	-	-	-	1,457,138
-	-	-	-	309,536
-	-	-	-	5,059,517
82,175	-	-	-	812,551
-	-	-	-	450,000
-	-	-	-	1,587,697
<u>82,175</u>	<u>-</u>	<u>2,000,449</u>	<u>-</u>	<u>13,898,231</u>
<u>540,250</u>	<u>8,427</u>	<u>(133,116)</u>	<u>530,726</u>	<u>1,912,599</u>
-	(75,000)	167,500	-	979,293
-	-	-	-	(2,087,875)
<u>-</u>	<u>(75,000)</u>	<u>167,500</u>	<u>-</u>	<u>(1,108,582)</u>
540,250	(66,573)	34,384	530,726	804,017
5,432,836	1,732,073	407,735	-	24,461,184
<u>\$ 5,973,086</u>	<u>\$ 1,665,500</u>	<u>\$ 442,119</u>	<u>\$ 530,726</u>	<u>\$ 25,265,201</u>

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 850	\$ 850	\$ 11,253	\$ 10,403
Other revenues	-	-	157,065	157,065
Total revenues	<u>850</u>	<u>850</u>	<u>168,318</u>	<u>167,468</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 850</u>	<u>\$ 850</u>	168,318	<u>\$ 167,468</u>
FUND BALANCES (DEFICIT):				
Beginning of year			<u>(122,323)</u>	
End of year			<u>\$ 45,995</u>	

City of Pittsburgh

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

Gas Tax - Special Revenue Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other Taxes	\$ 1,862,500	\$ 1,862,500	\$ 2,046,099	\$ 183,599
Intergovernmental Revenue	-	60,176	60,176	-
Service fees	-	-	190	190
Use of money and property	14,500	14,500	(1,221)	(15,721)
Total revenues	1,877,000	1,937,176	2,105,244	168,068
EXPENDITURES				
Public works - street	750,000	2,146,426	1,084,219	1,062,207
Total expenditures	750,000	2,146,426	1,084,219	1,062,207
OTHER FINANCING SOURCES (USES)				
Transfers in	-	152,425	152,425	-
Transfers out	(1,052,560)	(1,052,560)	(1,052,560)	-
Total other financing sources (uses)	(1,052,560)	(900,135)	(900,135)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	\$ 74,440	\$ (1,109,385)	120,890	\$ 1,230,275
FUND BALANCES:				
Beginning of year			1,558,291	
End of year			\$ 1,679,181	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ (42)	\$ (42)
Total revenues	<u>-</u>	<u>-</u>	<u>(42)</u>	<u>(42)</u>
EXPENDITURES				
Public works - streets	-	50,000	32,884	17,116
Total expenditures	<u>-</u>	<u>50,000</u>	<u>32,884</u>	<u>17,116</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	50,005	32,884	(17,121)
Total other financing sources (uses)	<u>-</u>	<u>50,005</u>	<u>32,884</u>	<u>(17,121)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ -</u>	<u>\$ 5</u>	<u>(42)</u>	<u>\$ (47)</u>
FUND BALANCES:				
Beginning of year			<u>5,298</u>	
End of year			<u>\$ 5,256</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other taxes	\$ 656,768	\$ 656,768	\$ 653,933	\$ (2,835)
Intergovernmental revenues	-	1,802,000	-	(1,802,000)
Use of money and property	7,200	7,200	1,588	(5,612)
Service fees	-	125,000	84	(124,916)
Total revenues	<u>663,968</u>	<u>2,590,968</u>	<u>655,605</u>	<u>(1,935,363)</u>
EXPENDITURES				
Community development and services	-	-	181,198	(181,198)
Capital outlay and improvement	-	2,375,800	-	2,375,800
Total expenditures	<u>-</u>	<u>2,375,800</u>	<u>181,198</u>	<u>2,194,602</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(654,649)	(747,079)	(729,958)	17,121
Total other financing sources (uses)	<u>(654,649)</u>	<u>(747,079)</u>	<u>(729,958)</u>	<u>17,121</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 9,319</u>	<u>\$ (531,911)</u>	(255,551)	<u>\$ 276,360</u>
FUND BALANCES:				
Beginning of year			<u>1,001,367</u>	
End of year			<u>\$ 745,816</u>	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 2,724,730	\$ 2,724,730	\$ 2,750,199	\$ 25,469
Use of money and property	-	-	1,557	1,557
Other revenues	-	-	9,669	9,669
Total revenues	<u>2,724,730</u>	<u>2,724,730</u>	<u>2,761,425</u>	<u>36,695</u>
EXPENDITURES				
General government	87,022	87,022	29,213	57,809
Public works - streets	3,373,967	3,414,421	3,384,779	29,642
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>3,460,989</u>	<u>3,501,443</u>	<u>3,413,992</u>	<u>87,451</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	601,484	601,484	601,484	-
Transfers out	(18,836)	(18,836)	(18,836)	-
Total other financing sources (uses)	<u>582,648</u>	<u>582,648</u>	<u>582,648</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (153,611)</u>	<u>\$ (194,065)</u>	(69,919)	<u>\$ 124,146</u>
FUND BALANCES (DEFICIT):				
Beginning of year			<u>275,993</u>	
End of year			<u>\$ 206,074</u>	

City of Pittsburgh

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 34,000	\$ 34,000	\$ 33,959	\$ (41)
Use of money and property	600	600	(116)	(716)
Total revenues	34,600	34,600	33,843	(757)
EXPENDITURES				
Public works - streets	52,871	53,801	47,568	6,233
Total expenditures	52,871	53,801	47,568	6,233
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (18,271)	\$ (19,201)	(13,725)	\$ 5,476
FUND BALANCES:				
Beginning of year			41,418	
End of year			\$ 27,693	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 283,927	\$ 315,893	\$ 31,966
Use of money and property	1,800	1,800	1,054	(746)
Other revenues	-	5,000	5,000	-
Total revenues	1,800	290,727	321,947	31,220
EXPENDITURES				
Human resources	-	15,370	2,522	12,848
Community development and services	-	17,904	12,150	5,754
Public safety	-	472,315	307,274	165,041
Total expenditures	-	505,589	321,946	183,643
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 1,800</u>	<u>\$ (214,862)</u>	1	<u>\$ 214,863</u>
FUND BALANCES:				
Beginning of year			<u>69,708</u>	
End of year			<u>\$ 69,709</u>	

City of Pittsburgh
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Assets Seizure - Special Revenue Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 1,200	\$ 1,200	\$ (73)	\$ (1,273)
Other revenues	-	-	6,946	6,946
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>6,873</u>	<u>5,673</u>
EXPENDITURES				
Public safety	-	77,345	60,680	16,665
Total expenditures	<u>-</u>	<u>77,345</u>	<u>60,680</u>	<u>16,665</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 1,200</u>	<u>\$ (76,145)</u>	(53,807)	<u>\$ 22,338</u>
FUND BALANCES:				
Beginning of year			<u>113,823</u>	
End of year			<u>\$ 60,016</u>	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 40,000	\$ 40,000	\$ 34,303	\$ (5,697)
Use of money and property	1,200	1,200	34	(1,166)
Total revenues	41,200	41,200	34,337	(6,863)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 41,200</u>	<u>\$ 41,200</u>	34,337	<u>\$ (6,863)</u>
FUND BALANCES:				
Beginning of year			<u>136,943</u>	
End of year			<u>\$ 171,280</u>	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 122,507	\$ 74,147	\$ (48,360)
Use of money and property	682	682	158	(524)
Total revenues	682	123,189	74,305	(48,884)
EXPENDITURES				
Community development and services	-	82,802	42,451	40,351
Public safety	14,080	60,108	31,852	28,256
Total expenditures	14,080	142,910	74,303	68,607
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (13,398)</u>	<u>\$ (19,721)</u>	2	<u>\$ 19,723</u>
FUND BALANCES:				
Beginning of year			<u>31,846</u>	
End of year			<u>\$ 31,848</u>	

City of Pittsburgh

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

Southwest Pittsburgh GHAD II - Special Revenue Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other taxes	\$ 600,000	\$ 600,000	\$ 608,497	\$ 8,497
Use of money and property	21,000	21,000	(720)	(21,720)
Other revenues	-	-	22,374	22,374
Total revenues	621,000	621,000	630,151	9,151
EXPENDITURES				
Community development and services	487,426	588,717	404,610	184,107
Total expenditures	487,426	588,717	404,610	184,107
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,430)	(6,430)	(6,430)	-
Total other financing sources (uses)	(6,430)	(6,430)	(6,430)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ 127,144	\$ 25,853	219,111	\$ 193,258
FUND BALANCES:				
Beginning of year			2,265,227	
End of year			\$ 2,484,338	

City of Pittsburgh

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other taxes	\$ 682,700	\$ 682,700	\$ 656,013	\$ (26,687)
Use of money and property	4,000	4,000	(1,243)	(5,243)
Other revenue	-	-	2,658	2,658
Total revenues	686,700	686,700	657,428	(29,272)
EXPENDITURES				
General government	16,943	16,943	-	16,943
Public works	800,439	1,199,170	766,556	432,614
Public safety	-	-	196	(196)
Total expenditures	817,382	1,216,113	766,752	449,361
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	(54,351)	(54,351)	(54,351)	-
Total other financing sources (uses)	45,649	45,649	45,649	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (85,033)	\$ (483,764)	(63,675)	\$ 420,089
FUND BALANCES:				
Beginning of year			561,873	
End of year			\$ 498,198	

City of Pittsburg

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 496,808	\$ 611,887	\$ 593,389	\$ (18,498)
Service fees	-	-	40	40
Total revenues	<u>496,808</u>	<u>611,887</u>	<u>593,429</u>	<u>(18,458)</u>
EXPENDITURES				
General government	3,741	3,741	-	3,741
Community development and services	382,575	1,051,596	507,337	544,259
Total expenditures	<u>386,316</u>	<u>1,055,337</u>	<u>507,337</u>	<u>544,259</u>
OTHER FINANCING (USES)				
Transfers (out)	(140,414)	(140,414)	(86,051)	54,363
Total other financing (uses)	<u>(140,414)</u>	<u>(140,414)</u>	<u>(86,051)</u>	<u>54,363</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (29,922)</u>	<u>\$ (583,864)</u>	41	<u>\$ 583,905</u>
FUND BALANCES:				
Beginning of year			<u>12,441</u>	
End of year			<u>\$ 12,482</u>	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 560	\$ 560	\$ (21)	\$ (581)
Total revenues	<u>560</u>	<u>560</u>	<u>(21)</u>	<u>(581)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 560</u>	<u>\$ 560</u>	(21)	<u>\$ (581)</u>
FUND BALANCES:				
Beginning of year			<u>42,942</u>	
End of year			<u>\$ 42,921</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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 360	\$ 360	\$ (17)	\$ (377)
Total revenues	<u>360</u>	<u>360</u>	<u>(17)</u>	<u>(377)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 360</u>	<u>\$ 360</u>	(17)	<u>\$ (377)</u>
FUND BALANCES:				
Beginning of year			<u>33,210</u>	
End of year			<u>\$ 33,193</u>	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Interest and fiscal charges	\$ -	\$ -	\$ 29,712	\$ (29,712)
Total expenditures	<u>-</u>	<u>-</u>	<u>29,712</u>	<u>(29,712)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ -</u>	<u>\$ -</u>	(29,712)	<u>\$ 29,712</u>
FUND BALANCES:				
Beginning of year			<u>(458,195)</u>	
End of year			<u>\$ (487,907)</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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property tax	\$ 432,300	\$ 432,300	\$ 435,612	\$ 3,312
Use of money and property	575	575	(520)	(1,095)
Total revenues	<u>432,875</u>	<u>432,875</u>	<u>435,092</u>	<u>2,217</u>
EXPENDITURES				
General government	17,779	17,779	-	17,779
Public safety	520,285	532,058	526,917	5,141
Interest and fiscal charges	4,650	4,650	5,400	(750)
Total expenditures	<u>542,714</u>	<u>554,487</u>	<u>532,317</u>	<u>22,170</u>
OTHER FINANCING SOURCES				
Transfers out	(6,722)	(6,722)	(6,722)	-
Total other financing sources (uses)	<u>(6,722)</u>	<u>(6,722)</u>	<u>(6,722)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (116,561)</u>	<u>\$ (128,334)</u>	(103,947)	<u>\$ 24,387</u>
FUND BALANCES:				
Beginning of year			<u>55,376</u>	
End of year			<u>\$ (48,571)</u>	

City of Pittsburg

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

Solid Waste - Special Revenue Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 440,000	\$ 440,000	\$ 448,765	\$ 8,765
Use of money and property	3,600	3,600	(15)	(3,615)
Other revenues	-	-	5,049	5,049
Total revenues	443,600	443,600	453,799	10,199
EXPENDITURES				
Community development and services	317,259	318,016	246,694	71,322
Public safety	171,166	173,421	116,609	56,812
Total expenditures	488,425	491,437	363,303	128,134
OTHER FINANCING SOURCES				
Transfers out	(101,980)	(101,980)	(101,980)	-
Total other financing sources (uses)	(101,980)	(101,980)	(101,980)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (146,805)	\$ (149,817)	(11,484)	\$ 138,333
FUND BALANCES:				
Beginning of year			367,246	
End of year			\$ 355,762	

City of Pittsburgh

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other taxes	\$ 118,600	\$ 118,600	\$ 125,037	\$ 6,437
Use of money and property	50	50	(164)	(214)
Total revenues	<u>118,650</u>	<u>118,650</u>	<u>124,873</u>	<u>6,223</u>
EXPENDITURES				
General government	2,288	-	-	-
Public safety	148,175	153,868	152,117	1,751
Interest and fiscal charges	4,500	4,500	10,152	(5,652)
Total expenditures	<u>154,963</u>	<u>158,368</u>	<u>162,269</u>	<u>(3,901)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(865)	(865)	(865)	-
Total other financing sources (uses)	<u>(865)</u>	<u>(865)</u>	<u>(865)</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (37,178)</u>	<u>\$ (40,583)</u>	<u>(38,261)</u>	<u>\$ 2,322</u>
FUND BALANCES:				
Beginning of year			<u>29,264</u>	
End of year			<u>\$ (8,997)</u>	

City of Pittsburg

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

Public Safety Service CFD 2005-1-Special Revenue Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Other taxes	\$ 244,060	\$ 244,060	\$ 235,057	\$ (9,003)
Use of money and property	300	300	(134)	(434)
Total revenues	244,360	244,360	234,923	(9,437)
EXPENDITURES				
Public safety	267,842	273,686	261,493	12,193
Interest and fiscal charges	4,500	4,500	4,680	(180)
Total expenditures	272,342	278,186	266,173	12,013
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,228)	(3,228)	(3,228)	-
Total other financing sources (uses)	(3,228)	(3,228)	(3,228)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (31,210)	\$ (37,054)	(34,478)	\$ 2,576
FUND BALANCES:				
Beginning of year			1,420	
End of year			\$ (33,058)	

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 28,200	\$ 28,200	\$ 26,375	\$ (1,825)
Special assessments	28,196	28,196	27,061	(1,135)
Use of money and property	250	250	24	(226)
Total revenues	56,646	56,646	53,460	(3,186)
EXPENDITURES				
Public works	59,181	59,464	48,751	10,713
Interest and fiscal charges	2,500	2,500	4,126	(1,626)
Total expenditures	61,681	61,964	52,877	9,087
OTHER FINANCING SOURCES (USES)				
Transfers out	(266)	(266)	(266)	-
Total other financing sources (uses)	(266)	(266)	(266)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (5,301)	\$ (5,584)	317	\$ 5,901
FUND BALANCES:				
Beginning of year			(127,652)	
End of year			\$ (127,335)	

City of Pittsburg

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 12,000	\$ 12,000
Service fees	-	-	1,451	1,451
Use of money and property	23,083	23,083	23,096	13
Other revenues	312,299	429,299	633,972	204,673
Total revenues	335,382	452,382	670,519	218,137
EXPENDITURES:				
Community development and services	606,478	843,255	749,211	94,044
Total expenditures	606,478	843,255	749,211	94,044
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (271,096)</u>	<u>\$ (390,873)</u>	(78,692)	<u>\$ 312,181</u>
FUND BALANCES:				
Beginning of year			<u>872,496</u>	
End of year			<u>\$ 793,804</u>	

City of Pittsburgh

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 40,000	\$ 40,000	\$ 25,650	\$ (14,350)
Use of money and property	200	200	34	(166)
Total revenues	<u>40,200</u>	<u>40,200</u>	<u>25,684</u>	<u>(14,516)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 40,200</u>	<u>\$ 40,200</u>	25,684	<u>\$ (14,516)</u>
FUND BALANCES:				
Beginning of year			<u>64,127</u>	
End of year			<u>\$ 89,811</u>	

City of Pittsburgh

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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise Tax	\$ 140,000	\$ 140,000	\$ 151,720	\$ 11,720
Use of money and property	100	100	285	185
Other revenues	-	-	15,410	15,410
Total revenues	140,100	140,100	167,415	27,315
EXPENDITURES:				
Community services	150,500	150,500	27,561	122,939
Total expenditures	150,500	150,500	27,561	122,939
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (10,400)</u>	<u>\$ (10,400)</u>	139,854	<u>\$ 150,254</u>
FUND BALANCES:				
Beginning of year			<u>227,187</u>	
End of year			<u>\$ 367,041</u>	

City of Pittsburg

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

Railroad Avenue Special Area Plan - Special Revenue Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Community services	-	-	830	(830)
Total expenditures	-	-	830	(830)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ -</u>	<u>\$ -</u>	(830)	<u>\$ (830)</u>
FUND BALANCES:				
Beginning of year			-	
End of year			<u>\$ (830)</u>	

City of Pittsburgh

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

Pension Obligations - Debt Service Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Service fees	\$ 2,495,265	\$ 2,495,265	\$ 2,489,280	\$ (5,985)
Use of money and property	3,500	3,500	1,823	(1,677)
Total revenues	<u>2,498,765</u>	<u>2,498,765</u>	<u>2,491,103</u>	<u>(7,662)</u>
EXPENDITURES				
Principal retirement	764,205	764,205	450,000	314,205
Interest and fiscal charges	1,792,145	1,792,145	1,533,627	258,518
Total expenditures	<u>2,556,350</u>	<u>2,556,350</u>	<u>1,983,627</u>	<u>572,723</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ (57,585)</u>	<u>\$ (57,585)</u>	507,476	<u>\$ 565,061</u>
FUND BALANCES:				
Beginning of year			<u>1,680,220</u>	
End of year			<u>\$ 2,187,696</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 4,700	\$ 4,700	\$ (185)	\$ (4,885)
Total revenues	<u>4,700</u>	<u>4,700</u>	<u>(185)</u>	<u>(4,885)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,700</u>	<u>\$ 4,700</u>	(185)	<u>\$ (4,885)</u>
FUND BALANCES:				
Beginning of year			<u>378,278</u>	
End of year			<u>\$ 378,093</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 6,000	\$ 6,000	\$ (257)	\$ (6,257)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>(257)</u>	<u>(6,257)</u>
EXPENDITURES				
Capital outlay and improvements	-	-	4,296	(4,296)
Total expenditures	<u>-</u>	<u>-</u>	<u>4,296</u>	<u>(4,296)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 6,000</u>	<u>\$ 6,000</u>	(4,553)	<u>\$ (10,553)</u>
FUND BALANCES:				
Beginning of year			<u>504,285</u>	
End of year			<u>\$ 499,732</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ 15	\$ 15	\$ (1)	\$ (16)
Total revenues	<u>15</u>	<u>15</u>	<u>(1)</u>	<u>(16)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 15</u>	<u>\$ 15</u>	(1)	<u>\$ (16)</u>
FUND BALANCES:				
Beginning of year			<u>1,874</u>	
End of year			<u>\$ 1,873</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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, licenses, and fees	\$ -	\$ -	\$ 710	\$ 710
Use of money and property	14,200	14,200	(813)	(15,013)
Total revenues	14,200	14,200	(103)	(14,303)
EXPENDITURES				
Capital outlay and improvements	-	847,265	59,169	788,096
Total expenditures	-	847,265	59,169	788,096
OTHER FINANCING SOURCES (USES)				
Transfers out	(16,628)	(16,628)	(16,628)	-
Total other financing sources (uses)	(16,628)	(16,628)	(16,628)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (2,428)	\$ (849,693)	(75,900)	\$ 773,793
FUND BALANCES:				
Beginning of year			1,322,341	
End of year			\$ 1,246,441	

City of Pittsburgh
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Traffic Mitigation - Capital Projects Fund
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ 85	\$ -	\$ (85)
Permits, licenses, and fees	30,000	30,000	-	(30,000)
Use of money and property	-	99,015	(1,402)	(100,417)
Total revenues	30,000	129,100	(1,402)	(130,502)
EXPENDITURES				
Community services	18,820	19,087	17,566	(1,521)
Capital outlay and improvements	53,237	659,554	77,605	581,949
Total expenditures	72,057	678,641	95,171	580,428
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(13,524)	(10,000)	3,524
Total other financing sources (uses)	-	(13,524)	(10,000)	3,524
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (42,057)	\$ (563,065)	(106,573)	\$ 456,492
FUND BALANCES:				
Beginning of year			2,794,371	
End of year			\$ 2,687,798	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 3,574	\$ 3,574
Total revenues	<u>-</u>	<u>-</u>	<u>3,574</u>	<u>3,574</u>
EXPENDITURES				
Capital outlay and improvements	-	301,938	-	301,938
Total expenditures	<u>-</u>	<u>301,938</u>	<u>-</u>	<u>301,938</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>\$ -</u>	<u>\$ (301,938)</u>	3,574	<u>\$ 305,512</u>
FUND BALANCES:				
Beginning of year			<u>660,283</u>	
End of year			<u>\$ 663,857</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, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,250,651	\$ 72,222	\$ (1,178,429)
Use of money and property	8,000	8,000	8,164	164
Service fees	-	-	214	214
Total revenues	8,000	1,258,651	80,600	(1,178,051)
EXPENDITURES				
Capital outlay and improvements	53,237	3,567,674	593,602	2,974,072
Total expenditures	53,237	3,567,674	593,602	2,974,072
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ (45,237)	\$ (2,309,023)	(513,002)	\$ 1,796,021
FUND BALANCES:				
Beginning of year			<u>2,487,562</u>	
End of year			<u>\$ 1,974,560</u>	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, licenses, and fees	\$ -	\$ -	\$ 526,872	\$ 526,872
Use of money and property	26,000	26,000	27	(25,973)
Other revenues	-	-	95,526	95,526
Total revenues	26,000	26,000	622,425	500,899
EXPENDITURES				
Capital outlay and improvements	-	807,687	82,175	725,512
Total expenditures	-	807,687	82,175	725,512
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	<u>\$ 26,000</u>	<u>\$ (781,687)</u>	540,250	<u>\$ 1,321,937</u>
FUND BALANCES:				
Beginning of year			<u>5,432,836</u>	
End of year			<u>\$ 5,973,086</u>	

City of Pittsburg

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

Infrastructure Repair and Replacement - Capital Projects Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 8,427	\$ 8,427
Total revenues	-	-	8,427	8,427
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	(75,000)	(75,000)
Transfers out	-	(580,000)	-	580,000
Total other financing sources (uses)	-	(580,000)	(75,000)	505,000
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ -	\$ (580,000)	(66,573)	\$ 513,427
FUND BALANCES:				
Beginning of year			1,732,073	
End of year			\$ 1,665,500	

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, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ 1,740,594	\$ 1,859,965	\$ 119,371
Use of money and property	12,000	12,000	623	(11,377)
Service fees	-	-	445	445
Other revenues	-	-	6,300	6,300
Total revenues	12,000	1,752,594	1,867,333	114,739
EXPENDITURES				
Community services	-	3,652,767	2,000,449	1,652,318
Total expenditures	-	3,652,767	2,000,449	1,652,318
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,510,330	167,500	(1,342,830)
Total other financing sources (uses)	-	1,510,330	167,500	(1,342,830)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ 12,000	\$ (389,843)	34,384	\$ 424,227
FUND BALANCES:				
Beginning of year			407,735	
End of year			\$ 442,119	

City of Pittsburg

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

Bailey Road Maintenance - Capital Projects Fund

For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Permits, licenses and fees	\$ -	\$ -	\$ 529,515	\$ 529,515
Use of money and property	-	-	1,211	1,211
Total revenues	-	-	530,726	530,726
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES				
	\$ -	\$ -	530,726	\$ 530,726
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 530,726	

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.

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 Position
Non-Major Enterprise Funds
June 30, 2014

	Golf Course	Water Front Operations	Total Non-Major Enterprise Funds
ASSETS			
Current assets:			
Cash and investments	\$ 4,152	\$ 76,827	\$ 80,979
Receivables:			
Accounts	8,790	3,668	12,458
Interest	-	-	-
Prepaid items and other assets	-	51,765	51,765
Total current assets	<u>12,942</u>	<u>132,260</u>	<u>145,202</u>
Noncurrent assets:			
Depreciable assets, net	<u>332,970</u>	<u>-</u>	<u>332,970</u>
Total noncurrent assets	<u>332,970</u>	<u>-</u>	<u>332,970</u>
Total Assets	<u>345,912</u>	<u>132,260</u>	<u>478,172</u>
LIABILITIES			
Current liabilities:			
Accounts payable	6,074	26,221	32,295
Refundable deposits	-	24,900	24,900
Unearned revenue	915	146,352	147,267
Total current liabilities	<u>6,989</u>	<u>197,473</u>	<u>204,462</u>
Noncurrent liabilities:			
Advance from other funds	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Total noncurrent liabilities	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Total Liabilities	<u>381,989</u>	<u>197,473</u>	<u>579,462</u>
NET POSITION			
Net investment in capital assets	332,970	-	332,970
Restricted for:			
Capital projects	74,487	-	74,487
Unrestricted	(443,534)	(65,213)	(508,747)
Total Net Position	<u>\$ (36,077)</u>	<u>\$ (65,213)</u>	<u>\$ (101,290)</u>

City of Pittsburg
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2014

	Golf Course	Water Front Operations	Total Non-Major Enterprise Funds
OPERATING REVENUES:			
Rents and concessions	\$ -	\$ 496,364	\$ 496,364
Other operating revenues	-	23,134	23,134
Total operating revenues	-	519,498	519,498
OPERATING EXPENSES:			
Salaries and wages	-	195,220	195,220
Department supplies	131	282	413
Rentals	-	2,052	2,052
Maintenance and operations	6,513	187,565	194,078
Depreciation	86,737	-	86,737
Insurance deductible	-	5,640	5,640
Fringe benefits	-	130,741	130,741
Other operating expenses	9,128	197,335	206,463
Total operating expenses	102,509	718,835	821,344
OPERATING INCOME (LOSS)	(102,509)	(199,337)	(301,846)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	(9)	(391)	(400)
Total nonoperating revenues (expenses)	(9)	(391)	(400)
INCOME (LOSS) BEFORE TRANSFERS	(102,518)	(199,728)	(302,246)
TRANSFERS:			
Transfers (in)	16,713	-	16,713
Total transfers	16,713	-	16,713
Net income (loss)	(85,805)	(199,728)	(285,533)
NET POSITION:			
Beginning of year	49,728	134,515	184,243
End of year	\$ (36,077)	\$ (65,213)	\$ (101,290)

City of Pittsburgh
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2014

	Golf Course	Water Front Operations	Total Non-Major Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ -	\$ 438,364	\$ 438,364
Cash payments to suppliers of goods and services	(18,949)	(368,622)	(387,571)
Cash payments to employees for services	-	(331,601)	(331,601)
Net cash provided (used) by operating activities	(18,949)	(261,859)	(280,808)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	16,713	-	16,713
Net cash provided (used) by noncapital financing activities	16,713	-	16,713
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	(10)	(391)	(401)
Net cash provided (used) by investing activities	(10)	(391)	(401)
Net increase (decrease) in cash and cash investments	(2,246)	(262,250)	(264,496)
CASH AND INVESTMENTS:			
Beginning of year	6,398	339,077	345,475
End of year	<u>\$ 4,152</u>	<u>\$ 76,827</u>	<u>\$ 80,979</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (102,509)	\$ (199,337)	\$ (301,846)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	86,737	-	\$86,737
Changes in operating assets and liabilities:			
Accounts receivable	(3,080)	2,665	(415)
Interest receivable	-	130	130
Prepaid items	-	16,998	16,998
Accounts payable	116	18,596	18,712
Refundable deposits	-	16	16
Unearned revenue	(213)	(100,927)	(101,140)
Net cash provided (used) by operating activities	\$ (18,949)	\$ (261,859)	\$ (280,808)

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

City of Pittsburg
Combining Statement of Net Position
Internal Service Funds
June 30, 2014

	Fleet Maintenance	Building Maintenance	Insurance
ASSETS			
Current assets:			
Cash and investments	\$ 1,414,214	\$ 958,629	\$ 703,753
Receivables:			
Accounts	-	1,848	-
Interest	-	-	-
Inventory	38,558	15,725	-
Prepaid items	-	-	-
Total current assets	<u>1,452,772</u>	<u>976,202</u>	<u>703,753</u>
Noncurrent assets:			
Capital assets:			
Depreciable assets, net	<u>1,144,493</u>	<u>215,762</u>	<u>-</u>
Total noncurrent assets	<u>1,144,493</u>	<u>215,762</u>	<u>-</u>
Total Assets	<u><u>2,597,265</u></u>	<u><u>1,191,964</u></u>	<u><u>703,753</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	54,132	65,865	14,746
Salaries payable	-	-	-
Claims and judgments payable - due within one year	-	-	195,065
Long-term-debt - due within one year	-	-	-
Advance to other funds	<u>35,703</u>	<u>25,024</u>	<u>-</u>
Total current liabilities	<u>89,835</u>	<u>90,889</u>	<u>209,811</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	21,401	31,231	-
Long-term-debt - due within one year	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>21,401</u>	<u>31,231</u>	<u>-</u>
Total Liabilities	<u><u>111,236</u></u>	<u><u>122,120</u></u>	<u><u>209,811</u></u>
NET POSITION			
Net investment in capital assets	1,144,493	215,762	-
Unrestricted	<u>1,341,536</u>	<u>854,082</u>	<u>493,942</u>
Total Net Position	<u><u>\$ 2,486,029</u></u>	<u><u>\$ 1,069,844</u></u>	<u><u>\$ 493,942</u></u>

Information / Communication Services	Fringe Benefits	Other Post Employment Benefits	Total
\$ 1,004,027	\$ 1,341,600	\$ 91,987	\$ 5,514,210
19,537	68	4,194	25,647
-	-	-	-
324,582	-	-	378,865
-	22,400	-	22,400
<u>1,348,146</u>	<u>1,364,068</u>	<u>96,181</u>	<u>5,941,122</u>
205,259	-	-	1,565,514
<u>205,259</u>	<u>-</u>	<u>-</u>	<u>1,565,514</u>
<u>1,553,405</u>	<u>1,364,068</u>	<u>96,181</u>	<u>7,506,636</u>
100,744	117,718	85	353,290
-	(5,761)	2,655	(3,106)
-	-	-	195,065
34,295	-	-	34,295
11,470	-	-	72,197
<u>146,509</u>	<u>111,957</u>	<u>2,740</u>	<u>651,741</u>
9,880	-	-	62,512
<u>71,520</u>	<u>-</u>	<u>-</u>	<u>71,520</u>
81,400	-	-	134,032
<u>227,909</u>	<u>111,957</u>	<u>2,740</u>	<u>785,773</u>
99,444	-	-	1,459,699
1,226,052	1,252,111	93,441	5,261,164
<u>\$ 1,325,496</u>	<u>\$ 1,252,111</u>	<u>\$ 93,441</u>	<u>\$ 6,720,863</u>

City of Pittsburgh
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2014

	Fleet Maintenance	Building Maintenance	Insurance
OPERATING REVENUES:			
Charges for services	\$ 1,980,324	\$ 1,369,524	\$ 789,840
Other operating revenues	38,802	129,572	-
Total operating revenues	2,019,126	1,499,096	789,840
OPERATING EXPENSES:			
Salaries and wages	269,848	249,839	-
Department supplies	707,200	74,202	-
Rentals	43,495	593	-
Utilities	7,273	274,256	-
Maintenance and operations	82,420	297,966	-
Depreciation and amortization	439,724	62,407	-
Insurance premiums	19,099	150,222	617,558
Insurance deductible	7,968	7,032	198,512
Fringe benefits	179,797	196,372	-
Other operating expenses	16,467	11,644	-
Total operating expenses	1,773,291	1,324,533	816,070
OPERATING INCOME (LOSS)	245,835	174,563	(26,230)
NONOPERATING REVENUES (EXPENSES):			
Gain (loss) on sale of assets	12,056	-	-
Investment income	-	-	(4,254)
Total nonoperating revenues	12,056	-	(4,254)
INCOME (LOSS) BEFORE TRANSFERS	257,891	174,563	(30,484)
TRANSFERS:			
Transfers in	-	-	-
Transfers out	(15,883)	(10,639)	(102,010)
Transfers in (out)	(15,883)	(10,639)	(102,010)
Change in net position	242,008	163,924	(132,494)
NET POSITION:			
Beginning of year	2,244,021	905,920	626,436
End of year	\$ 2,486,029	\$ 1,069,844	\$ 493,942

Information / Communication Services	Fringe Benefits	Other Post Employment Benefits	Total
\$ 1,058,832	\$ 1,772,637	\$ 1,361,789	\$ 8,332,946
46,674	39,430	-	254,478
<u>1,105,506</u>	<u>1,812,067</u>	<u>1,361,789</u>	<u>8,587,424</u>
71,135	-	-	590,822
117,216	-	-	898,618
-	-	-	44,088
-	-	-	281,529
540,429	15,483	17,800	954,098
82,490	-	-	584,621
-	-	-	786,879
2,148	-	-	215,660
46,544	1,587,959	2,469,661	4,480,333
6,263	31,852	-	66,226
<u>866,225</u>	<u>1,635,294</u>	<u>2,487,461</u>	<u>8,902,874</u>
<u>239,281</u>	<u>176,773</u>	<u>(1,125,672)</u>	<u>(315,450)</u>
(2,592)	-	-	9,464
<u>(3,925)</u>	<u>(6,660)</u>	<u>-</u>	<u>(14,839)</u>
<u>(6,517)</u>	<u>(6,660)</u>	<u>-</u>	<u>(5,375)</u>
<u>232,764</u>	<u>170,113</u>	<u>(1,125,672)</u>	<u>(320,825)</u>
-	-	641,755	641,755
<u>(4,325)</u>	<u>(81,608)</u>	<u>-</u>	<u>(214,465)</u>
<u>(4,325)</u>	<u>(81,608)</u>	<u>641,755</u>	<u>427,290</u>
<u>228,439</u>	<u>88,505</u>	<u>(483,917)</u>	<u>106,465</u>
<u>1,097,057</u>	<u>1,163,606</u>	<u>577,358</u>	<u>6,614,398</u>
<u>\$ 1,325,496</u>	<u>\$ 1,252,111</u>	<u>\$ 93,441</u>	<u>\$ 6,720,863</u>

City of Pittsburgh
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2014

	Fleet Maintenance	Building Maintenance	Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/other funds	\$ 1,973,788	\$ 1,368,185	\$ 790,113
Cash payments to suppliers for goods and services	(891,116)	(795,917)	(751,730)
Cash payments to employees for services	(454,944)	(442,449)	-
Other operating revenues	38,802	129,572	-
Net cash provided (used) by operating activities	666,530	259,391	38,383
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund payments	(13,697)	(9,176)	-
Transfers (out)	(15,883)	(10,639)	(102,010)
Net cash provided (used) by noncapital financing activities	(29,580)	(19,815)	(102,010)
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Payments made on capital lease	-	-	-
Proceeds from sale of capital assets	12,056	-	-
Net changes in capital assets	(190,966)	(1)	-
Net cash provided (used) by capital financing activities	(178,910)	(1)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest revenue	-	-	(4,254)
Net cash provided (used) by investing activities	-	-	(4,254)
Net increase (decrease) in cash and cash equivalents	458,040	239,575	(67,881)
CASH AND CASH EQUIVALENTS:			
Beginning of year	956,174	719,054	771,634
End of year	\$ 1,414,214	\$ 958,629	\$ 703,753
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 245,835	\$ 174,563	\$ (26,230)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	439,724	62,407	-
Changes in operating assets and liabilities:			
Accounts receivable	253	1,693	273
Inventory	(6,789)	(3,032)	-
Prepaid items	-	-	-
Accounts payable	(7,194)	19,998	(1,840)
Salaries and wages payable	-	-	-
Unearned revenue	-	-	-
Compensated absences	(5,299)	3,762	-
Insurance claims payable	-	-	66,180
Net cash provided (used) by operating activities	\$ 666,530	\$ 259,391	\$ 38,383

Information / Communication Services	Fringe Benefits	Other Post Employment Benefits	Total
\$ 951,169	\$ 1,777,175	\$ 1,357,595	\$ 8,218,025
(654,642)	23,129	(17,715)	(3,087,991)
(116,797)	(1,618,614)	(2,475,782)	(5,108,586)
46,674	39,430	-	254,478
226,404	221,120	(1,135,902)	275,926
(3,730)	-	-	(26,603)
(4,325)	(81,608)	641,755	427,290
(8,055)	(81,608)	641,755	400,687
(33,356)	-	-	(33,356)
(2,592)	-	-	9,464
(12,566)	-	-	(203,533)
(48,514)	-	-	(227,425)
(3,925)	(6,660)	-	(14,839)
(3,925)	(6,660)	-	(14,839)
165,910	132,852	(494,147)	434,349
838,117	1,208,748	586,134	5,079,861
\$ 1,004,027	\$ 1,341,600	\$ 91,987	\$ 5,514,210
\$ 239,281	\$ 176,773	\$ (1,125,672)	\$ (315,450)
82,490	-	-	584,621
(15,662)	4,538	(4,194)	(13,099)
(92,001)	-	-	(101,822)
-	-	-	-
11,414	70,464	85	92,927
-	(30,655)	(6,121)	(36,776)
-	-	-	-
882	-	-	(655)
-	-	-	66,180
\$ 226,404	\$ 221,120	\$ (1,135,902)	\$ 275,926



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

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, 2014

	Beginning Balance July 1, 2013	Additions	Deletions	Ending Balance June 30, 2014
<u>Assessment Districts Fund</u>				
Assets:				
Cash and investments	\$ 2,218,818	\$ 7,453,442	\$ 6,838,657	\$ 2,833,603
Cash and investments held by fiscal agent	21,203,878	3,770,374	23,031,027	1,943,225
Assessment receivable	2,184,564	2,616,484	2,596,527	2,204,521
Interest receivable	684	-	684	-
Total assets	\$ 25,607,944	\$ 13,840,300	\$ 32,466,895	\$ 6,981,349
Liabilities:				
Accounts payable	\$ 29,403	\$ 60,584	\$ 61,389	\$ 28,598
Deferred assessment	2,184,564	2,616,485	2,596,528	2,204,521
Due to bondholders	23,393,977	6,324,506	24,970,253	4,748,230
Total liabilities	\$ 25,607,944	\$ 9,001,575	\$ 27,628,170	\$ 6,981,349
 <u>Environmental Impact Fund</u>				
Assets:				
Cash and investments	\$ 1,047	\$ 6	\$ 6	\$ 1,047
Interest receivable	0	-	-	-
Total assets	\$ 1,047	\$ 6	\$ 6	\$ 1,047
Liabilities:				
Due to other parties	\$ -	\$ -	\$ -	\$ -
Due to bondholders	1,047	-	-	1,047
Total liabilities	\$ 1,047	\$ -	\$ -	\$ 1,047
 <u>Other Impact Fees Fund</u>				
Assets:				
Cash and investments	\$ 23,854	\$ 1,967,187	\$ 1,773,143	\$ 217,898
Total assets	\$ 23,854	\$ 1,967,187	\$ 1,773,143	\$ 217,898
Liabilities:				
Accounts payable	\$ 18,316	\$ 1,868,469	\$ 1,675,334	\$ 211,451
Due to other parties	5,715	1,966,437	1,966,146	6,006
Due to bondholders	(177)	750	132	441
Total liabilities	\$ 23,854	\$ 3,835,656	\$ 3,641,612	\$ 217,898
 <u>Vista Del Mar & San Marco CFD's</u>				
Assets:				
Cash and investments	\$ 1,321,049	\$ 1,342,216	\$ 886,593	\$ 1,776,672
Cash and investments held by fiscal agent	813,929	6,886	-	820,815
Interest receivable	298	-	298	-
Total assets	\$ 2,135,276	\$ 1,349,102	\$ 886,891	\$ 2,597,487
Liabilities:				
Accounts payable	\$ 67	\$ 88,777	\$ 88,711	\$ 133
Due to bondholders	2,135,209	1,800,835	1,338,690	2,597,354
Total liabilities	\$ 2,135,276	\$ 1,889,612	\$ 1,427,401	\$ 2,597,487

City of Pittsburg
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2014

<u>Total Agency Funds</u>	Beginning Balance July 1, 2013	Additions	Deletions	Ending Balance June 30, 2014
Assets:				
Cash and investments	\$ 3,564,768	\$ 10,762,851	\$ 9,498,399	\$ 4,829,220
Cash and investments held by fiscal agent	22,017,807	3,777,260	23,031,027	2,764,040
Assessment receivable	2,184,564	2,616,484	2,596,527	2,204,521
Interest receivable	982	-	982	-
Total assets	\$ 27,768,121	\$ 17,156,595	\$ 35,126,935	\$ 9,797,781
Liabilities:				
Accounts payable	\$ 47,786	\$ 2,017,830	\$ 1,825,434	\$ 240,182
Deferred assessment	2,184,564	2,616,485	2,596,528	2,204,521
Due to other parties	5,715	1,966,437	1,966,146	6,006
Due to bondholders	25,530,056	8,126,091	26,309,075	7,347,072
Total liabilities	\$ 27,768,121	\$ 14,726,843	\$ 32,697,183	\$ 9,797,781



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

STATISTICAL SECTION

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

The major points of emphasis are:

Financial Trends

These schedules contain trend information to help the CAFR reader understand how the City of Pittsburg's financial performance and economic status have changed over time.

Revenue Capacity

These schedules contain information to help the CAFR reader evaluate factors affecting the City of Pittsburg's ability to generate its property and sales taxes and other major revenues.

Debt Capacity

These schedules present information to help the CAFR reader assess the affordability of the City of Pittsburg's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indications to help the CAFR reader understand the environment within which the City of Pittsburg's financial activities occur.

Operating Information

These schedules contain information about the City of Pittsburg's operations and resources to help the CAFR reader understand how the City's financial information relates to the services the City provides and the activities it performs.

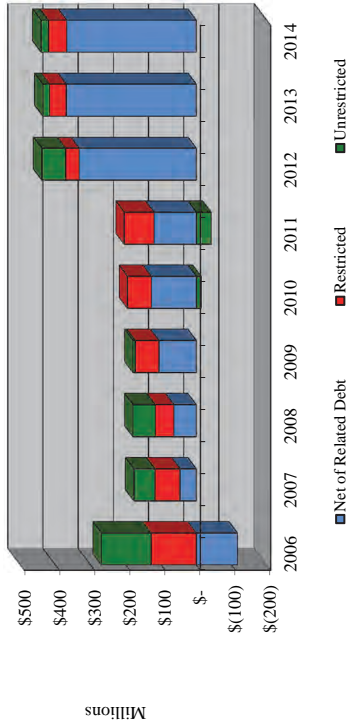
Sources: Unless otherwise noted, the information in these schedules is derived from the City's Basic Financial Statements for the relevant year.

*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 actives for the former Pittsburg Redevelopment Agency.



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

CITY OF PITTSBURG
Net Position by Component
Last Nine Fiscal Years
(accrual basis of accounting)



Fiscal Year Ended June 30,

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities									
Net Investment in Capital Assets	\$ (153,333,826)	\$ 3,247,946	\$ 18,733,410	\$ 32,357,570	\$ 59,908,182	\$ 46,442,103	\$ 252,487,708	\$ 281,680,787	\$ 275,604,919
Restricted	124,840,230	58,131,686	28,890,295	46,826,571	51,627,971	63,967,311	14,746,589	25,904,321	31,094,899
Unrestricted	99,416,697	28,994,097	50,069,992	(5,009,852)	(38,861,513)	(62,825,341)	58,656,185	6,994,639	9,076,001
Total governmental activities net position	\$70,923,101	\$90,373,729	\$97,693,697	\$74,174,289	\$72,674,640	\$47,584,073	\$325,890,482	\$314,579,747	\$315,775,819
Business-type activities									
Net Investment in Capital Assets	\$ 36,566,114	\$ 42,643,385	\$ 44,780,703	\$ 73,704,658	\$ 67,603,197	\$ 73,188,754	\$ 79,796,698	\$ 87,252,264	\$ 92,058,482
Restricted	3,602,121	13,474,928	24,190,306	20,189,744	16,057,202	20,709,344	23,822,298	21,659,904	21,038,895
Unrestricted	41,341,654	30,681,028	12,931,446	11,345,116	25,075,506	20,765,153	8,802,052	11,726,531	11,513,401
Total business-type activities net position	\$81,509,889	\$86,799,341	\$81,902,455	\$105,239,518	\$108,735,905	\$114,663,251	\$112,421,048	\$120,638,699	\$124,610,778
Primary government									
Net Investment in Capital Assets	\$ (116,767,712)	\$ 45,891,331	\$ 63,514,113	\$ 106,062,228	\$ 127,511,379	\$ 119,630,857	\$ 332,284,406	\$ 368,933,051	\$ 367,663,401
Restricted	128,442,351	71,606,614	53,080,601	67,016,315	67,685,173	84,676,655	38,568,887	47,564,225	52,133,794
Unrestricted	140,758,351	59,675,125	63,001,438	6,335,264	(13,786,007)	(42,060,188)	67,458,237	18,721,170	20,589,402
Total primary government net position	\$ 152,432,990	\$ 177,173,070	\$ 179,596,152	\$ 179,413,807	\$ 181,410,545	\$ 162,247,324	\$ 438,311,530	\$ 435,218,446	\$ 440,386,597

CITY OF PITTSBURG
Changes in Net Position
Last Eight Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended June 30,

	2007	2008	2009	2010	2011	2012	2013	2014
Expenses								
Governmental Activities:								
General Government	\$ 14,254,413	\$ 21,504,808	\$ 11,842,142	\$ 18,568,935	\$ 14,788,317	\$ 7,933,936	\$ 6,684,607	\$ 7,027,878
Public Safety	16,949,031	19,147,330	37,075,329	20,844,081	20,111,317	22,929,002	20,955,624	22,683,125
Public Works	17,949,516	16,356,492	15,020,101	13,685,011	19,975,441	16,741,235	19,679,890	16,305,801
Community Development	25,815,463	31,332,797	37,032,108	22,565,100	25,958,714	26,418,644	23,214,430	18,705,444
Culture and Recreation	1,892,674	1,854,555	1,741,484	733,417	476,739	595,285	699,730	806,965
Interest on Long Term Debt	20,495,286	23,435,995	35,950,401	19,671,322	23,519,241	13,717,168	1,026,639	1,574,056
Total Governmental Activities Expenses	97,356,383	113,631,977	138,661,565	96,067,866	104,829,769	88,335,270	72,260,920	67,103,269
Business-Type Activities:								
Water	13,372,173	14,316,223	14,013,116	13,614,034	14,449,902	14,884,762	15,518,027	16,513,159
Wastewater	1,929,214	1,972,310	2,218,519	2,407,534	2,317,726	2,442,521	2,212,309	2,490,191
Marina	2,378,869	2,112,615	2,320,709	2,139,241	2,168,789	2,405,288	2,448,483	2,230,133
Pittsburg Power								5,659,707
Other-Non-Major Enterprise Funds	6,663,142	7,430,302	7,607,155	7,563,600	5,552,384	5,147,173	4,984,797	821,344
Total Business-Type Activities Expenses	24,343,398	25,831,450	26,159,499	25,724,409	24,488,801	24,879,744	25,163,616	27,714,534
Total Primary Government Expenses	\$ 121,699,781	\$ 139,463,427	\$ 164,821,064	\$ 121,792,275	\$ 129,318,570	\$ 113,215,014	\$ 97,424,536	\$ 94,817,803
Program Revenues								
Governmental Activities:								
Charges for Services:								
General Government	\$ 8,362,348	\$ 114,718	\$ 2,165,995	\$ 6,451,351	\$ 5,614,500	\$ 6,852,057	\$ 5,190,861	\$ 4,736,292
Public Safety	633,513	750,286	1,054,367	1,287,433	987,348	1,044,743	842,598	1,072,098
Public Works	4,077,620	2,930,076	1,186,331	5,733,983	2,755,943	3,596,128	4,356,858	905,135
Community Development	90,302	4,318,365	8,392,107	5,914,983	6,498,599	19,229,249	8,189,144	7,054,779
Culture and Recreation	533,114	419,320	198,873	212,184	257,627	420,047	685,418	762,357
Operating Grants and Contributions	19,357,391	18,175,592	15,252,456	14,022,072	16,926,790	12,661,954	12,104,023	13,133,883
Capital Grants and Contributions	948,905	5,243,189	2,193,823	1,119,989	929,465	3,997,403	314,203	979,706
Total Government Activities Program Revenues	34,003,193	31,951,546	30,443,952	34,741,995	33,970,272	47,801,581	31,683,105	28,644,250

CITY OF PITTSBURG
Changes in Net Position
 (continued)
Last Eight Fiscal Years
 (accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type Activities:								
Charges for Services:								
Water	15,974,805	15,780,234	15,121,036	16,695,089	16,880,039	17,276,044	19,605,199	19,640,140
Wastewater	3,864,420	3,305,065	3,846,151	4,471,813	4,373,309	4,566,645	5,049,987	4,918,873
Marina	1,653,350	1,732,960	1,829,397	1,681,500	1,850,375	1,942,681	1,914,502	2,020,396
Pittsburg Power Co.*	-	-	-	-	-	-	-	5,913,071
Other-Non-Major Enterprise Funds	6,242,843	7,369,613	7,965,358	6,915,483	10,513,007	5,966,340	6,204,779	519,498
Operating Grants and Contributions	-	-	-	-	-	-	-	40,000
Capital Grants and Contributions	197,903	331,649	18,110,472	591,456	309,021	205,675	2,019,849	748,904
Total Business-Type Activities Program Revenue	27,933,321	28,519,521	46,872,414	30,355,341	33,925,751	29,957,385	34,794,316	33,800,882
Total Primary Government Program Revenues	\$ 61,936,514	\$ 60,471,067	\$ 77,316,366	\$ 65,097,336	\$ 67,896,023	\$ 77,758,966	\$ 66,477,421	\$ 62,445,132
Net (Expense)/Revenue								
Governmental Activities	\$ (63,353,190)	\$ (81,680,431)	\$ (108,217,613)	\$ (61,325,871)	\$ (70,859,497)	\$ (40,533,689)	\$ (40,577,815)	\$ (38,459,019)
Business-Type Activities	3,589,923	2,688,071	20,712,915	4,630,932	9,436,950	5,077,641	9,630,700	6,086,348
Total Primary Government Net Expense	\$ (59,763,267)	\$ (78,992,360)	\$ (87,504,698)	\$ (56,694,939)	\$ (61,422,547)	\$ (35,456,048)	\$ (30,947,115)	\$ (32,372,671)

* Pittsburg Power Co. was previously reported as Non-Major Enterprise Funds

CITY OF PITTSBURG
Changes in Net Position
(continued)
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,							
	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position								
Governmental Activities:								
Taxes:								
Property Taxes	\$ 50,917,360	\$ 51,782,902	\$ 49,448,715	\$ 39,995,052	\$ 40,456,473	\$ 23,507,704	\$ 2,176,998	\$ 2,613,321
Sales Taxes	7,953,283	7,295,549	7,167,394	5,998,652	5,438,354	6,168,690	11,232,622	12,563,378
Motor Vehicle In-Lieu	6,042,275	4,871,681	4,714,411	4,019,459	3,936,649	4,470,104	3,727,494	3,795,560
Transient Occupancy Tax	149,393	172,734	185,120	256,226	279,852	361,238	447,537	503,265
Inter Governmental Revenues	0	0	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	3,890,567	4,063,561
Interest Earnings	11,146,109	11,718,198	10,602,828	2,414,528	2,314,878	1,583,156	74,095	600,555
Other	2,134,499	940,352	1,166,245	3,309,593	7,375,344	6,822,671	8,252,592	13,172,704
Transfers	563,960	10,773,070	6,242,560	1,454,110	3,957,110	273,042,911	1,681,364	2,342,747
Gain (loss) on sale of assets					(18,539,878)	0	0	0
Total Government Activities	81,153,482	91,099,147	82,553,241	59,826,222	47,879,665	319,060,297	31,483,269	39,655,091
Business-Type Activities:								
Interest Earnings	2,263,490	1,961,224	1,093,600	321,967	447,506	400,199	268,315	129,786
Transfers	(563,960)	(8,688,861)	(6,242,560)	(1,454,110)	(3,957,110)	(7,720,043)	(1,681,364)	(2,342,747)
Gain (loss) on sale of assets								98,692
Total Business-Type Activities	1,699,530	(6,727,637)	(5,148,960)	(1,132,143)	(3,509,604)	(7,319,844)	(1,413,049)	(2,114,269)
Total Primary Government	\$ 82,853,012	\$ 84,371,510	\$ 77,404,281	\$ 58,694,079	\$ 44,370,061	\$ 311,740,453	\$ 30,070,220	\$ 37,540,822
Change in Net Position								
Governmental Activities	\$ 17,800,292	\$ 9,418,716	\$ (25,664,372)	\$ (1,499,649)	\$ (22,979,832)	\$ 278,126,409	\$ (9,094,546)	\$ 1,196,072
Business-Type Activities	5,289,453	(4,039,566)	15,563,955	3,498,789	5,927,346	(2,242,203)	8,217,651	3,972,079
Total Primary Government	\$ 23,089,745	\$ 5,379,150	\$ (10,100,417)	\$ 1,999,140	\$ (17,052,486)	\$ 275,884,206	\$ (876,895)	\$ 5,168,151

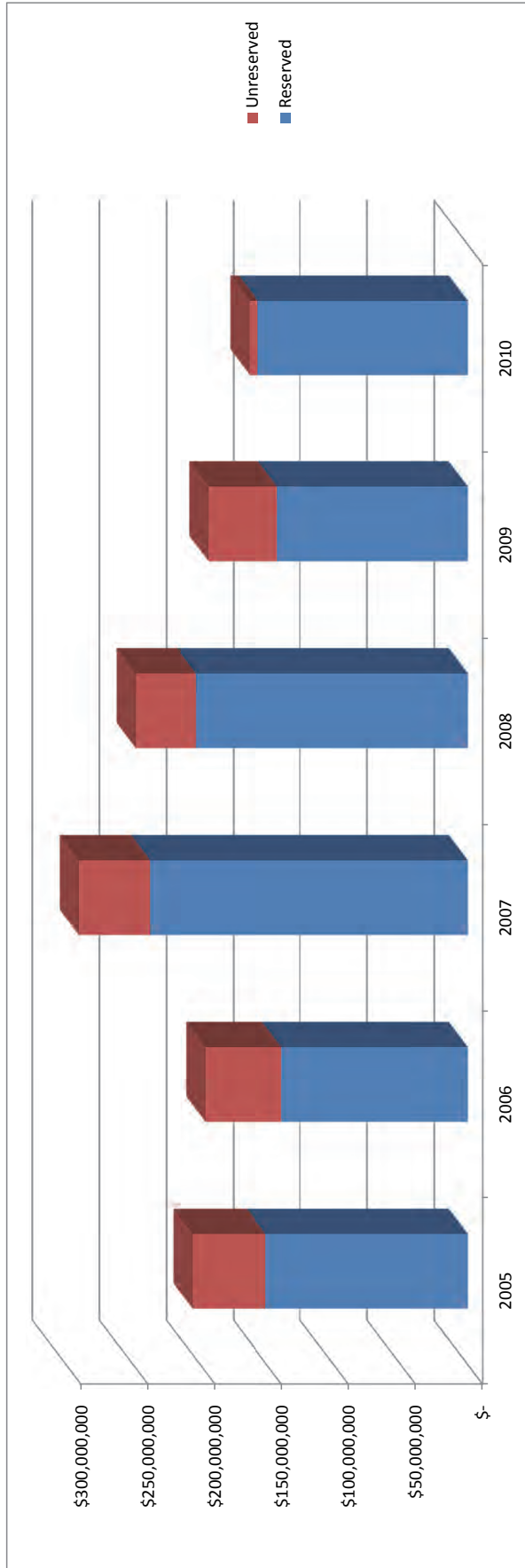
Due to the dissolution of Redevelopment Agency in Jan. 2012, trend information might be shrewd due to this one time event.



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014

CITY OF PITTSBURG
Fund Balances of Governmental Funds

Last Ten Fiscal Years
 (accrual basis of accounting)
 *Pre-GASB 54; See Next page for GASB 54 FY2011



	Fiscal Year Ended June 30,					
	2005	2006	2007	2008	2009	2010
General Fund						
Reserved	\$ 245,280	\$ 372,186	\$ 492,681	\$ 208,767	\$ 202,586	\$ 215,249
Unreserved	8,952,718	8,183,807	9,566,686	10,793,012	6,428,850	6,798,062
Total General Fund	9,197,998	8,555,993	10,059,367	11,001,779	6,631,436	7,013,311
All Other Governmental Funds						
Reserved	\$ 150,732,011	\$ 138,881,219	\$ 236,888,018	\$ 203,272,346	\$ 142,074,124	\$ 156,737,984
Unreserved, designated	42,695,263	\$29,455,358	41,043,642	33,855,453	45,107,266	(777,130)
Unreserved, reported in:						
Special Revenue Funds	2,162,348	9,204,969	2,526,959	0	0	0
Capital Project Funds	931,032	10,007,934	0	0	0	0
Total all other governmental funds	\$ 196,520,654	\$ 187,549,480	\$ 280,458,619	\$ 237,127,799	\$ 187,181,390	\$ 155,960,854
Total Government Funds						
Reserved	\$ 150,977,291	\$ 139,253,405	\$ 237,380,699	\$ 203,481,113	\$ 142,276,710	\$ 156,953,233
Unreserved	54,741,361	56,852,068	53,137,287	44,648,465	51,536,116	6,020,932
Total Government Funds	\$ 205,718,652	\$ 196,105,473	\$ 290,517,986	\$ 248,129,578	\$ 193,812,826	\$ 162,974,165

CITY OF PITTSBURG
Fund Balances of Governmental Funds

Last Ten Fiscal Years
 (accrual basis of accounting)



	Fiscal Year Ended June 30,			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$ 280,573	\$ 305,497	\$ 3,054,208	\$ 3,370,929
Restricted				
Committed				
Assigned	2,058,442	2,254,797	1,574,732	1,057,673
Unassigned	16,456,660	16,513,473	13,544,751	16,185,068
Total General Fund	\$ 18,795,675	\$ 19,073,767	\$ 18,173,691	\$ 20,613,670
All Other Governmental Funds				
Nonspendable	\$ 8,169,424	\$ 288,763	\$ 823,003	\$ 294,491
Restricted	121,278,118 *	20,415,122	21,970,943	23,930,077
Committed	5,847,490	3,317,275	3,228,348	3,399,608
Assigned	1,025,382	\$86,405	\$220,995	\$56,642
Unassigned	(8,180,337)	(271,836)	(677,255)	(706,698)
Total all other governmental funds	\$ 128,140,077	\$ 23,835,729	\$ 25,566,034	\$ 26,974,120
Total Government Funds	\$ 146,935,752 *	\$ 42,909,496	\$ 43,739,725	\$ 47,587,790
Nonspendable	\$ 8,449,997	\$ 594,260	\$ 3,877,211	\$ 3,665,420
Restricted	121,278,118	20,415,122	21,970,943	23,930,077
Committed	5,847,490	3,317,275	3,228,348	3,399,608
Assigned	3,083,824	2,341,202	1,795,727	1,114,315
Unassigned	8,276,323	16,241,637	12,867,496	15,478,370
Total Fund Balances	\$ 146,935,752 *	\$ 42,909,496	\$ 43,739,725	\$ 47,587,790

* See Note on Statistics Introduction Tab which explains the Jan 2012 RDA Dissolution by State of California
 For additional Detail on Fund Classifications, see Note 9 of Notes to Basic Financial Statements

CITY OF PITTSBURG
Changes in Fund Balance of Governmental Funds
 Last Ten Fiscal Years
 (accrual basis of accounting)
 { in thousands }

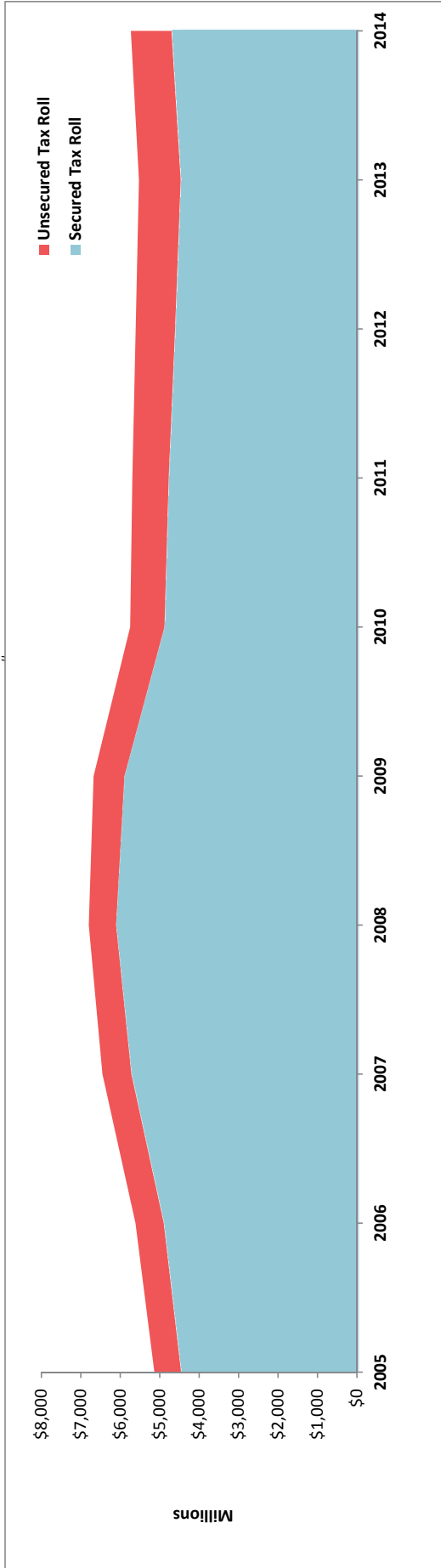
	Fiscal Year Ended June 30,				
	2005	2006	2007	2008	2009
Revenues					
Taxes	\$ 49,003	\$ 55,803	\$ 65,549	\$ 65,453	\$ 62,819
Licenses, permits and fees	4,632	2,016	8,620	2,091	599
Fines and forfeitures	295	170	249	880	670
Use of money and property	4,733	7,594	10,899	11,444	10,602
Intergovernmental revenues	20,523	21,896	21,277	25,119	23,692
Charges for services	5,666	3,692	5,584	4,810	5,705
Other	1,843	4,992	1,626	2,360	2,641
Total Revenues	86,695	96,163	113,804	112,157	106,728
Expenditures					
Current:					
General government	20,419	60,290	19,986	20,127	18,473
Public safety	14,346	15,900	16,572	18,141	18,819
Public works	10,530	7,472	10,998	8,889	8,295
Community development	25,996	18,724	24,232	37,243	33,465
Culture and recreation	1,574	1,773	1,893	1,855	1,741
Capital outlay	13,750	23,649	47,903	49,763	29,245
Debt service:					
Principal repayment	4,100	4,790	4,960	7,550	9,311
Interest and fiscal charges	13,577	15,525	18,221	25,261	32,089
Total Expenditures	104,292	148,123	144,765	168,829	151,438
Excess (deficiency) of revenues over (under) expenditures	(17,597)	(51,960)	(30,961)	(56,672)	(44,710)
Other Financing Sources (Uses)					
Transfers in	43,733	47,720	75,014	94,537	87,911
Transfers (out)	(52,248)	(51,305)	(74,999)	(83,373)	(82,193)
Capital Contributions		3,208	(180)	(15)	0
Refunding tax allocation bonds	(21,166)				(79,665)
Payment to escrow Account			(44,218)	0	0
Tax allocation bonds issued	146,605	39,566	169,820	0	61,661
Special assessment bonds issued	(3,936)				
Bond Issuance Costs		(248)	(4,171)	(13)	0
Sale of capital assets	2,264	3,193	4,109	2,315	2,680
Total other financing sources (uses)	115,252	42,134	125,375	13,451	(9,606)
Net Change in fund balances before	\$ 97,655	\$ (9,826)	\$ 94,414	\$ (43,221)	\$ (54,316)
<i>Extraordinary Items (Note 4)</i>					
Assets Transferred to Housing Successor					
Liabilities Assumed by Successor Agency					
NET Change in Fund Balances					
Debt service as a percentage of noncapital expenditures	19.5%	16.3%	23.6%	26.6%	29.2%

Fiscal Year Ended June 30,

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	54,174	\$ 56,023	\$ 40,582	\$ 29,727	\$ 31,968
	1,145	2,120	2,794	3,633	1,888
	185	175	187	168	187
	2,780	2,764	1,689	61	615
	21,089	23,118	27,584	17,627	16,060
	4,879	6,205	4,071	7,333	7,400
	7,470	3,738	7,557	3,484	3,432
	<u>91,722</u>	<u>94,143</u>	<u>84,464</u>	<u>62,033</u>	<u>61,550</u>
	16,766	13,528	12,496	5,247	5,487
	19,334	19,253	19,536	19,580	20,842
	8,394	11,947	6,609	5,849	7,371
	23,809	38,541	29,535	27,909	22,388
	733	476	595	477	700
	24,467	10,262	4,901	1,446	813
	8,269	9,667	11,485	375	450
	23,205	23,121	13,598	1,609	1,588
	<u>124,977</u>	<u>126,795</u>	<u>98,755</u>	<u>62,492</u>	<u>59,639</u>
	(33,255)	(32,652)	(14,291)	(459)	1,911
	111,605	68,170	45,327	7,235	5,084
	(110,316)	(63,633)	(37,343)	(5,950)	(3,169)
	1,127	(18,553)	2,211	4	22
	2,416	(14,016)	10,195	1,289	1,937
\$	<u>(30,839)</u>	<u>(46,668)</u>	<u>(4,096)</u>	<u>830</u>	<u>3,848</u>
			\$ (2,002)		
			(97,928)		
			<u>\$ (104,026)</u>		
	32.7%	31.9%	25.9%	3.3%	3.5%

* Intergovernmental Revenues Re-classified to Program Income & Other Taxes
 RDA no longer classified as Government fund due to dissolution in FY 2011-2012.

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



Fiscal Year	Secured Tax Roll			Unsecured Tax Roll	GROSS Tax Roll	LESS: Exemptions			NET Assessed Valuation (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property			HOPTR (1)	Others			
2005	\$ 1,214,874,628	\$ 3,226,664,477	\$ 17,393,708	\$ 675,820,760	\$ 5,134,753,573	\$ 69,378,527	\$ 69,291,313	\$ 4,996,083,733	\$	1
2006	1,417,629,819	3,461,480,941	19,005,669	717,030,128	5,615,146,557	68,931,232	66,144,479	5,480,070,846		0.73642
2007	1,755,807,325	3,935,984,909	25,561,424	735,525,554	6,452,879,212	67,070,432	111,498,185	6,274,310,595		0.73326
2008	2,079,929,185	3,998,818,379	27,034,992	692,059,619	6,797,842,175	66,662,966	129,436,694	6,601,742,515		0.74171
2009	1,886,619,969	3,977,346,545	29,871,943	782,213,672	6,676,052,129	66,141,210	138,181,611	6,471,729,308		0.74057
2010	1,355,858,246	3,488,509,274	35,030,993	868,770,588	5,748,169,101	65,495,515	148,448,271	5,534,225,315		0.73534
2011	1,271,652,002	3,468,075,002	32,556,725	921,168,099	5,693,451,828	64,704,851	174,568,314	5,454,178,663		0.73265
2012	1,199,342,285	3,380,327,868	29,398,082	1,000,793,072	5,609,861,307	62,930,462	163,259,839	5,383,671,006		0.73307
2013	1,154,280,061	3,284,318,842	29,454,784	1,058,290,739	5,526,344,426	61,050,228	167,858,949	5,297,435,249		0.72809
2014	1,244,373,590	3,426,800,074	29,431,527	1,030,705,786	5,731,310,977	58,985,158	184,163,403	5,488,162,416		0.17411

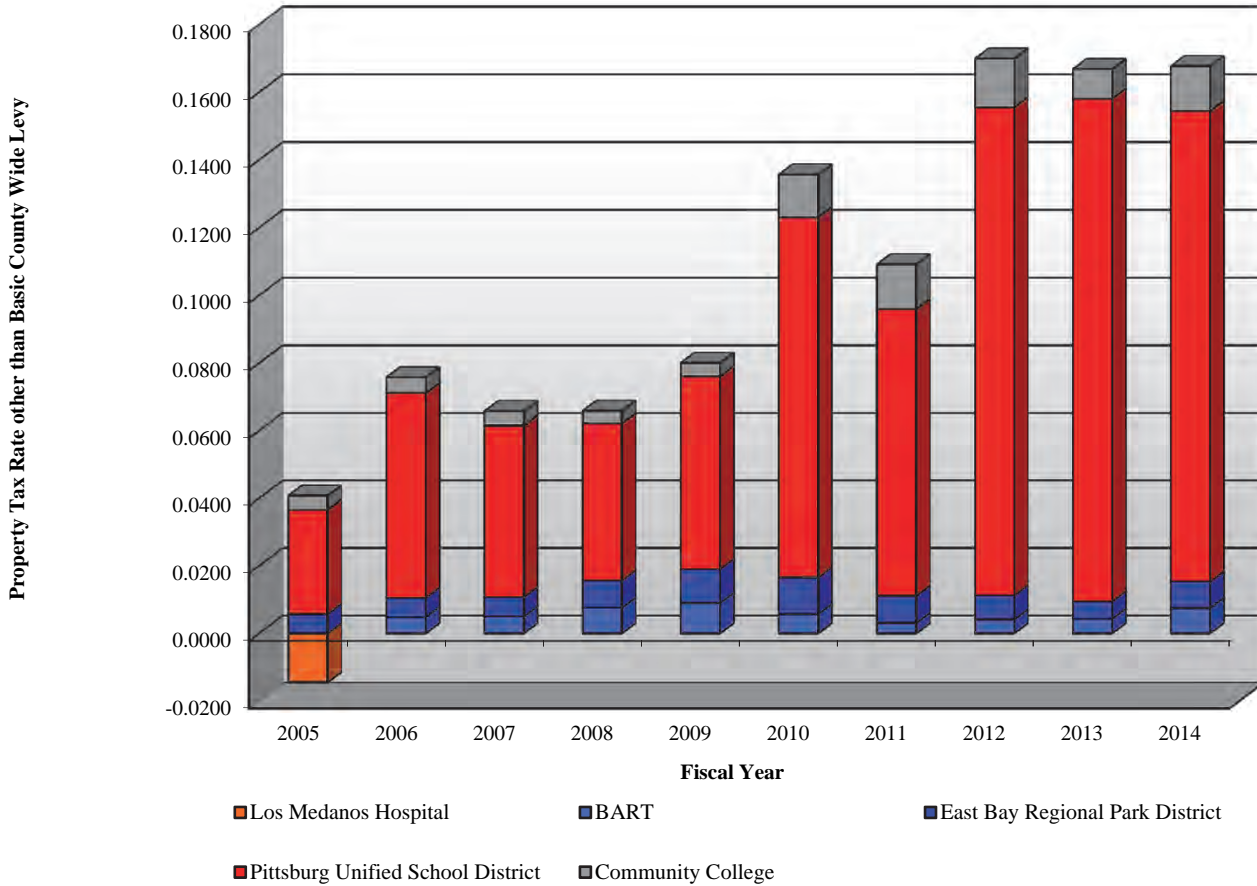
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

(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. Beginning in 2013/14 the total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

(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
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
2013	1.0000	0.72809	0.0000	0.0043	0.0051	0.1487	0.0087	1.8906
2014	1.0000	0.17411	0.0000	0.0075	0.0078	0.1391	0.0133	1.3343

* Pittsburg Direct Rate = the weighted average of City's Share of 1% levy & Redevelopment Rate
Source: Contra Costa County Assessors Office & Hdl Coren & Cone

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

<u>Taxpayer</u>	<u>2013-14</u>			<u>2004-05</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	\$ 326,900,000	2	5.89%	\$ 509,700,000	1	11.60%
Calpine Corporation	321,240,000	3	5.79%			
Dow Agrosciences LLC	327,316,210	1	5.90%	105,994,902	3	2.41%
USS - Posco Industries	246,066,357	4	4.44%	283,467,110	2	6.45%
United Spiral Pipe LLC	135,562,535	5	2.44%			
K2 Pure Solution	133,318,129	6	2.40%			
Sierra Pacific Properties	101,404,796	7	1.83%	66,120,386	4	1.50%
Century Plaza Corporation	68,809,329	8	1.24%	57,450,404	5	1.31%
Kirker Creek Limited Partnership	68,107,724	9	1.23%	42,424,585	6	0.97%
San Marco Properties LLC	54,312,194	10	0.98%			
GWF Power System Limited Partner				28,302,037	10	0.64%
National Energy				30,043,868	8	0.68%
Praxair						
ACG-Pittsburg Investors LLC						
Albert D. Seeno Construction Co.						
Franklin Los Medanos Association						
Ronald P and Maureen Ashley						
Seecon Financial				34,407,158	7	0.78%
Oakmont Properties II & III LP				29,077,592	9	0.66%
Subtotal	\$ 1,783,037,274		32.14%	\$ 1,123,503,292		25.56%

Total Net Assessed Valuation:
Fiscal Year 2013-14 \$5,547,144,833
Fiscal Year 2004-2005 \$4,395,191,900

Source: Hdl Coren & Cone

CITY OF PITTSBURG
Property Tax Levies and Collections as of June 30
Last Nine Fiscal Years

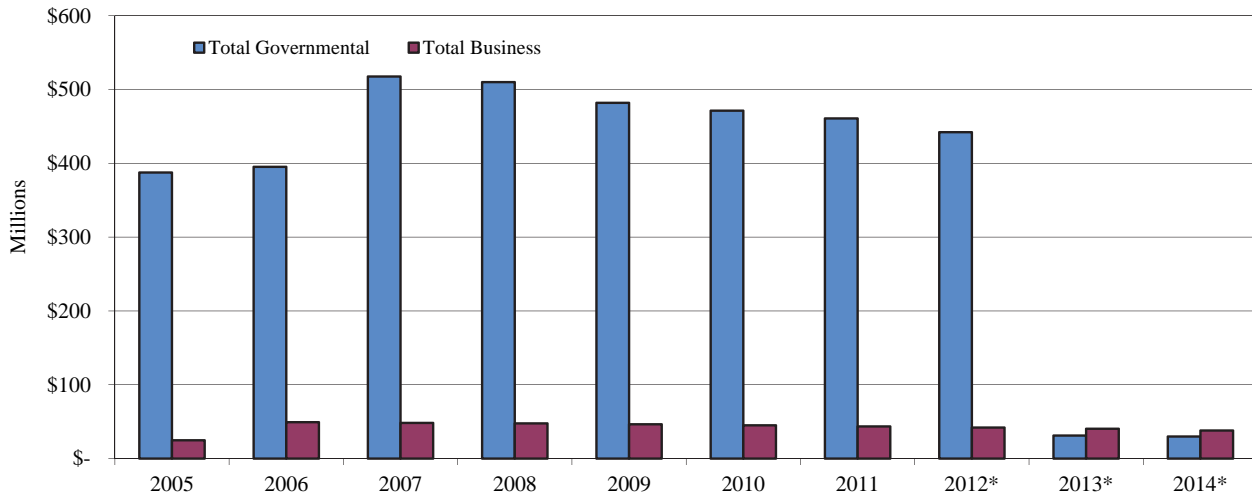


<u>Fiscal Year</u>	<u>Total Tax Levied</u>	<u>Current Tax Collections</u>	<u>Percent of Levy County Collected¹</u>	<u>Delinquent Tax Collections¹</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections To Tax Levy</u>
2006	\$ 8,509,194	\$ 8,348,903	98.12%	\$ -	\$ 8,348,903	98.12%
2007	9,789,806	9,457,090	96.60%	-	9,457,090	96.60%
2008	10,360,164	9,863,684	95.21%	-	9,863,684	95.21%
2009	10,091,171	9,688,030	96.01%	-	9,688,030	96.01%
2010	8,502,712	8,275,123	97.32%	-	8,275,123	97.32%
2011	8,398,671	8,254,436	98.28%	-	8,254,436	98.28%
2012	8,399,298	8,171,100	97.28%	-	8,171,100	97.28%
2013	8,119,308	8,040,574	99.03%	-	8,040,574	99.03%
2014	8,520,700	8,448,650	99.15%	-	8,448,650	99.15%

¹ The County provides the City 100% of its tax levy under the "Teeter Plan", an agreement which allows the County to keep all interest and delinquency charges collected.

Source: CCC Auditor-Controller (Procedure 10-147)

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



Governmental Activities

Fiscal Year	Tax Allocation Bonds	Pass Through Obligations	Special Assessment Debt	Landfill Containment	Total
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	32,490,000	N/A	442,162,213
2013*	0	0	31,175,000	N/A	31,175,000
2014*	0	0	29,815,000	N/A	29,815,000

Business-Type Activities

Fiscal Year	Water Revenue Bonds	Sewer Revenue Bonds	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
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	484,162,213	11.79%	7,488
2013	33,620,000	6,800,000	40,420,000	71,595,000	1.88%	1,090
2014	32,610,000	5,342,000	37,952,000	67,767,000	1.75%	1,016

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

With the dissolution of RDA in January 2012, the debts related to Former RDA moved to Successor Agency

Sewer Revenue Bond was fully defeased as of June 30, 2014. It has been replaced with a private placement debt.

Please refer to Note 7 for further information.

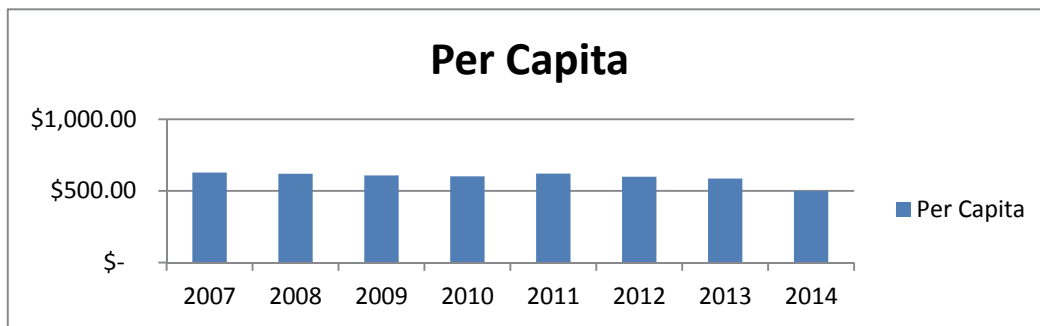
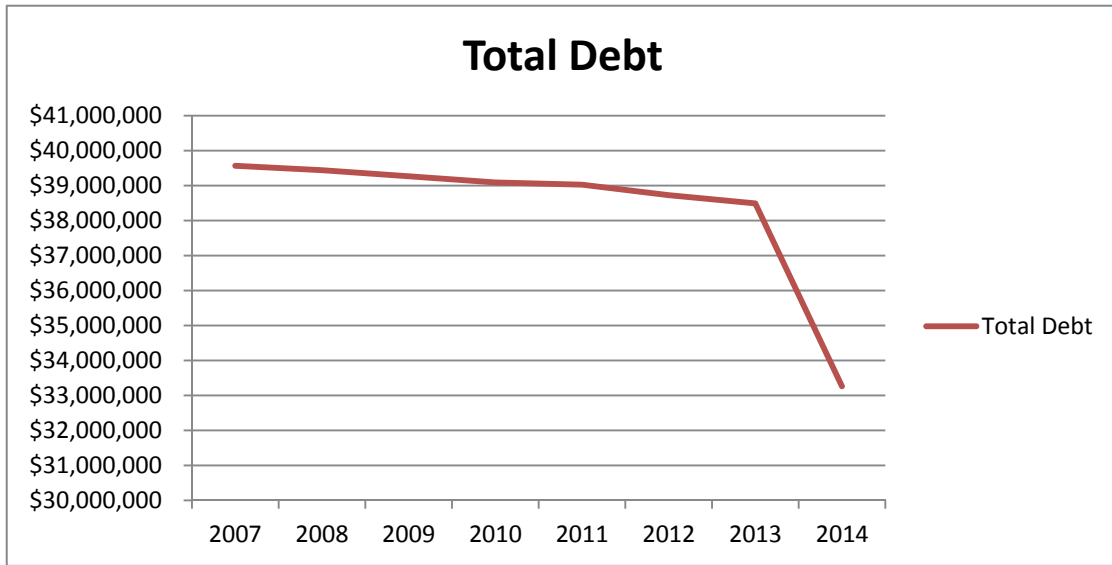
Sources: City of Pittsburgh

State of California, Department of Finance (population)

U.S. Department of commerce, Bureau of the Census (income)

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

CITY OF PITTSBURG
Ratio of Pension Obligation Debt Outstanding
Last Eight Fiscal Years*



General Government Debt Outstanding

Fiscal Year	General Government Debt Outstanding			Percentage of	
	POB Bonds	Capital Lease	Total Debt	Total Gross Revenue	Per Capita
2007	\$ 39,566,056		\$ 39,566,056	34.77%	\$ 627.99
2008	39,441,056		39,441,056	35.17%	619.64
2009	39,266,056		39,266,056	36.79%	607.83
2010	39,091,056		39,091,056	42.62%	601.71
2011	39,026,056		39,026,056	41.45%	620.67
2012	38,726,056		38,726,056	45.85%	598.92
2013	38,351,056	\$ 139,171	38,490,227	62.05%	586.17
2014	33,157,051	105,815	33,262,866	54.04%	498.73

Pension Obliga: Pension Obligation Bonds issued June 2006

This POB Bonds service schedule includes the accreted amount of Capital Appreciation Bonds.

CITY OF PITTSBURG
Computation of Direct and Overlapping Debt
June 30, 2014

2013-14 Assessed Valuation \$1,943,123,559
(After deducting \$3,604,012,511 Redevelopment Incremental Valuation)

Direct Debt	Total Debt Outstanding 6/30/2014	Percentage Applicable To City of Pittsburg (1)	Amount Applicable To City of Pittsburg
2006 Pension Obligation Bonds	\$ 33,157,051	100.000%	\$ 33,157,051
Capital Lease	105,815	100.000%	105,815
SUB-TOTAL Direct Debt			<u>33,262,866</u>
Overlapping Debt			
Contra Costa County Pension Debt	258,500,000	3.769%	9,742,845
CCC PFA 1998A Lease Revenue Bonds	14,715,000	3.769%	554,607
CCC PFS 1999A Lease Revenue Bonds	12,745,000	3.769%	480,358
CCC PFS 2001A Lease Revenue Bonds	705,000	3.769%	26,571
CCC PFS 2002A Lease Revenue Bonds	7,925,000	3.769%	298,694
CCC PFS 2002B Lease Revenue Bonds	6,520,000	3.769%	245,738
CCC PFS 2003A Lease Revenue Bonds	7,375,000	3.769%	277,964
CCC PFS 2007A Lease Revenue Bonds	110,185,000	3.769%	4,152,864
CCC PFS 2007B Lease Revenue Bonds	44,640,000	3.769%	1,682,478
CCC PFS 2009A Lease Revenue Bonds	18,453,349	3.769%	695,505
CCC PFS 2010A-1 Lease Revenue Bonds	5,915,000	3.769%	222,936
CCC PFS 2010A-2 Lease Revenue Bonds	13,130,000	3.769%	494,869
CCC PFS 2010A-3 Lease Revenue Bonds	20,700,000	3.769%	780,181
CCC PFS 2010B Lease Revenue Bonds	14,475,000	3.769%	545,562
CCC PFS 2012 Lease Revenue Bonds	12,318,701	3.769%	464,291
Contra Costa Fire Pension Obligation	99,945,000	8.171%	8,166,977
BART	218,127,299	3.769%	8,221,201
East Bay Regional Park Bond	88,692,412	3.769%	3,342,810
Antioch USD SFID 1	39,662,391	3.937%	1,561,342
Antioch USD SFID 1 2012	25,000,000	3.937%	984,145
Mt. Diablo 2002 Bond	348,880,000	2.818%	9,833,177
Mt. Diablo 2010 Bond	262,195,057	2.818%	7,389,964
Pittsburg Unified 1995	26,040,000	97.441%	25,373,603
Pittsburg Unified 2004	47,905,000	97.441%	46,679,050
Pittsburg Unified 2006	78,370,000	97.441%	76,364,413
Pittsburg Unified 2010	74,483,211	97.441%	72,577,091
Contra Costa Community College 2002 Bond	191,135,000	3.784%	7,232,591
Contra Costa Community College 2006 Bond	303,900,000	3.784%	11,499,645
Sub-Total Overlapping Debt			<u>299,891,472</u>
Total Direct and Overlapping Debt			<u>\$ 333,154,338</u>

DEBT TO ASSESSED VALUATION RATIOS

Direct Debt	1.96%
Overlapping Debt	15.43%
Total Debt	17.39%

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: HDL Coren & Cone, Contra Costa County Assessor and Auditor combined 2013/14 Lien Date Tax Rolls

CITY OF PITTSBURG
Computation of Legal Bonded Debt Margin
June 30, 2014

ASSESSED VALUATION:

All property assessed value, net of exempt real property	\$ 1,943,123,559 (1)
(1) Net of \$3,593,458,791 Redevelopment Incremental Valuation	\$ 1,943,123,559

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	\$ 72,867,133
---	---------------

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	0
Amount of debt subject to limit	0

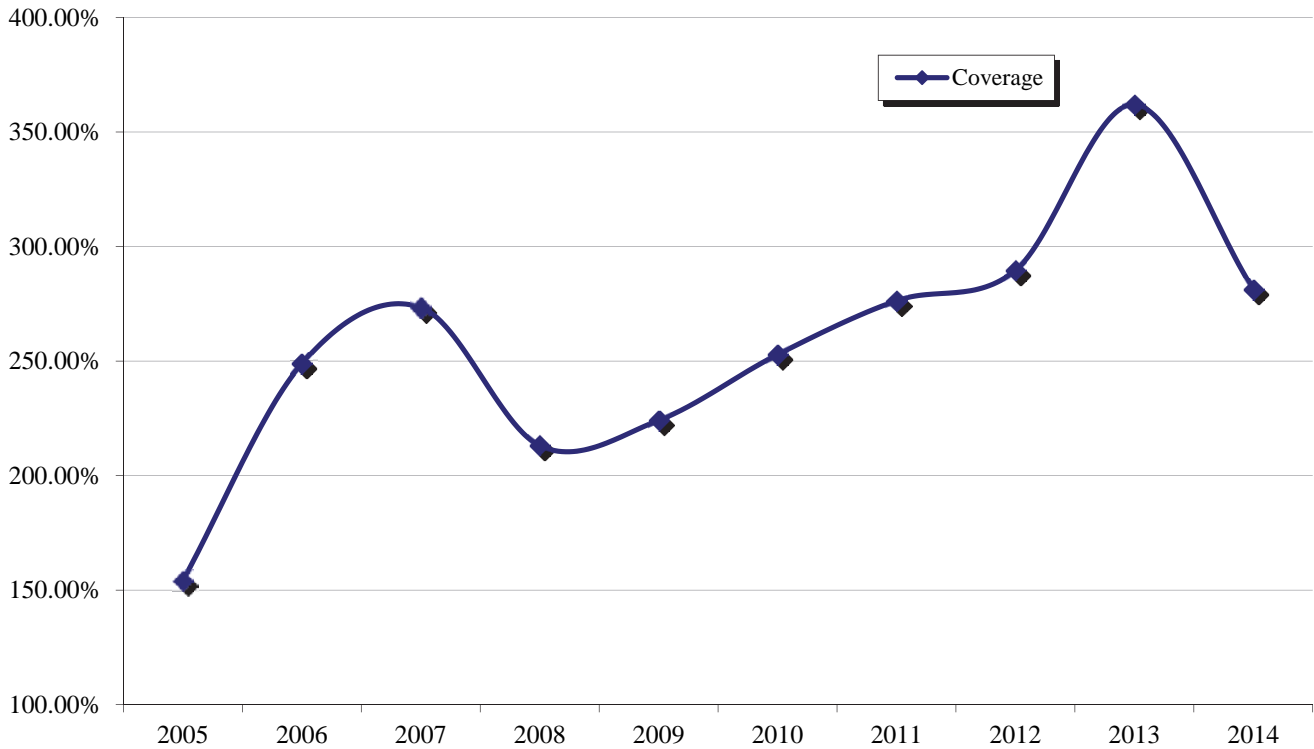
LEGAL BONDED DEBT MARGIN	\$ 72,867,133
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2005	\$ 63,272,582	0	\$ 63,272,582	0.00%
2006	67,444,896	0	67,444,896	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%
2013	66,188,501	0	66,188,501	0.00%
2014	72,867,133	0	72,867,133	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



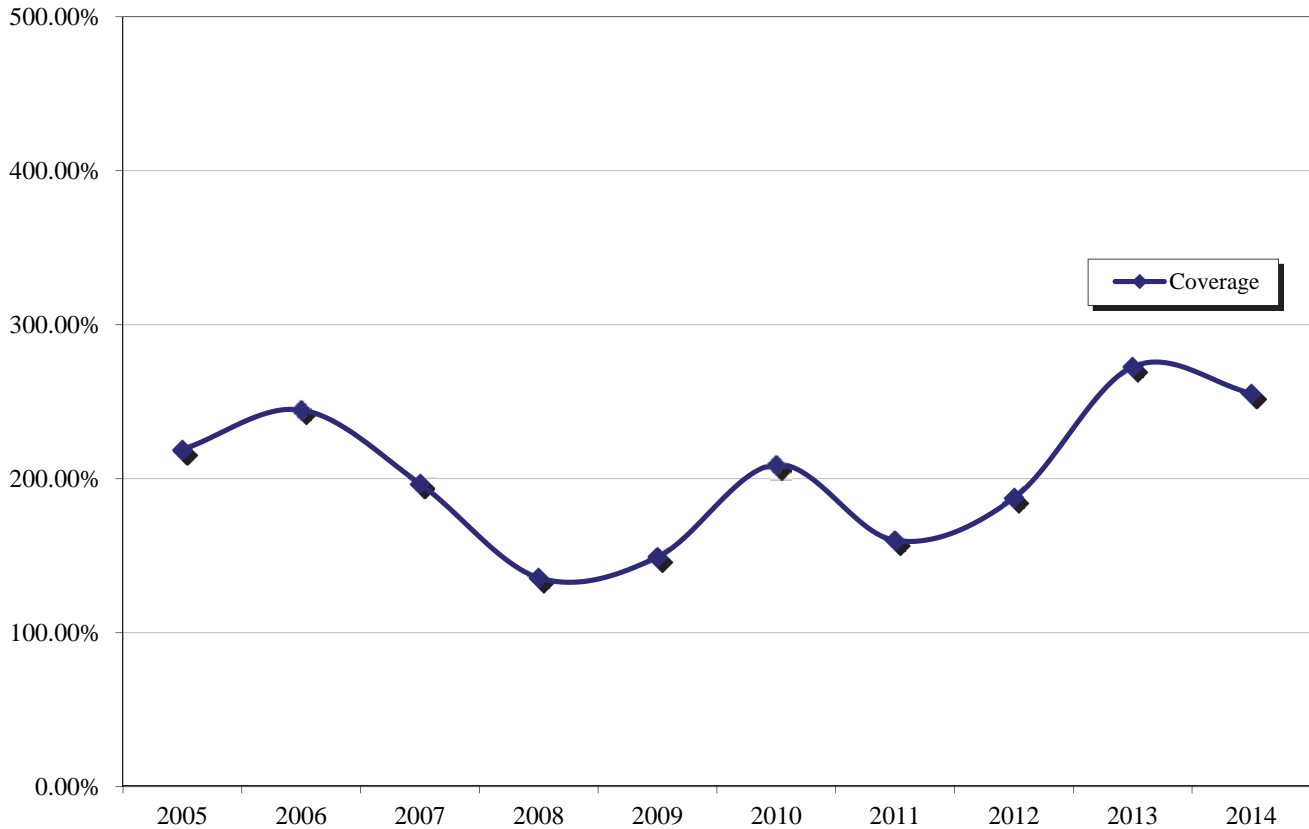
Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 2,684,198	\$ 1,255,320	\$ 1,428,878	\$ 510,000	\$ 416,557	\$ 926,557	1.54
2006	3,821,139	1,559,752	2,261,387	520,000	388,978	908,978	2.49
2007	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
2013	5,111,678	1,799,354	3,312,324	620,000	295,207	915,207	3.62
2014	4,917,728	1,992,182	2,925,546	640,000	399,786	1,039,786	2.81

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

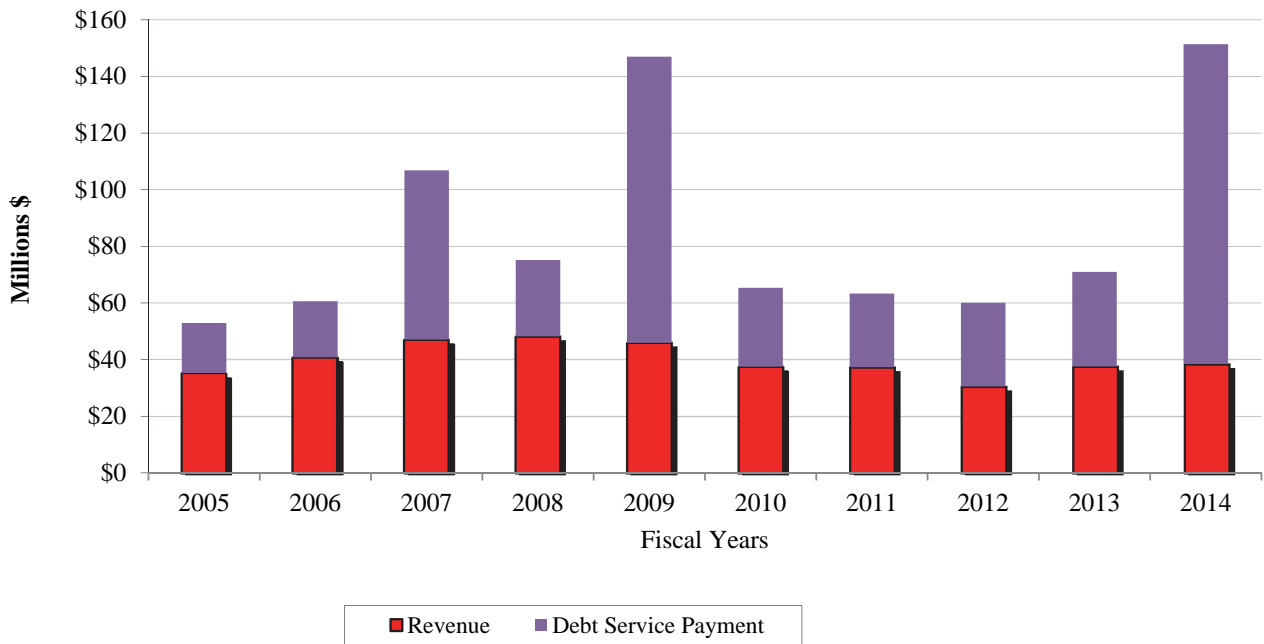
CITY OF PITTSBURG
Revenue Bond Coverage
2008* (Refunded 1997 & 2005) Water Revenue Bonds



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
2013	19,205,915	12,279,325	6,926,590	960,000	1,580,278	2,540,278	2.73
2014	18,991,247	12,777,146	6,214,101	1,010,000	1,421,992	2,431,992	2.56

Notes: This Schedule has been modified to reconcile to the Revenue Manager's Analysis for annual Bond Disclosures

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 ³	Total	
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 ¹	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 ²	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
2013	37,580,423	15,595,000	17,812,924	33,407,924	1.12
2014	38,486,428	93,635,000 ⁴	19,250,447	112,885,447	0.34

¹ The 1993 Series B Redevelopment Agency Tax Allocation Refunding Bonds were totally defeased.

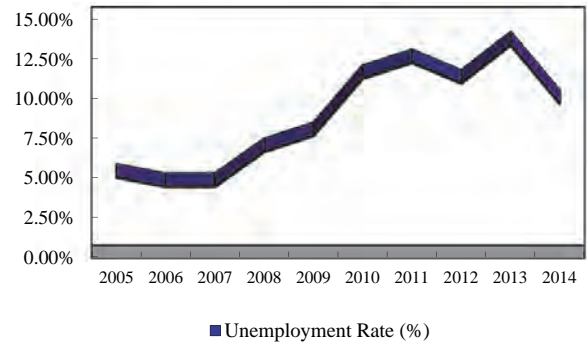
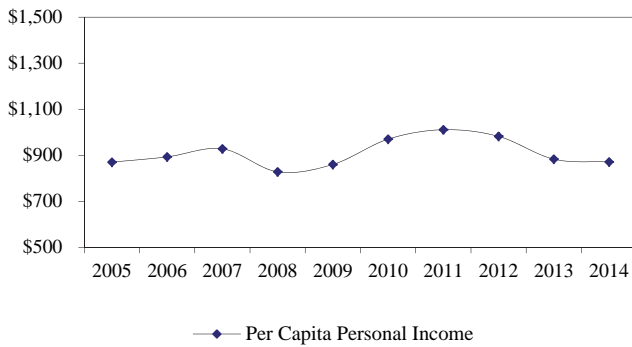
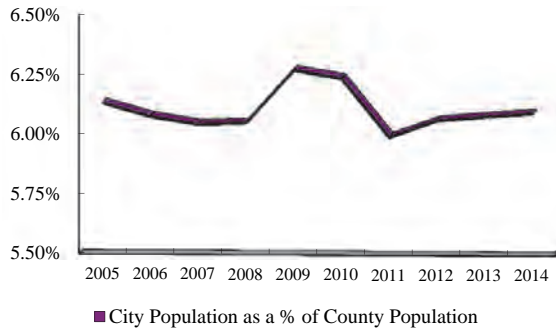
² The 2006 Series B Redevelopment Agency Tax Allocation Refunding Bonds were totally defeased.

³ The interest amount excludes the Letter of Credit fees.

⁴ The 2014 Tax Allocation Refunding Bond was issued to refunded in full 2003A Bonds and partly refunded the 1999 CIP portion. Refer to Note 14 for additional information on refunding.

Source: City of Pittsburgh Annual Financial Statements

CITY OF PITTSBURG Demographic and Economic Statistics Last Ten Fiscal Years



Fiscal Year	City Population	Total Personal Income*	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	Pittsburg Population % of County
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%
2013	65,664	57,965	883	13.4%	1,079,597	6.08%
2014	66,695	58,063	871	9.7%	1,094,000	6.10%

Source: On-line factfinder.census.gov

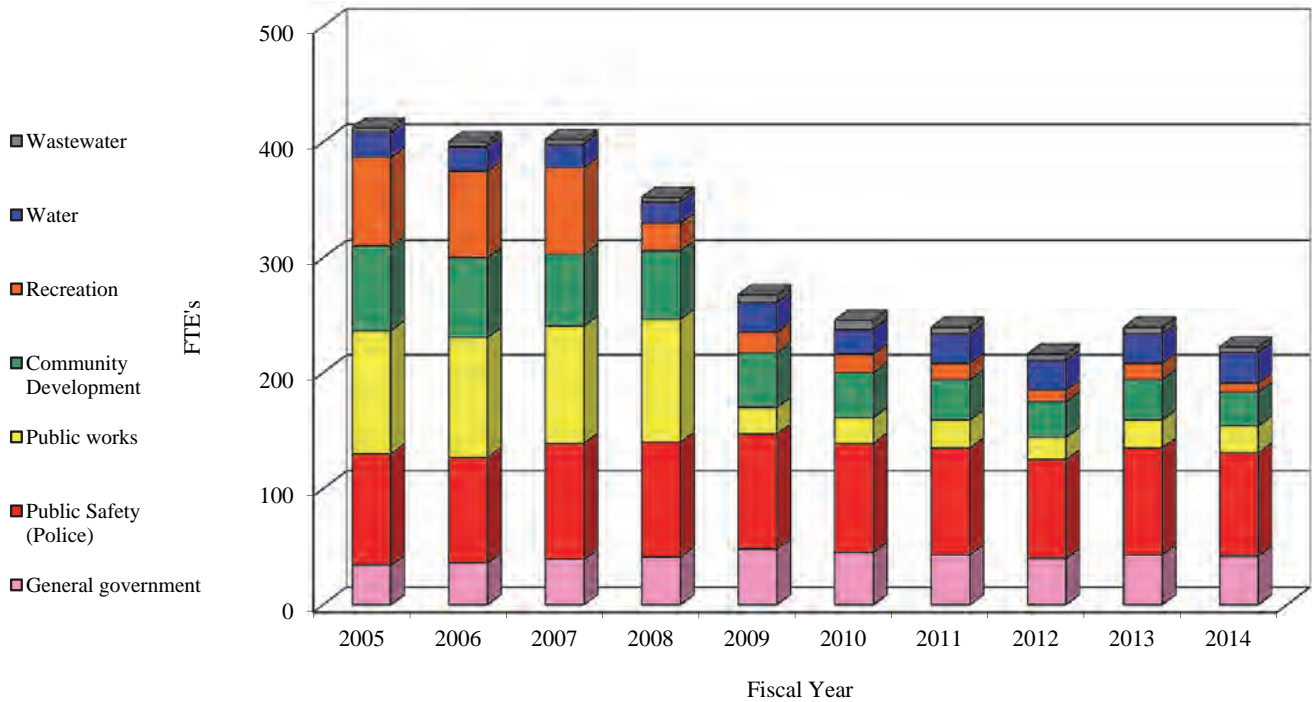
*US Department of Commerce - Bureau of Economic Analysis (Contra Costa County)
Pittsburg Chamber of Commerce

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2013-14</u>			<u>2004-05</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>
Pittsburg Unified School District	1,172	1	3.2%		
USS - Posco Industries	700	2	1.9%	1,000	1
Los Medanos Community College	472	3	1.3%		
Dow Chemical Company	350	4	0.9%	380	2
Mi Pueblo Foods	137	8	0.4%		
City of Pittsburg	222	6	0.6%		
Angelica Corporation (Laundry)	185	7	0.5%		
Ramar Foods	132	10	0.4%	120	8
Walmart	250	5	0.7%	220	3
WinCo Foods	134	9	0.4%		
Home Depot				180	4
Target				170	5
Safeway				150	6
American Color Graphics				140	7
Best Buy				100	9
Redwood Painting				100	10
Subtotal	<u>3,754</u>		<u>10.1%</u>	<u>2,560</u>	
Employees in the City of Pittsburg	<u>37,098</u>				

Source: Telephone Survey by Finance Administrative Assistant
2004-05 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, 2014										
Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	34	36	39	41	48	45	43	40	44	42
Public Safety (Police)	96	91	100	99	99	94	92	85	89	89
Public works	106	103	101	106	23	22	24 *	19	22	23
Community Development	74	70	63	60	47	39	35	31	27	29
Recreation	77	75	75	24	18	16 *	14	10	7	8
Water	21	21	20	18	26	21	25	25	22	26
Wastewater	4	4	4	4	7	8	6	6	7	5
Total	412	400	402	352	268	268	245	216	218	222

* Prior Years (2000-2007) Included Summer Staff

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

Source: City of Pittsburgh

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

Function/Program	2005	2006	2007	2008
Public safety:				
Police:				
Police calls for Service	67,778	67,591	71,643	70,707
Law violations:				
Part I and Part II crimes	8,244	8,308	8,923	8,117
Physical arrests (adult and juvenile)	3,401	3,688	4,042	3,955
Traffic violations (VC14601 & VC12500)	568	636	901	1,163
 (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)	78,411	42,509	76,240	133,103
Leisure Services:				
Community Services:	*			
Swim Participants	8,837	8,737	9,135	9,134
Softball Participants	145	320	429	465
Small World Park Gate Attendance	19,227	18,600	18,660	17,376
Senior Center Nutrition/Exercise Class	22,690	21,423	18,777	15,735
 (1) Senior Center Opened March 2004 January 2006 Senior Center flooded Closed 7.5 weeks				
Water				
Number of Meters Served	15,894	16,291	16,731	16,579
Water Main Breaks	65	61	102	76
Average Daily Consumption (millions of gallons)	9.155	9.508	10.320	10.36
Wastewater				
Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A)	155.72	157.72	159.12	159.12
Average daily treatment (thousands of gallons)	n/a	27	34	34
Solid Waste				
Refuse Landfilled (tons per year)	85,034	90,500	68,000	85,700
Recyclables Processed (tons per year)	33,037	35,000	42,000	43,425

Source: City of Pittsburg Divisions & Prior Year CAFR's
Note: n/a denotes information not available.

* Leisure Services Data not Available due
City Reorganization and Early Retirements

		Fiscal Year					
		2009	2010	2011	2012	2013	2014
		74,487	69,078	70,623	67,779	64,573	73,915
		8,545	7,568	8,084	8,044	7,412	7,477
		4,406	3,512	4,708	4,558	3,401	3,227
(1)		1,613	1,502	1,986	1,950	1,007	935
						14.26	13.41
		86,553	71,809	84,420	84,001	82,314	24,404
		N/A	N/A	N/A	264	1,980	2,320
		N/A	N/A	N/A	2,300	580	850
		N/A	15,833	N/A	19,783	24,732	25,780
		N/A	16,777	18,186	13,786	241	520
		16,718	17,097	17,254	17,444	17,664	17,880
		65	74	45	60	50	59
		8.86	8.48	7.85	8.52	9.09	8.2
		159.12	171	172	172	175	177
		34	34	34	34	34	34
		77,817	49,978	45,106	46,892	N/A	53,753
		25,750	33,948	35,868	37,784	N/A	44,213

N/A Not Available at time of CAFR

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

Function/Program	Fiscal Year			
	2005	2006	2007	2008
Public safety:				
Police stations	1	1	1	1
Police patrol units (Includes Unmarked)	51	52	52	52
Public works				
Miles of streets (Center Line)	150	154	155	157
Street lights (Total)	3,766	3,796	3,975	4,008
Traffic Signals	51	52	59	60
Culture and recreation:				
Community services:				
City Parks	16	17	21	21
City parks acreage	122	125	145	145
Roadway landscaping acreage	13.2	13.2	13.2	15.0
Regional park acreage	53.2	54.0	56.0	56.0
Regional park facilities:				
Golf courses (18 holes)	1	1	1	1
Marina Fuel Station	1	1	1	1
Community Civic Center	1	1	1	1
Senior centers	1	1	1	1
Swimming pools	1	1	1	1
Tennis courts	1	1	1	1
Water				
Storage capacity (millions of gallons)	16.9	16.9	16.9	16.9
Miles of Water Mains				219
Wastewater				
Miles of Storm Drains	80	82	87	89

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

Note: n/a denotes information is not available.

Fiscal Year						
2009	2010	2011	2012	2013	2014	
1	1	1	1	1	1	
52	52	52	52	55	63	
157	157.0	157.0	165.35	165.35	165.35	
4,107	4,194	4,278	2,041	2,122	4,331	
60	61	61	61	60	61	
21	21	21	23 *	23 *	23	
145	145	145	145	145	145	
17.0	19.0	19.0	19.0	19.0	20.0	
56.0	56.0	56.0	56.0	56.0	56.0	
1	1	1	1	1	1	
1	1	1	1	1	1	
1	1	1	1	1	1	
1	1	1	1	1	1	
1	1	1	1	1	1	
1	3	3	3	3	3	
16.3	19.3	19.3	19.3	19.3	19.3	
221	222	222	224	225	227	
91	92	93	94	95	95	

* FY2012 # of City Parks Corrected
2-School Soccer Fields not
Included in City Parks number



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2014