

City of Pittsburg



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2007

City of Pittsburgh

Comprehensive Annual Financial Report Fiscal Year 2006-2007

Prepared by the Finance Department
Marie Simons
Director of Finance



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



City of Pittsburg
Basic Financial Statements
For the year ended June 30, 2007
Table of Contents

INTRODUCTORY SECTION:

City Manager and Finance Director’s Letter of Transmittal i
 Organization Chart ix
 Officials of the City of Pittsburg, California and the
 Redevelopment Agency of the City of Pittsburg..... x

FINANCIAL SECTION:

Independent Auditors’ Report on Basic Financial Statements 1
Management’s Discussion and Analysis..... 3
Basic Financial Statements:

 Government-Wide Financial Statements:
 Statement of Net Assets 17
 Statement of Activities 18

 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet 24
 Reconciliation of Governmental Funds Balance Sheet
 with the Statement of Net Assets 27
 Statement of Revenues, Expenditures, and Changes in Fund Balances 28
 Reconciliation of the Governmental Statement of Revenues, Expenditures,
 and Changes in Fund Balances to the Government-Wide
 Statement of Activities and Changes in Net Assets..... 30

 Proprietary Funds:
 Statement of Net Assets 32
 Statement of Revenues, Expenses and Changes in Net Assets 34
 Statement of Cash Flows 36

 Fiduciary Funds:
 Statement of Fiduciary Net Assets 40

 Notes to Financial Statements 41

Required Supplementary Information:

 Budgets and Budgetary Accounting 92
 Budgetary Comparison Schedule:
 General Fund..... 93
 Low and Moderate Income Housing II Special Revenue Fund 94
 Redevelopment Agency Special Revenue Fund 95
 Housing Authority (Section 8) Special Revenue Fund..... 96
 Defined Pension Plan..... 97

City of Pittsburgh
Basic Financial Statements
For the year ended June 30, 2007
Table of Contents

FINANCIAL SECTION (Continued):

Supplementary Information:

Major Governmental Funds Other than the General Fund and Special Revenue Funds: Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: Redevelopment Agency Capital Project Fund.....	101
Non-Major Governmental Funds: Combining Balance Sheet.....	106
Combining Statements of Revenues, Expenditures and Changes in Fund Balances.....	110
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual: Budget Stabilization Special Revenue Fund.....	115
Economic Development Special Revenue Fund	116
Small Cities Grants Special Revenue Fund.....	117
Gas Tax Special Revenue Fund	118
Measure C Tax Fund Special Revenue Fund.....	119
Lighting and Landscape Special Revenue Fund.....	120
Lighting and Landscape Oak Hill Special Revenue Fund	121
Miscellaneous Grants Special Revenue Fund	122
Asset Seizure Special Revenue Fund.....	123
Local Law Enforcement Block Grant Special Revenue Fund.....	124
Southwest Pittsburgh GHAD II Special Revenue Fund	125
Storm Water Utility (NPDES) Special Revenue Fund.....	126
HUD Community Development Block Grant Special Revenue Fund.....	127
San Marco CFD 2004-1 Special Revenue Fund	128
Solid Waste Special Revenue Fund.....	129
Vista Del Mar CFD 2005-2 Special Revenue Fund.....	130
Public Safety Services CFD 2005-1 Special Revenue Fund.....	131
Park Maintenance CFD 2007-1 Special Revenue Fund	132
Pension Obligations Debt Service Fund.....	133
Inclusionary Housing Capital Projects Fund	134
Traffic Impact Fair Share Capital Projects Fund.....	135
Kirker Creek Drainage Fees Capital Projects Fund	136
Capital Improvement Capital Projects Fund.....	137
Traffic Mitigation Capital Projects Fund.....	138
Park Dedication Capital Projects Fund	139
Proprietary Funds: Statement of Net Assets	142
Statement of Revenues and Expenditures	143
Statement of Cash Flows	144

City of Pittsburg
Basic Financial Statements
For the year ended June 30, 2007
Table of Contents

FINANCIAL SECTION (Continued):

Supplemental Information:

Internal Service Funds:

Combining Statement of Net Assets	146
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	147
Combining Statement of Cash Flows	148

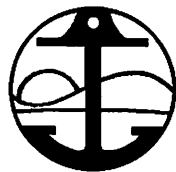
Fiduciary Funds:

Combining Statement of Changes in Fiduciary Net Assets - Agency Funds.....	150
--	-----

STATISTICAL SECTION:

Net Assets by Component - Last Five Fiscal Years	152
Change in Net Assets - Last Five Fiscal Years.....	153
Fund Balances of Governmental Funds -Last Ten Fiscal Years.....	155
Changes in Fund Balance of Governmental Funds - Last Ten Fiscal Years	156
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	158
Property Tax Rates-All Overlapping Governments - Last Ten Fiscal Years	159
Principal Property Tax Payers - Current Year and Nine Years Ago.....	160
Property Tax Levies and Collections-Last Ten Fiscal Years	161
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years	162
Ratio of General Bonded Debt Outstanding - Last Ten Fiscal Years	163
Computation of Direct and Overlapping Debt - June 30, 2007.....	164
Computation of Legal Bonded Debt Margin - June 30, 2007.....	165
Revenue Bond Coverage Wastewater Revenue Bonds -Last Ten Fiscal Years.....	166
Revenue Bond Coverage 1997 and 2005* Water Revenue Bonds -Last Ten Fiscal Years	167
Bonded Debt Pledged Revenue Coverage Tax Allocation Bonds -Last Ten Fiscal Years.....	168
Demographic and Economic Statistics - Last Ten Fiscal Years.....	169
Principal Employers - Current Year and Nine Years Ago.....	170
Full-Time Equivalent City Government Employees by Function - - Last Ten Fiscal Years	171
Operating Indicators by Function/Program - Last Ten Fiscal Years	172
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years.....	174

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007





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

January 24, 2008

Honorable Mayor
Members of the City Council
And Citizens of Pittsburg

Comprehensive Annual Financial Report

Presented herein is the Comprehensive Annual Financial Report for the City of Pittsburg (the City) for the Fiscal Year ended June 30, 2007. 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, 2007. City management is responsible for the accuracy of the data, the fairness and completeness of the presentation, and the inclusion of all disclosures that are necessary to enable the reader to understand the City's operations. This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with "generally accepted accounting principles" (GAAP) in the United States of America.

Major Changes in Reporting

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

- Government-wide financial statements that are designed to provide readers with a broad overview of the City in a manner similar to a private-sector business. The statements cover all of the City's activities (except fiduciary activities) and include the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets reports what the City owns (assets), what it owes (liabilities) and what is left over after assets have been used to satisfy liabilities (net assets). The Statement of Activities reports the City's expenses and revenues, as well as other changes in its net assets during the year.
- Fund financial statements report the finances of fund groups within the City's reporting entity – its governmental, proprietary and fiduciary funds. Reconciliation that describes the adjustments necessary to reconcile the governmental funds financial statements with the governmental activities column of the government-wide financial statements are included because the two types of statements measure the City's finances differently.

- Infrastructure assets are included in the government-wide statement of net assets. Governmental fund infrastructure assets are roads, curbs, gutters, medians, sidewalks, streetlights, and traffic signals. Financial information relative to infrastructure assets had not previously been required for governmental funds, but was required for proprietary funds (water, sewer and storm underground pipes, reservoirs, etc.).
- GASB Statement No. 34 establishes criteria to identify and report certain governmental funds and proprietary funds as major funds for presentation in the fund financial statements.
- The general fixed assets and the general long-term debt account groups no longer exist. The assets and liabilities previously reported in those account groups are reported in the government-wide statements.
- Funds reported in the past as expendable and nonexpendable trust funds have been reclassified as special revenue funds or agency funds.
- Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement MD&A, and therefore, should be read with it. The City's MD&A can be found immediately following the Independent Auditors' Report.

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

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

The Reporting Entity and Its Services

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

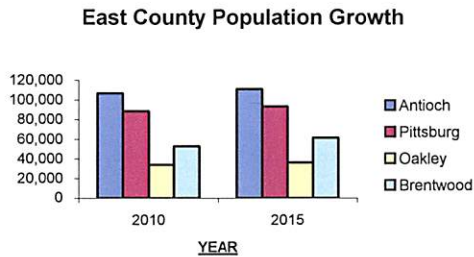
The financial statements included in this CAFR present the City (the primary government) with all the City funds, the City of Pittsburg Redevelopment Agency (the Agency), Community Access of the City of Pittsburg (formerly known as the Housing and Community Services), and the Pittsburg Power Company (Pittsburg Power) as component units. These three component units are separate legal entities; however, the members of the City Council also serve as members of the Community Access Board, the Agency Board, and the Pittsburg Power Board. Therefore, financial information for Community Access (Housing Authority), the Agency, and Pittsburg Power is blended with the City's financial information.

Economic Conditions and Outlook

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

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

**Includes City Sphere of Influence*



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

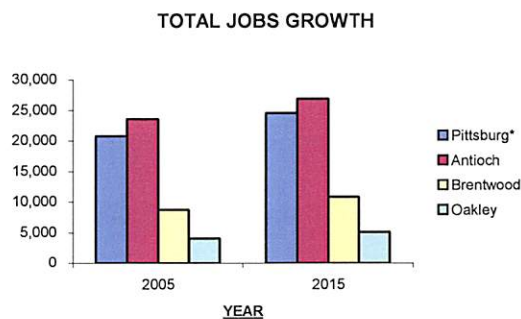
U.S Census Bureau data represents more conservative population growth rates by this historical data:

July '06 63,017; July '05 62,547; July '04 62,270; July '03 60,706; July '02 60,179

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

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

**Includes City Sphere of Influence*

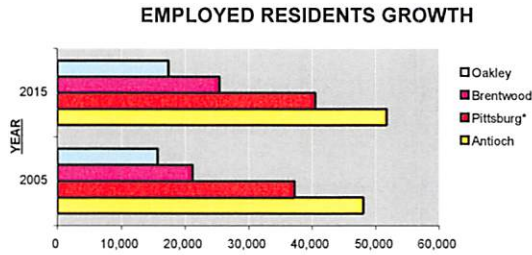


The City offers a number of programs and incentives to attract new businesses, help existing businesses, as well as help residents find employment. The East County One-Stop Career Center provides businesses and residents with employment, training and business services. Pittsburg is one of just 39 cities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

According to ABAG Projections 2007, Retail jobs will see the highest growth in Concord, Pittsburg and Antioch. The Pittsburg/Bay Point BART station is fueling the City's growth.

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

**Includes City and Sphere of Influence*



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

In 2007, real GDP (gross domestic product) was adjusted in the second quarter to 3.8% compared to the real GDP increase of 2.0% in 2006.

For the City of Pittsburg, sales tax revenue in the Fiscal Year 2006-2007 fell short of its forecasted estimate by \$646,717 due to the decrease in domestic car sales. Total Sales Taxes and backfill was \$7.95M which is still a major revenue source.

Major Initiatives

For The Fiscal Year 2006 - 2007: The Redevelopment Agency of the City of Pittsburg (the Agency) and the Economic Development Department continued to work on the development projects in residential, commercial and industrial areas. The State of California requires a separate accounting report for the redevelopment area of the City, thus a separate Component Unit Financial Report is prepared and audited by the independent outside audit firm of Caporicci and Larson, Certified Public Accountants. It is not the intent to copy verbatim all the information from that separate Component Unit Financial Report, but to highlight a few of the Agency's accomplishments for the Fiscal Year 2006-2007.

The Redevelopment Agency of the City of Pittsburg expended \$11,532,337 during the Fiscal Year 2006-2007 which included:

- The Agency expended \$4 million for the low and moderate income housing development portion of the Vidrio project (\$100 million mixed used development project). Construction on Phase I began in August 2006. Upon completion, Vidrio will consist of 195 owner-occupied residences and 40,000 square feet of ground floor commercial space. Of the 195 residential units, thirty (30) units will be restricted for sale to persons at low income levels. The Vidrio project covers three adjacent city blocks of Old Town Pittsburg.
- The Agency expended \$4,945,994 for West 10th Street Commercial Development, a mixed use redevelopment project that will encompass the first five parcels on the south side of West 10th Street. Acquisition of the properties, demolition of existing improvements and construction of new improvements will eliminate blight and improve the appearance of the area around the entrance to the Heritage Pointe Subdivision. The developer for this project is West 10th Street Associates LLC.

- The Agency expended \$3,050,170 for a Citywide Pavement Rehabilitation Project that primarily consists of the rehabilitation of various roadways, installation of speed humps and improvements to alleyways throughout the City of Pittsburg.
- The Agency expended \$1,435,498 from an allocated grant of \$1,720,079 for the installation of public infrastructure improvements to support the Empire Business Park I & II projects that include significant offsite improvements along 701 Willow Pass Road of substantial benefit to the community. Of even greater interest to the City are the economic development benefits to be gained from the development of the Empire Business Park II Project in creating a high quality business park, eliminating blight and stimulating sound economic development in Pittsburg. This Project has the potential to provide attractive employment centers to assist the City in attracting other businesses and providing employment opportunities to the project area residents and the surrounding community.
- The Agency expended \$3,624,773 from an allocated \$15,460,005 for the Downtown 8th to 12th Infrastructure Project that consists of four phase construction plans:
 - Phase I - Water, Sewer and Storm Drain Improvements
 - Phase II - Montezuma Pump Station
 - Phase III - Undergrounding of Overhead Utilities
 - Phase IV - Street Sidewalk Curb and Gutter Improvements

The first phase of the project consists mainly of supplying and installing all products and materials for the construction of water, sewer and storm drain improvements located in several blocks of residential infrastructure in the Old Town area. JMB Construction, Inc. was awarded as the low bidder for the construction of Phase I.

- The Agency expended \$1,124,203 for the East Leland Road Pavement Reconstruction Project to provide utility and circulation infrastructure improvements throughout the Los Medanos Project area.
- The Agency expended \$1,164,675 for the West Leland Extension Project to provide a new route of travel for project area residents.
- The Agency transferred \$5 million to the City of Pittsburg which will in turn fund a portion of the installation and construction costs for recreational facilities at the Marina Elementary School to provide area residents with additional recreational facilities and to enhance the residential community in the Old Town Pittsburg area.
- The Agency expended \$2,527,650 for the Marina Promenade Improvements Project that consists of the construction of a waterfront promenade with lighting, landscaping and two parking lots adjacent to the future Bed & Breakfast and Harbormaster buildings. Bay Cities Paving & Grading, Inc. was the apparent low bidder.

Acquisition is also an important activity that the Agency exercises in order to assist in redeveloping of a particular site or assembling various parcels to develop a larger site. The Agency acquired the following properties during the fiscal year 2006-2007 for a total of \$11 million:

- For development of new offices, market rate and affordable units, specialty stores, and a restaurant, and for redevelopment of the older downtown area:
 - 2-4 Fifth Street
 - 500- 520 Railroad Avenue
 - 190 E. 3rd Street

- To address blight and enhance the quality of residential life at:
 - 460 West 10th Street
- The following are various acquisitions for redevelopment purposes (by improving or replacing significantly blighted properties) by providing the community with improvements that will encourage business development through the retention of existing businesses and attraction of new businesses, thereby providing additional employment opportunities:
 - 2027, 2043 & 3745 Railroad Avenue
 - 505, 511-515, 554, 557 & 559 West 10th Street

In the fall 2007, staff completed implementation of the accounts receivable module to EDEN and upon recommendation of the auditors, staff is planning to begin the implementation of the fixed assets module into the Eden System in the spring 2008.

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 are 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, 2007 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the general fund, special revenue funds and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City also applies and maintains encumbrance accounting system as a technique of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Appropriations Limit

Proposition 4, the "Gann" initiative, was passed by California voters in 1978 and is intended to limit governmental appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-79 appropriations, which are modified by the composite consumer price index, and population changes which have occurred in subsequent years. The City's appropriation limit and estimated appropriations subject to limit for fiscal year 2005-06 and 2006-07 amounted to \$76,381,995 and \$84,860,396 respectively. The Redevelopment Agency and Housing Authority appropriations are not subject to the above limitations.

Cash Management

Cash temporarily idle during the year was invested in the Local Agency Investment Fund (LAIF) administered by the Treasurer of the State of California and obligations of the United States Treasury, Federal Agency Coupons and Discount Notes, Medium Term Notes, and Certificates of Deposit. These investments are allowed under an investment policy adopted by the City Council, which defines eligible investments and maturities of the City's investment portfolio, and requires securities to be held by the City or by a qualified custodial institution and registered in the name of the City. The quarterly return on LAIF pooled investments at June 30, 2007 was 5.23 %, an increase of 0.70% compared to the same period of last fiscal year (June 30, 2006) 4.53%. Total LAIF interest earnings were \$4,305,356 for the fiscal year 2006-07, an increase \$999,190 from the fiscal year 2005-06. At June 30, 2007, 23.35% of the City's pooled cash and investments were in LAIF.

Risk Management

The City is self-insured for the first \$25,000 of each loss and maintains excess liability insurance through Contra Costa County Municipal Risk Management Insurance Authority (CCCMRMIA). The City is not insured for liability occurrences over \$15 million per occurrence. The City also maintains statutory excess workers' compensation insurance through CCCMRMIA.

Independent Audit

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pittsburg for its Comprehensive Annual Financial Reports (CAFR) for the six fiscal years ended June 30, 2000, 2001, 2002, 2003, 2004, and 2005. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current (CAFR) for June 30, 2007 continues to meet the Certificate Achievement Program's requirements.

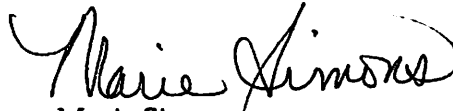
Acknowledgements

The preparation of this report could not have been accomplished without the concerted effort and dedication of all the employees of the Pittsburg Finance Department. We would also like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



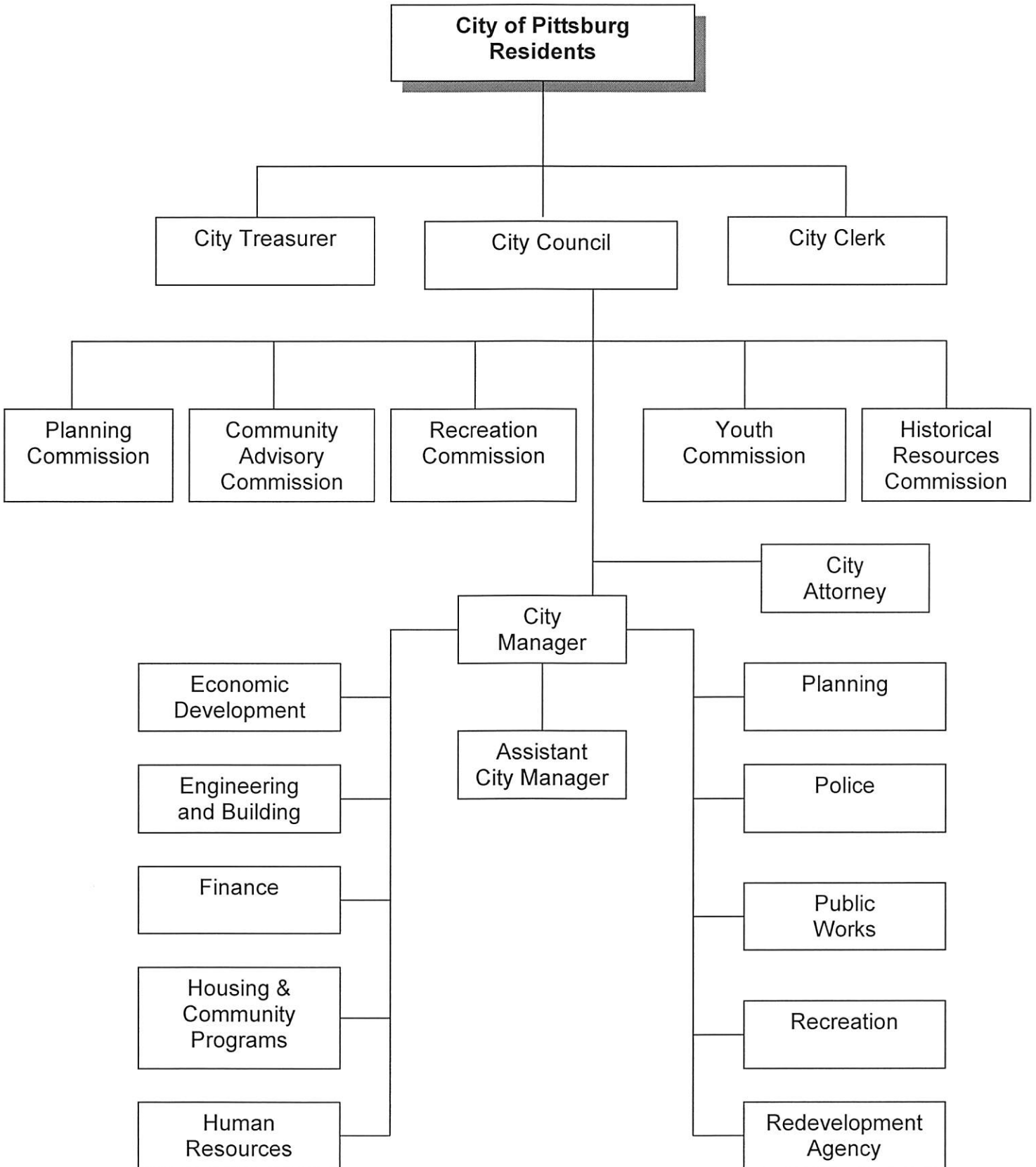
Marc. S. Grisham
City Manager



Marie Simons
Director of Finance



CITY OF PITTSBURG CITY GOVERNMENT



City of Pittsburgh
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2007

◆ ◆ ◆ **City Council**

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

◆ ◆ ◆ **Other Elected Officials**

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

◆ ◆ ◆ **City Attorney**

Ruthann G. Ziegler, Esquire, City Attorney

◆ ◆ ◆ **Management Staff**

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

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

'''

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pittsburg, California (City), as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2007, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with generally accepted accounting principles in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 24, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Oakland

180 Grand Ave., Suite 1365
Oakland, California 94612

Orange County

9 Corporate Park, Suite 100
Irvine, California 92606

Sacramento

777 Campus Commons Rd., Suite 200
Sacramento, California 95825

San Diego

4858 Mercury, Suite 106
San Diego, California 92111

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

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

Capricci & Carson

Oakland, California
January 24, 2008



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

January 24, 2008

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Pittsburg (the City), we offer readers this discussion and analysis of the City's financial performance for the Fiscal Year ended June 30, 2007. 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 consider the information presented here in conjunction with additional information which can be found in the introductory section of this report and within the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the Fiscal Year 2006-2007 by \$177M (*net assets*).
- The City's total net assets of \$177M increased by \$23M (from \$154M in Fiscal Year 2005-2006) representing an \$18M increase in governmental and a \$5M increase in business-type total net assets. The increase in the governmental net assets can be attributed mainly to the City's revitalization of Old Town which has increased construction in progress valuation. The \$5M increase in business-type net assets can be attributed mainly to the completion of the Marina Dock Replacement and Marina Center Parking Lot projects.
- As of June 30, 2007, the City's governmental funds reported combined ending fund balances of \$290.5M, an increase of \$94.4M in comparison with the prior fiscal year of \$196.1M. Approximately \$12M or 4% of this amount is unreserved and undesignated which means this amount is available for spending at the government's discretion.
- Last year, there were nine major funds in the Governmental Funds section of the Comprehensive Annual Financial Report. For the Fiscal Year Ended June 30, 2007, two formerly designated major funds, the Pension Obligation Fund and the City's General Capital Improvement Project funds are designated as non-major funds and are included in the summation of the Other Governmental Funds. Out of the seven major funds, the General Fund, Redevelopment Special Revenue Fund, Housing Authority Fund, Redevelopment Debt Service Fund, and Redevelopment Capital Improvement Fund had positive net changes to fund balances. Only the Low and Moderate Income Housing Fund experienced a decrease in fund balance.
- As of June 30, 2007, the fund balance for the General Fund was \$10M, of which \$139,257 is for miscellaneous inventory reserves, prepaid expenses, and special capital activities. The reservation of \$353,424 is for the outstanding loans to the various Community Development Facility Funds, leaving an appropriable fund balance of \$9.6M for Fiscal Year 2007-2008.
- Compared to the prior fiscal year, the City's total liabilities increased \$132.4M to a total of \$597.9M, of which most can be attributed to the issuance of the 2006 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds, and the 2006 Series A, B, and C Redevelopment Agency Subordinate Tax Allocation Bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The City maintains 32 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 7 funds that are considered to be major funds. These 7 funds consist of General, Low/Moderate Income Housing I, Low/Moderate Income Housing II, Redevelopment Special Revenue, Housing Authority (Section 8), Redevelopment Debt Service, and Redevelopment Capital Projects. Data from the other 25 governmental funds which are combined into a single, aggregated presentation are considered non-major funds.

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

- **Proprietary Funds:** The City maintains two different types of proprietary funds; Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as "business-type activities" in the Government-Wide Financial Statements. Enterprise Funds are used to account for the Water, Sewer, Marina, Golf Course, Island Energy and Pittsburg Power Company operations. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses Internal Service Funds to account for its fleet of vehicles maintenance, building maintenance, information and communication systems management, risk management/insurance and employee fringe benefits activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within "governmental activities" in the government-wide financial statements.

Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Water Fund, the Sewer Fund, and the Marina Fund; all of which are considered to be major funds. Data from the other three Enterprise Funds are combined into a single, aggregated presentation. Conversely Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund Financial Statements.

- **Fiduciary Funds:** Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the Government-Wide Financial Statement because the resources of those funds are not available to support the City's own programs. The accounting used for Fiduciary Funds is much like that used for Proprietary Funds. The Assessment District Bonds Fund, the Environmental Impact Fee Fund and the Other Impact Fees Fund are held as Fiduciary Funds by the City.

Notes To The Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, combined net assets (government and business-type activities) totaled \$177M at the close of the Fiscal Year ended June 30, 2007.

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

The Government-Wide Financial Statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The following table reflects the Summary of Net Assets for the Fiscal Year ended June 30, 2007 with the comparative data for the Fiscal Year ended June 30, 2006.

**City of Pittsburg
Summary of Net Assets
As of June 30, 2007**

	Governmental Activities		Business-type Activities		Total	Total
	2006	2007	2006	2007	June 30, 2006	June 30, 2007
Current Assets	\$ 234,391,894	\$ 345,162,536	\$ 47,725,420	\$ 47,481,792	\$ 282,117,314	\$ 392,644,328
Non-Current Assets	2,038,174	5,885,888	-	-	2,038,174	5,885,888
Capital Assets	249,785,588	285,599,084	85,623,399	90,968,074	335,408,987	376,567,158
Total Assets:	486,215,656	636,647,508	133,348,819	138,449,866	619,564,475	775,097,374
Current Liabilities	23,693,613	37,596,087	3,325,762	4,028,875	27,019,375	41,624,962
Non-Current Liabilities	389,768,710	508,677,692	48,513,168	47,621,650	438,281,878	556,299,342
Total Liabilities:	413,462,323	546,273,779	51,838,930	51,650,525	465,301,253	597,924,304
Investments in Capital Assets						
Net of Related Debt	(153,333,826)	3,247,946	36,191,114	42,643,385	(115,492,376)	45,891,331
Restricted	140,903,741	58,131,686	6,879,258	13,474,928	147,782,999	71,606,614
Unrestricted	85,003,522	28,994,097	38,439,517	30,681,028	123,443,039	59,675,125
Total Net Assets:	\$ 72,573,437	\$ 90,373,729	\$ 81,509,889	\$ 86,799,341	\$ 154,083,326	\$ 177,173,070

At the end of the Fiscal Year 2006-2007 the total assets exceeded total liabilities by \$177M.

Changes in Net Assets - In the Fiscal Year 2006-2007, the City's expenses for governmental activities of \$97.4M exceeded program revenues of \$34M by \$63.4M resulting in the use of general revenues. The City's expenses cover a range of services. Of the Governmental Activities, the largest expenses were in the Community Development and Services category (\$27.7M), Interest on Long-term Debt (20.5M), Public Works (\$17.9M), and Public Safety (\$17M). These expenses do not include capital outlays, which are now reflected in the City's capital assets. Further analysis is provided within the governmental and business-type sections on the following pages.

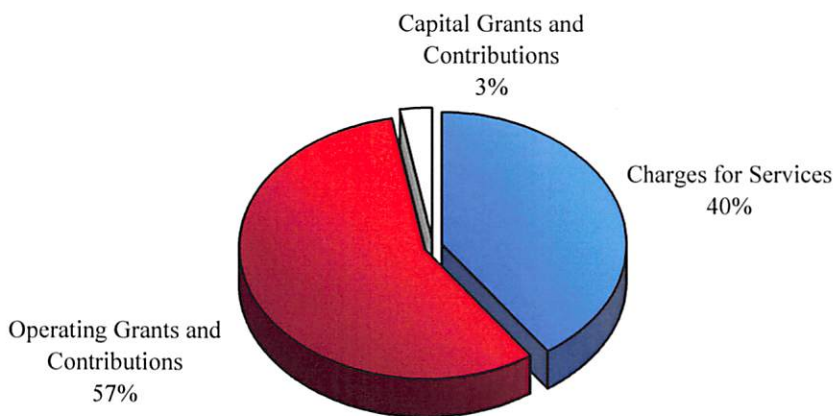
Governmental Activities- Governmental Activities reflects an increase of \$17.8M in net assets and Business Activities reflects an increase of \$5.3M in net assets for the Fiscal Year 2006-2007. The increase in the governmental net assets can be attributed mainly to the City's revitalization of Old Town which has increased construction in progress valuation. The \$5M increase in business-type net assets can be attributed mainly to the completion of the Marina Dock Replacement and Marina Center Parking Lot projects. A comparison of the cost of services by function for the City's Governmental Activities is shown below, along with the revenues used to cover the net expenses of the Governmental Activities, and with the comparative data from Fiscal Year 2005-2006.

Statement of Changes in Net Assets
Fiscal Year Ended June 30, 2007
With comparative data for fiscal year ended June 30, 2006

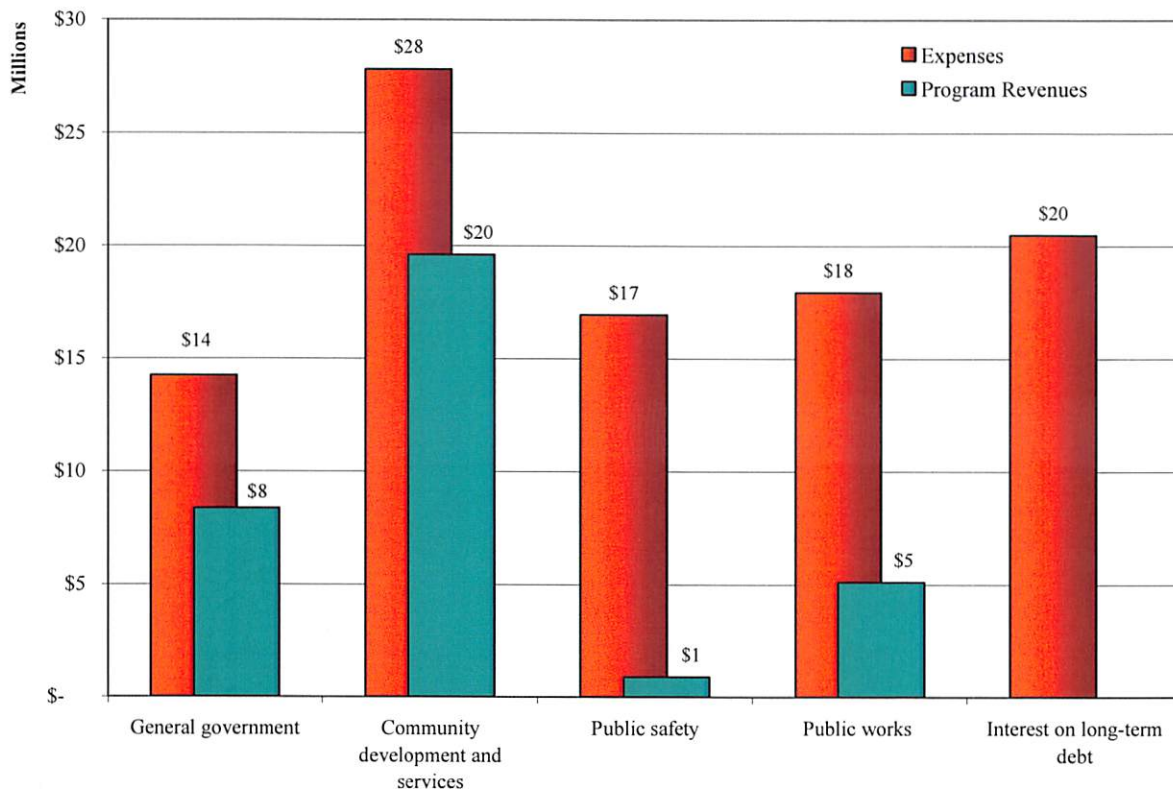
	Governmental Activities		Business -Type Activities		Total	
	2006	2007	2006	2007	June 30, 2006	June 30, 2007
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$ 11,314,059	\$ 13,696,897	\$ 26,302,767	\$ 27,735,417	\$ 37,616,826	\$ 41,432,314
Operating Grants and Contributions	16,480,459	19,357,391	-	-	16,480,459	19,357,391
Capital Grants and Contributions	3,307,936	948,905	3,619,190	197,903	6,927,126	1,146,808
<i>General Revenues:</i>						
Property Taxes	43,852,448	50,917,360	-	-	43,852,448	50,917,360
Sales Taxes	8,490,042	7,953,283	-	-	8,490,042	7,953,283
Franchise Fees	2,181,141	2,246,603	-	-	2,181,141	2,246,603
Motor Vehicle in lieu fees	4,377,028	4,784,517	-	-	4,377,028	4,784,517
Gas Taxes	1,148,587	1,150,412	-	-	1,148,587	1,150,412
Other Taxes	1,280,336	2,391,238	-	-	1,280,336	2,391,238
Investment Earnings - Unrestricted	6,960,587	11,146,109	1,047,319	2,263,490	8,007,906	13,409,599
Transfers	(558,738)	563,960	558,738	(563,960)	-	-
Total Revenues:	98,833,885	115,156,675	31,528,014	29,632,850	130,361,899	144,789,525
Expenses:						
General Government	23,203,206	9,455,919	-	-	23,203,206	9,455,919
City Council	80,430	86,794	-	-	80,430	86,794
City Manager and City Clerk	1,353,922	922,877	-	-	1,353,922	922,877
City Attorney	490,984	584,173	-	-	490,984	584,173
Human Resources	1,298,743	820,474	-	-	1,298,743	820,474
Finance and Services	4,025,101	2,384,176	-	-	4,025,101	2,384,176
Community Development & Services	23,244,369	27,708,137	-	-	23,244,369	27,708,137
Public Safety	27,184,023	16,949,031	-	-	27,184,023	16,949,031
Public Works	28,921,759	17,949,516	-	-	28,921,759	17,949,516
Interest on Long-Term Debt	15,119,640	20,495,286	-	-	15,119,640	20,495,286
Water Utility	-	-	13,136,590	13,372,173	13,136,590	13,372,173
Sewer Utility	-	-	1,830,382	1,929,214	1,830,382	1,929,214
Marina	-	-	1,629,567	2,378,869	1,629,567	2,378,869
Golf Course	-	-	1,702,748	1,612,569	1,702,748	1,612,569
Island Energy	-	-	3,190,601	3,560,144	3,190,601	3,560,144
Pittsburg Power	-	-	1,573,149	1,490,429	1,573,149	1,490,429
Total Expenses:	124,922,177	97,356,383	23,063,037	24,343,398	147,985,214	121,699,781
Change in Net Assets	(26,088,292)	17,800,292	8,464,977	5,289,452	(17,623,315)	23,089,744
Net assets - Beginning of Year	98,661,729	72,573,437	73,044,912	81,509,889	171,706,641	154,083,326
Net Assets - End of Year	\$ 72,573,437	\$ 90,373,729	\$ 81,509,889	\$ 86,799,341	\$ 154,083,326	\$ 177,173,070

Total Program Revenues from Governmental Activities were \$34M in Fiscal Year 2006-2007. 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, 40% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 57% from the Operating Grants and Contributions category (including restricted revenues such as Gas Tax, Measure C Tax, Asset Seizure fund and Federal/State Grants), and 3% are from Capital Grants and Contributions.

Governmental Activities by Program Revenues

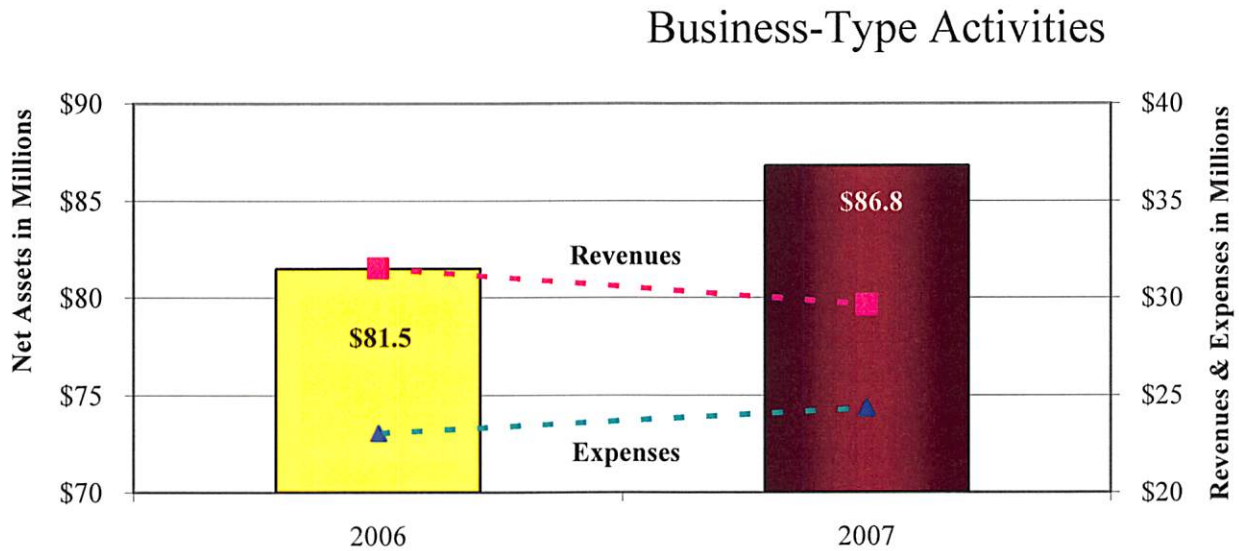
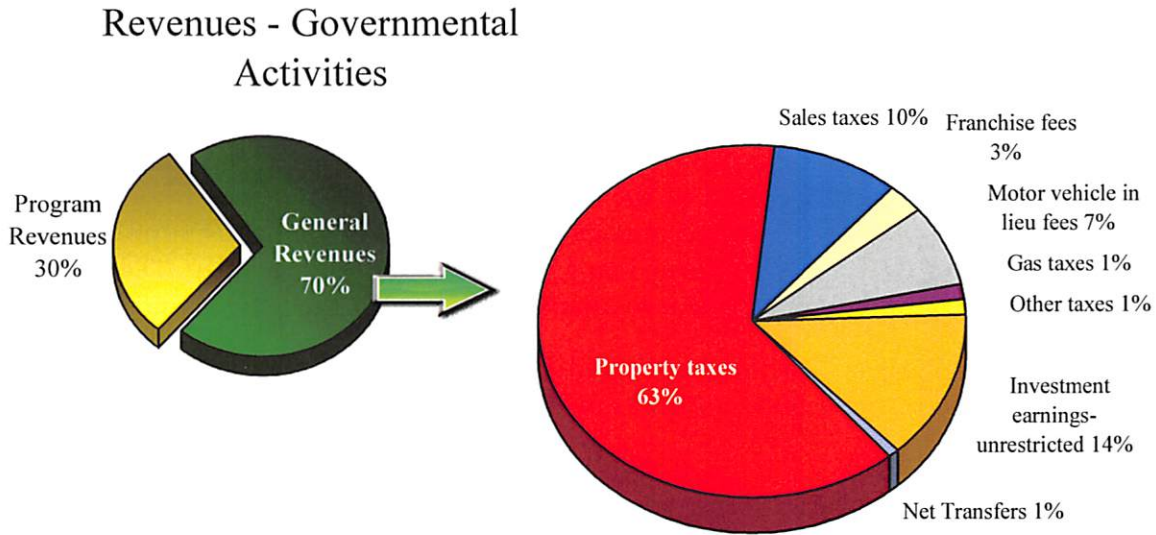


Expenses & Program Revenues for Governmental Activities



As graphically depicted, City services are not fully funded by program revenues, so general City revenues must support services provided by the City. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. All interest on long-term debt is paid through general revenues, 95% of Public Safety services are supported through general revenues, as is 71% of Public Works services are supported through general revenues.

Total General Revenues from Governmental Activities were \$81M in Fiscal Year 2006-2007. The largest percentage of General Revenues, 63% or \$51M, received during the fiscal year was Property Taxes.



Business-Type Activities - Net assets for Business-Type Activities were \$86.8M, a net increase of \$5.3M from prior fiscal year. The increase in business-type net assets can be attributed mainly to the completion of the Marina Dock Replacement and Marina Center Parking Lot projects. Total program revenues (excluding capital grants and contributions) for Business-Type Activities were \$27.7M (from Charges for Services). Total expenses for the Business-Type Activities were \$24.3M for the Fiscal Year 2006-2007.

FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS

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

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

As of the end of the current fiscal year, the City's Governmental Funds reported combined ending fund balances of \$290.5M, an increase of \$94.4M, in comparison with the prior year. Approximately 4% percent of this total amount or \$12M constitutes unreserved, *un*-designated fund balance which is available for spending at the government's discretion. Another 41.4M is Unreserved, designated which means that funds are not reserved but designated for specific purposes. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has either been committed to 1) liquidate contracts, purchase orders of the prior period and debt service requirements for the following fiscal years (\$33.8M), or 2) continue work on the special activities and capital improvement projects (\$34M).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance was \$10M with \$139,257 reserved and designated for miscellaneous supplies reserves and prepaid expenses, and \$353,424 designated from loans from Community Facilities District Funds. The unreserved and undesignated amount of \$9.6 M is available to be used at the City Council's discretion.

General Fund Budgetary Highlights - The final amended budget totaled \$35.4M, including \$1,046,497 in amendments to the originally adopted budget, these amendments are briefly summarized below.

- Per Resolutions 06-10582, 06-10636, 06-10655, 07-10723, 07-10744, 07-10760, 07-10775, and 07-10886 the City Council adopted the approval of the following additional appropriations and project carry-forwards:

Budget Carry Forwards

\$ 12,000	Council Chamber Webcasting & voting systems - City Clerk
15,118	Mirant Annexation - Planning
19,527	Hillside Development Guidelines - Planning
20,000	Agenda Management System - City Clerk
20,000	Recodification of Municipal Code - City Clerk
23,308	Building Plan Check Services - Building
24,633	Residential Rental Inspection Program - Building
40,000	Cost Plan User Fee Study - Finance
57,500	Port Development - Economic Development
60,290	Building Inspection Services - Building
76,783	Engineering Geological Services - Engineering
218,009	Eden Financial System - Finance
<u>\$ 587,168</u>	Sub-Total Budget Carry Over

Approved Appropriations

\$ (43,500)	Staff Reallocation from City Manger's office to RDA and Power Authority funds
22,329	New Police Assistant Position for Code Enforcement
23,500	EBRCS Membership Fees for Police Department
28,000	Creation of Records and Council Services Department (Including Support Staff)
59,000	Administrative Officer - Engineering Services
70,000	Eden Utility Billing System Contingency
300,000	Transfers-Out to Golf Course and Lighting and Landscaping
<u>\$ 459,329</u>	Sub-Total Approved Appropriations
<u>\$1,046,497</u>	Total Budget Carry Forwards and Approved Appropriations

The amendments to the General Fund estimated revenues in total were \$345,509 over the adopted budget estimates. This is comprised of Transfers-In from various departments to the General Fund for the EDEN Financial System implementation and Pittsburg Power for the Port Development Project in Economic Development Fund.

Out of the five largest revenue sources, Property Taxes exceeded the budget by \$1.1M, which was the result of one time property transfer taxes. Sales Tax missed the estimated budget projection by \$646,717, Franchise Taxes exceeded the budget by \$149,818, Motor Vehicle In-Lieu Backfill taxes exceeded the budget by \$543,986, and the State Mandated Costs for prior years of \$213,701.

A total transfer of \$720,000, in Engineering Plan Check Fees of \$100,000 and Inspection Fees of \$560,000 for Bailey Estates, Vista Del Mar and the San Marco subdivisions, and grading inspection fees of \$60,000 for Bailey Estates and the San Marco subdivisions, have been deferred into the Fiscal Year 2007-2008 to fund contract plan check and inspection costs associated with subdivision development activity in the next fiscal year.

At the end of the fiscal year, the total actual expenses in the General Fund were \$1.2M under the total amended budget. This is the result of all General Fund operating departments (with the exception of the City Attorney) and projects, operating within budget. The two largest under budget divisions were Public Safety under budget by \$302,940 and Community Development and Services under budget by \$282,926.

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

Total net assets of the Water, Sewer and Marina Fund at the end of the year were \$86.8M; an increase of \$5.3M from the prior fiscal year, in which \$42.3M was invested in capital assets net of related debt. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's Business-Type Activities.

Capital Asset and Debt Administration - The City's investment in capital assets for its Governmental and Business Type activities as of June 30, 2007, amounts to \$376.6M (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges, water lines, sewer and storm systems, and the golf course. The total increase in the City's investment in capital assets net of depreciation for the current fiscal year was \$42.8M or 12.8%.

Most of the major capital asset increase during the Fiscal Year 2006-2007 is due to the year of progress by the Redevelopment Agency with an increase of \$25.5M in construction-in-progress projects within the City redevelopment area and land acquisitions of \$8.3M. The major capital asset increase in the Business-Type Activities was due to the completion of the Marina Dock Replacement and Parking Lot Improvement Projects. The net increase in Governmental Activities after depreciation was \$37.5M with a \$5.3M increase in Business-Type Activities (for a net increase of \$42.8M).

**City of Pittsburg
Capital Assets
(Net of Depreciation)
June 30, 2007**

	Governmental Activities		Business-Type Activities		Total	
	2006	2007	2006	2007	2006	2007
Non-depreciable assets:						
Land	\$ 45,413,481	\$ 53,751,984	\$ -	\$ 325,000	\$ 45,413,481	\$ 54,076,984
Construction in progress	37,995,791	63,574,891	2,506,926	9,135,839	40,502,717	72,710,730
Total non-depreciable assets	83,409,272	117,326,875	2,506,926	9,460,839	85,916,198	126,787,714
Depreciable assets (net of depreciation):						
Building and improvements	36,449,558	37,334,622	14,907,648	14,456,491	51,357,206	51,791,113
Machinery and equipment	3,008,864	4,154,319	909,511	839,016	3,918,375	4,993,335
Infrastructure	125,267,558	126,783,268	67,299,314	66,211,728	192,566,872	192,994,996
Total depreciable assets (net)	164,725,980	168,272,209	83,116,473	81,507,235	247,842,453	249,779,444
Total capital assets	\$ 248,135,252	\$ 285,599,084	\$ 85,623,399	\$ 90,968,074	\$ 333,758,651	\$ 376,567,158

Debt Service Administration - A complete detail of all outstanding debt is contained in Note 7 accompanying the Financial Statements. At the end of the fiscal year, the City had total long-term debt outstanding of \$562.2M, of this amount, \$472.7M in Governmental Activities represent the Redevelopment Agency Tax Allocation Bonds (secured solely by the Agency's tax increments), \$39.6M in 2006 Pension Obligation Bonds, and \$48.3M in Business-Type Activities represent two revenue bonds in the Water and Sewer Funds, and one capital lease in the Golf Course Fund (\$14,689).

**City of Pittsburg
Long-Term Debt
June 30, 2007**

	Governmental		Business-Type		Total
	Activities		Activities		
	FY 2006-07	FY 2005-06	FY 2006-07	FY 2005-06	
Tax Allocation Bonds	\$ 472,741,357	\$ 347,766,357	\$ -	\$ -	\$ 472,741,357
- Unamortized Premium	5,747,169	6,189,259	-	-	5,747,169
-Deferred Gain 2006C Refund	(4,183,894)	-	-	-	(4,183,894)
Pension Obligation Bonds	39,566,056	39,566,056	-	-	39,566,056
Capital Leases	-	-	14,689	71,565	14,689
Revenue Bonds	-	-	48,310,000	49,290,000	48,310,000
Total Long-Term Debt	\$ 513,870,688	\$ 393,521,672	\$ 48,324,689	\$ 49,361,565	\$ 562,195,377

Economic Factors and Next Year's Budget - The Association of Bay Area Governments (ABAG) is forecasting moderate employment growth in Contra Costa County. The outlook for the Fiscal Year 2007-2008 remains guarded at best. The housing industry's financial downturn looms over Pittsburg's development of suburban residences.

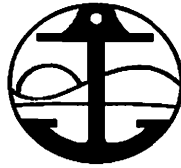
Sales tax revenue was \$646,000 less than what was estimated due to the decline in auto sales, department store sales, and building materials sales. Retail expansion of the auto mall and industrial growth within the community look positive for the City. With the ratification of the various employment contracts, the City will continually be challenged by the rising costs of workers compensation, health benefits, and retirement. New sources of revenues such as the collection of new Solid Waste and Inspection fees to support the Local Enforcement Agency (LEA) and the new Citywide Lighting and Landscape residential assessment increase will help the City maintain its level of services to its citizens.

Taking into account all known factors the City of Pittsburg has adopted a balanced budget for Fiscal Year 2007-2008. A primary on-going goal of the City Council and Management Staff is to develop a "Budget Stabilization Plan" with the objective of reducing the City's dependence on one-time revenues.

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, 2007



**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



City of Pittsburg
Statement of Net Assets
June 30, 2007

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 109,916,416	\$ 18,131,851	\$ 128,048,267
Restricted cash and investments (Note 2)	196,218,978	23,675,041	219,894,019
Receivables:			
Accounts	4,060,788	5,317,052	9,377,840
Interest	2,123,543	266,379	2,389,922
Loans/notes (Note 3)	26,824,347	-	26,824,347
Supplies	59,010	-	59,010
Inventory	-	88,212	88,212
Prepaid items and other assets	5,959,454	3,257	5,962,711
Total current assets	345,162,536	47,481,792	392,644,328
Non-current assets:			
Deferred charges (Note 6)	5,885,888	-	5,885,888
Capital assets (Note 7):			
Land and nondepreciable assets	117,326,875	9,460,839	126,787,714
Depreciable assets, net	168,272,209	81,507,235	249,779,444
Total capital assets	285,599,084	90,968,074	376,567,158
Total non-current assets	291,484,972	90,968,074	382,453,046
Total assets	636,647,508	138,449,866	775,097,374
LIABILITIES			
Current liabilities:			
Accounts payable	16,929,066	2,241,878	19,170,944
Salaries payable	1,332,372	133,001	1,465,373
Interest payable	7,767,521	-	7,767,521
Refundable deposits	906,104	216,084	1,122,188
Taxes payable	-	78,394	78,394
Loans payable	256,836	-	256,836
Due to other agencies	582,208	-	582,208
Unearned revenue	1,323,767	309,056	1,632,823
Compensated absences - due within one year (Note 8)	310,480	40,773	351,253
Capital leases - due within one year (Note 8)	176,725	14,689	191,414
Claims and judgment payable - due within one year	168,343	-	168,343
Long-term debt - due within one year (Note 8)	7,842,665	995,000	8,837,665
Total current liabilities	37,596,087	4,028,875	41,624,962
Non-current liabilities:			
Compensated absences - due in more than one year (Note 8)	1,912,876	306,650	2,219,526
Capital leases - due in more than one year (Note 8)	736,793	-	736,793
Long-term debt - due in more than one year (Note 8)	506,028,023	47,315,000	553,343,023
Total non-current liabilities	508,677,692	47,621,650	556,299,342
Total liabilities	546,273,779	51,650,525	597,924,304
NET ASSETS			
Invested in capital assets, net of related debt	3,247,946	42,643,385	45,891,331
Restricted for:			
Capital projects	14,200,278	-	14,200,278
Debt service	31,088,698	2,737,582	33,826,280
Facility fee reserve	-	3,760,269	3,760,269
Specific projects and programs	12,901,826	6,977,077	19,878,903
Total restricted assets	58,190,802	13,474,928	71,665,730
Unrestricted net assets	28,934,981	30,681,028	59,616,009
Total net assets	\$ 90,373,729	\$ 86,799,341	\$ 177,173,070

See accompanying Notes to Basic Financial Statements

City of Pittsburg
Statement of Activities
For the year ended June 30, 2007

Programs/Functions	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental Activities:					
General government	\$ 9,455,919	\$ 8,276,178	\$ -	\$ -	\$ 8,276,178
City Council	86,794	305	-	-	305
City Manager and City Clerk	922,877	7,925	-	-	7,925
City Attorney	584,173	-	-	-	-
Human resources	820,474	60	-	-	60
Finance and services	2,384,176	77,880	-	-	77,880
Community development and services	27,708,137	623,416	18,043,910	948,905	19,616,231
Public safety	16,949,031	633,513	269,424	-	902,937
Public works	17,949,516	4,077,620	1,044,057	-	5,121,677
Interest on long-term debt	20,495,286	-	-	-	-
Total governmental activities	97,356,383	13,696,897	19,357,391	948,905	34,003,193
Business-Type Activities:					
Water Utility	13,372,173	15,974,804	-	-	15,974,804
Sewer Utility	1,929,214	3,864,420	-	197,903	4,062,323
Marina	2,378,869	1,653,350	-	-	1,653,350
Golf Course	1,612,569	1,265,496	-	-	1,265,496
Island Energy	3,560,144	3,547,052	-	-	3,547,052
Pittsburg Power	1,490,429	1,430,295	-	-	1,430,295
Total business-type activities	24,343,398	27,735,417	-	197,903	27,933,320
Total primary government	\$ 121,699,781	\$ 41,432,314	\$ 19,357,391	\$ 1,146,808	\$ 61,936,513

General Revenues and Transfers:

Taxes:

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

Total taxes

Investment earnings - unrestricted

Capital transfers

Transfers (Note 5C)

Total general revenues and transfers

Change in net assets

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

Net assets - end of year

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (1,179,741)	\$ -	\$ (1,179,741)
(86,489)	-	(86,489)
(914,952)	-	(914,952)
(584,173)	-	(584,173)
(820,414)	-	(820,414)
(2,306,296)	-	(2,306,296)
(8,091,906)	-	(8,091,906)
(16,046,094)	-	(16,046,094)
(12,827,839)	-	(12,827,839)
(20,495,286)	-	(20,495,286)
(63,353,190)	-	(63,353,190)
-	2,602,631	2,602,631
-	2,133,109	2,133,109
-	(725,519)	(725,519)
-	(347,073)	(347,073)
-	(13,092)	(13,092)
-	(60,134)	(60,134)
-	3,589,922	3,589,922
(63,353,190)	3,589,922	(59,763,268)
50,917,360	-	50,917,360
7,953,283	-	7,953,283
2,246,603	-	2,246,603
4,784,517	-	4,784,517
1,150,412	-	1,150,412
2,391,238	-	2,391,238
69,443,413	-	69,443,413
11,146,109	2,263,490	13,409,599
(180,391)	180,391	-
744,351	(744,351)	-
81,153,482	1,699,530	82,853,012
17,800,292	5,289,452	23,089,744
72,573,437	81,509,889	154,083,326
\$ 90,373,729	\$ 86,799,341	\$ 177,173,070

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



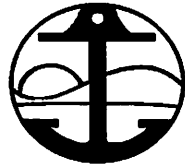
FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

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

City of Pittsburg
Balance Sheet
Governmental Funds
June 30, 2007

	Major Funds				
	General Fund	Special Revenue			
		Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	Housing Authority (Section 8)
ASSETS					
Cash and investments (Note 2)	\$ 11,302,090	\$ -	\$ 3,122,555	\$ 55,823,742	\$ 3,043,145
Restricted cash and investments (Note 2)	-	-	-	-	-
Receivables:					
Accounts	1,501,445	-	-	-	2,468
Interest	117,725	-	56,625	377,417	31,021
Loans/Notes (Note 3)	-	-	9,624,966	15,113,594	-
Due from other funds (Note 5A)	795,152	-	-	-	-
Advances to other funds (Note 5B)	-	-	-	8,100,000	-
Supplies	52,410	-	-	-	-
Prepaid items and other assets	30,622	-	-	175,089	-
Total assets	\$ 13,799,444	\$ -	\$ 12,804,146	\$ 79,589,842	\$ 3,076,634
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,009,531	\$ -	\$ 223,632	\$ 6,339,102	\$ 4,986
Salaries payable	1,083,892	-	-	95,636	42,780
Interest payable	-	-	-	-	-
Refundable deposits	611,751	-	-	70,000	-
Loans payable	-	-	-	-	-
Due to other agencies	-	-	-	552,779	-
Due to other funds (Note 5A)	-	-	-	-	-
Advances from other funds (Note 5B)	-	8,100,000	-	-	-
Deferred revenue (Note 4)	1,034,903	-	9,624,966	14,503,969	18,039
Total liabilities	3,740,077	8,100,000	9,848,598	21,561,486	65,805
Fund Balances (Note 10):					
Reserved	139,257	-	2,955,548	8,884,714	3,010,829
Unreserved, designated	353,424	(8,100,000)	-	49,143,642	-
Unreserved, undesignated reported in:					
General fund	9,566,686	-	-	-	-
Special revenue	-	-	-	-	-
Total fund balances	10,059,367	(8,100,000)	2,955,548	58,028,356	3,010,829
Total liabilities and fund balances	\$ 13,799,444	\$ -	\$ 12,804,146	\$ 79,589,842	\$ 3,076,634

Major Funds			
Debt Service	Capital Projects		
Redevelopment Agency	Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
\$ 4,502,536	\$ 2,268,162	\$ 24,067,172	\$ 104,129,402
195,343,768	-	875,210	196,218,978
-	634,054	1,827,468	3,965,435
1,334,532	-	206,223	2,123,543
-	-	2,055,136	26,793,696
-	-	-	795,152
-	-	-	8,100,000
-	-	-	52,410
-	403,336	5,042,026	5,651,073
<u>\$ 201,180,836</u>	<u>\$ 3,305,552</u>	<u>\$ 34,073,235</u>	<u>\$ 347,829,689</u>
\$ 29,155	\$ 3,205,552	5,813,545	\$ 16,625,503
-	-	88,469	1,310,777
354,907	-	807,258	1,162,165
-	100,000	124,353	906,104
-	-	256,836	256,836
17,148	-	12,281	582,208
-	-	795,152	795,152
-	-	-	8,100,000
-	-	2,391,081	27,572,958
<u>401,210</u>	<u>3,305,552</u>	<u>10,288,975</u>	<u>57,311,703</u>
200,779,626	-	21,257,301	237,027,275
-	-	-	41,397,066
-	-	-	9,566,686
-	-	2,526,959	2,526,959
<u>200,779,626</u>	<u>-</u>	<u>23,784,260</u>	<u>290,517,986</u>
<u>\$ 201,180,836</u>	<u>\$ 3,305,552</u>	<u>\$ 34,073,235</u>	<u>\$ 347,829,689</u>

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



City of Pittsburg
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2007

Total Fund Balances - Total Governmental Funds \$ 290,517,986

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

Capital assets used in governmental activities are not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the Internal Service Funds amounts of \$3,914,238 which are reported below, the capital assets were adjusted as follows:

Non-depreciable	117,326,875
Depreciable, net	<u>164,357,971</u>
Total capital assets	<u>281,684,846</u>

Bond issuance cost are expenses in the governmental funds financial statements but are capitalized and amortized in the government-wide statement of net assets. 5,885,888

Interest payable on long-term debt for which resources had not already been transferred to trust agents did not require current financial resources. Therefore, a portion of interest payable was not reported as a liability in Governmental Funds Balance Sheet. (6,605,356)

Revenues on Loans receivable have been deferred in the Fund Financial Statements since they do not meet the revenue recognition criteria based on the modified accrual basis of accounting. However, this revenue is recognized in the Government-Wide Financial Statements which are based on the accrual basis of accounting. 26,249,191

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Assets. 8,692,501

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

Compensated absences - due within one year	(305,552)
Long-term liabilities - due within one year	(7,842,665)
Compensated absences - due in more than one year	(1,875,087)
Long-term liabilities - due in more than one year	<u>(506,028,023)</u>
Total long-term liabilities	<u>(516,051,327)</u>

Net Assets of Governmental Activities \$ **90,373,729**

City of Pittsburg
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2007

	Major Funds				
	General Fund	Special Revenue			
		Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	Housing Authority (Section 8)
REVENUES:					
Property taxes	\$ 3,829,392	\$ -	\$ 3,203,997	\$ 43,883,972	\$ -
Sales taxes	7,953,283	-	-	-	-
Franchise taxes	2,246,603	-	-	-	-
Other taxes	1,222,661	-	-	-	-
Intergovernmental revenues	6,132,409	-	-	-	10,878,367
Permits, licenses and fees	900,648	-	-	-	-
Fines and forfeitures	249,135	-	-	-	-
Special assessments	-	-	-	-	-
Service fees	3,764,627	-	-	124,712	-
Use of money and property	742,326	-	303,820	1,632,365	145,391
Other revenues	664,223	-	3,477	441,299	10,939
Total revenues	27,705,307	-	3,511,294	46,082,348	11,034,697
EXPENDITURES:					
Current:					
General Government	2,424,802	-	22,062	11,264,509	841,055
City Council	86,383	-	-	-	-
City Manager and City Clerk	887,297	-	-	-	-
City Attorney	584,173	-	-	-	-
Human resources	784,514	-	-	-	-
Finance and services	2,263,413	-	-	-	-
Community development and services	5,952,488	-	3,359,521	5,250,218	9,264,373
Public safety	16,173,027	-	-	-	-
Public works - administration	177,438	-	-	-	-
Public works - streets	1,756,136	-	-	-	-
Public works - parks	139,244	-	-	-	-
Public works - others	174,880	-	-	-	-
General non-departmental	-	-	-	-	-
Capital outlay and improvements	-	-	-	2,360,870	-
Debt service:					
Principal retirement	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	31,403,795	-	3,381,583	18,875,597	10,105,428
REVENUES OVER (UNDER) EXPENDITURES	(3,698,488)	-	129,711	27,206,751	929,269
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	-	-	-	-
Proceeds from sale of capital assets	1,800,000	-	-	2,309,250	-
Payment to escrow account	-	-	-	-	-
Capital contribution	-	-	-	-	-
Transfers in (Note 5C)	6,307,524	-	2,823,298	1,562,182	-
Transfers out (Note 5C)	(2,905,662)	-	(5,132,795)	(23,292,694)	-
Total other financing sources (uses)	5,201,862	-	(2,309,497)	(19,421,262)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,503,374	-	(2,179,786)	7,785,489	929,269
FUND BALANCES:					
Beginning of year, as restated (Note 15)	8,555,993	(8,100,000)	5,135,334	50,242,867	2,081,560
End of year	\$ 10,059,367	\$ (8,100,000)	\$ 2,955,548	\$ 58,028,356	\$ 3,010,829

See accompanying Notes to Basic Financial Statements

Major Funds			
Debt Service		Capital Projects	
Redevelopment Agency	Redevelopment Agency	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 50,917,361
-	-	-	7,953,283
-	-	-	2,246,603
-	-	-	1,222,661
-	794,252	3,472,365	21,277,393
-	-	7,718,910	8,619,558
-	-	-	249,135
-	-	3,209,152	3,209,152
-	-	1,694,343	5,583,682
7,045,971	-	1,029,332	10,899,205
-	8,923	497,163	1,626,024
<u>7,045,971</u>	<u>803,175</u>	<u>17,621,265</u>	<u>113,804,057</u>
-	-	134,529	14,686,957
-	-	-	86,383
-	-	-	887,297
-	-	-	584,173
-	-	-	784,514
-	-	-	2,263,413
-	870,144	1,428,019	26,124,763
-	-	398,583	16,571,610
-	-	-	177,438
-	-	8,750,214	10,506,350
-	-	-	139,244
-	-	-	174,880
-	-	693,838	693,838
-	40,301,395	5,240,812	47,903,077
4,960,000	-	-	4,960,000
4,171,245	-	-	4,171,245
16,491,747	-	1,729,506	18,221,253
<u>25,622,992</u>	<u>41,171,539</u>	<u>18,375,501</u>	<u>148,936,435</u>
(18,577,021)	(40,368,364)	(754,236)	(35,132,378)
169,820,000	-	-	169,820,000
-	-	-	4,109,250
(44,218,319)	-	-	(44,218,319)
-	(180,391)	-	(180,391)
15,006,268	39,858,693	9,455,859	75,013,824
(38,674,814)	-	(4,993,508)	(74,999,473)
<u>101,933,135</u>	<u>39,678,302</u>	<u>4,462,351</u>	<u>129,544,891</u>
83,356,114	(690,062)	3,708,115	94,412,513
<u>117,423,512</u>	<u>690,062</u>	<u>20,076,145</u>	<u>196,105,473</u>
<u>\$ 200,779,626</u>	<u>\$ -</u>	<u>\$ 23,784,260</u>	<u>\$ 290,517,986</u>

City of Pittsburgh

Reconciliation of the Governmental Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 94,412,513
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds reported acquisition of capital assets as part of capital outlay expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	46,640,277
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	(7,513,609)
Bond issuance costs are expensed on the Fund Financial Statements. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the bond issuance costs are allocated over the life of the bonds.	
Deferred charges	4,171,245
Amortization	(323,531)
Bond premiums are recognized as revenue on the Fund Financial Statements. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the bond Premiums are amortized over the life of the bonds. This amount represents the amount amortized.	442,090
Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. Accrued interest payable increased by this amount.	(2,243,167)
Gain on the sale or disposal of capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets while the total proceeds of the sale is reported in the Governmental Fund Financial Statements.	
Proceeds on sale of assets	(4,109,250)
Gain on sale of assets	678,332
Issuance of bonds provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Assets.	(169,820,000)
Repayment of bond principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Assets.	4,960,000
Payment to escrow agents is an expenditure in the governmental funds, but the payment to escrow agents reduces long-term liabilities in the statement of Net Assets.	
Repayment of debt principal	39,885,000
Amount deferred on refunding	4,333,319
Amortized amount deferred on refunding	(149,425)
Compensated absences was an expenditure in governmental funds, but the accrued liabilities increased in the Government-Wide Statement of Net Assets.	(741,829)
New loans and notes receivable were expenditures in the Fund Financial Statements. This amount represent the expense amount that was decreased.	6,451,490
Principal payment received on loans and note receivables were recorded as revenue in the Fund Financial Statements. The following amount represents the current year payment received on loans and note receivable.	(131,674)
Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with Governmental Activities.	858,511
Change in Net Assets of Governmental Activities	\$ 17,800,292
See accompanying Notes to Basic 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 expenditures associated with management, operation, and maintenance of water treatment and distribution system to water customers of the City of Pittsburg. It also accounts for the maintenance of water plant, distribution reservoirs, and water lines.

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

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

City of Pittsburg
Statement of Net Assets
Proprietary Funds
June 30, 2007

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
ASSETS			
Current assets			
Cash and investments (Note 2)	\$ 8,218,741	\$ 4,019,810	\$ 543,870
Restricted cash and investments (Note 2)	22,625,654	946,328	-
Receivables:			
Accounts	3,072,980	1,095,736	15,991
Interest	191,991	49,837	5,643
Loans/Notes (Note 3)	-	-	-
Inventory	28,547	-	-
Prepaid items and other assets	70	-	-
Total current assets	34,137,983	6,111,711	565,504
Noncurrent assets:			
Advances to other funds	-	204,280	-
Capital assets (Note 7):			
Non-depreciable assets	4,405,295	4,159,525	896,019
Depreciable assets, net	47,691,411	12,782,371	13,709,922
Total noncurrent assets	52,096,706	17,146,176	14,605,941
Total assets	86,234,689	23,257,887	15,171,445
LIABILITIES			
Current liabilities:			
Accounts payable	1,339,588	394,856	116,726
Salaries payable	75,972	16,389	14,192
Taxes payable	-	-	-
Refundable deposits	82,336	5,000	69,073
Unearned revenue	-	-	-
Claims and judgments payable - due within one year	-	-	-
Compensated absences payable - due within one year	21,478	5,375	4,563
Capital lease - due within one year	-	-	-
Long-term debt - due within one year (Note 8)	450,000	545,000	-
Total current liabilities	1,969,374	966,620	204,554
Noncurrent liabilities:			
Advances from other funds	204,280	-	-
Claims and judgments payable - due in more than one year	-	-	-
Compensated absences payable - due in more than one year	133,158	30,456	51,669
Capital lease - due in more than one year	-	-	-
Long-term debt - due in more than one year (Note 8)	37,575,000	9,740,000	-
Total noncurrent liabilities	37,912,438	9,770,456	51,669
Total liabilities	39,881,812	10,737,076	256,223
NET ASSETS			
Invested in capital assets, net of related debt	14,071,706	6,656,896	14,605,941
Restricted for:			
Debt service	1,824,604	912,978	-
Special purpose	3,955,238	946,328	284,600
Facility fees	3,329,489	430,780	-
Unrestricted	23,171,840	3,573,829	24,681
Total net assets	\$ 46,352,877	\$ 12,520,811	\$ 14,915,222

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 5,349,430	\$ 18,131,851	\$ 5,787,014
103,059	23,675,041	-
1,132,345	5,317,052	95,353
18,908	266,379	-
-	-	30,651
59,665	88,212	6,600
3,187	3,257	308,381
<u>6,666,594</u>	<u>47,481,792</u>	<u>6,227,999</u>
1,625,000	1,829,280	-
-	9,460,839	-
<u>7,323,531</u>	<u>81,507,235</u>	<u>3,914,238</u>
<u>8,948,531</u>	<u>92,797,354</u>	<u>3,914,238</u>
<u>15,615,125</u>	<u>140,279,146</u>	<u>10,142,237</u>
390,708	2,241,878	303,563
26,448	133,001	21,595
78,394	78,394	-
59,675	216,084	-
309,056	309,056	-
-	-	168,343
9,357	40,773	4,928
14,689	14,689	176,725
-	995,000	-
<u>888,327</u>	<u>4,028,875</u>	<u>675,154</u>
1,625,000	1,829,280	-
-	-	-
91,367	306,650	37,789
-	-	736,793
-	47,315,000	-
<u>1,716,367</u>	<u>49,450,930</u>	<u>774,582</u>
<u>2,604,694</u>	<u>53,479,805</u>	<u>1,449,736</u>
6,933,842	42,268,385	3,247,946
-	2,737,582	-
1,790,911	6,977,077	98,406
-	3,760,269	-
4,285,678	31,056,028	5,346,149
<u>\$ 13,010,431</u>	<u>\$ 86,799,341</u>	<u>\$ 8,692,501</u>

City of Pittsburg
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the year ended June 30, 2007

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
OPERATING REVENUES:			
Charges for services	\$ 14,709,073	\$ 3,604,043	\$ 1,088,397
Meter fees	29,869	-	-
Other Fees	1,132,625	88,556	-
Rent and concessions	-	-	48,685
Gas and oil sales	-	-	516,268
Other operating revenues	103,237	171,821	-
Total operating revenues	15,974,804	3,864,420	1,653,350
OPERATING EXPENSES:			
Salaries and wages	1,848,444	413,717	370,000
Department supplies	5,736,453	41,256	545,309
Rentals	12,153	4,032	87
Utilities	848,547	2,291	138,517
Maintenance and operations	472,643	304,933	332,382
Depreciation and amortization	909,070	436,635	446,122
Insurance premiums	-	-	-
Insurance deductible	-	-	-
Fringe benefits	921,672	239,034	224,658
Other operating expenses	719,365	100,560	79,299
Total operating expenses	11,468,347	1,542,458	2,136,374
OPERATING INCOME (LOSS)	4,506,457	2,321,962	(483,024)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	1,628,539	338,994	33,767
Capital Contributions	63,815	197,903	116,576
Interest and fiscal charges	(1,904,236)	(386,640)	-
Gain (loss) on disposal of assets	410	(116)	(242,495)
Total nonoperating revenues (expenses)	(211,472)	150,141	(92,152)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	4,294,985	2,472,103	(575,176)
OPERATING TRANSFERS:			
Transfers in (Note 5C)	63,600	-	22,500
Transfers out (Note 5C)	(389,804)	(440,421)	(83,137)
Total operating transfers	(326,204)	(440,421)	(60,637)
Change in net assets	3,968,781	2,031,682	(635,813)
NET ASSETS:			
Beginning of year	42,384,096	10,489,129	15,551,035
End of year	\$ 46,352,877	\$ 12,520,811	\$ 14,915,222

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 5,440,769	\$ 24,842,282	\$ 6,899,812
-	29,869	-
-	1,221,181	-
374,984	423,669	-
92,121	608,389	-
334,969	610,027	132,292
<u>6,242,843</u>	<u>27,735,417</u>	<u>7,032,104</u>
669,569	3,301,730	702,174
2,038,085	8,361,103	883,927
30,819	47,091	22,544
58,523	1,047,878	297,592
2,840,468	3,950,426	1,285,540
494,263	2,286,090	688,368
-	-	552,283
-	-	100,070
387,980	1,773,344	2,409,042
141,598	1,040,822	61,957
<u>6,661,305</u>	<u>21,808,484</u>	<u>7,003,497</u>
<u>(418,462)</u>	<u>5,926,933</u>	<u>28,607</u>
262,190	2,263,490	122,676
-	378,294	-
-	(2,290,876)	(10,422)
<u>(1,837)</u>	<u>(244,038)</u>	<u>(12,350)</u>
<u>260,353</u>	<u>106,870</u>	<u>99,904</u>
<u>(158,109)</u>	<u>6,033,803</u>	<u>128,511</u>
310,358	396,458	980,000
<u>(227,447)</u>	<u>(1,140,809)</u>	<u>(250,000)</u>
<u>82,911</u>	<u>(744,351)</u>	<u>730,000</u>
<u>(75,198)</u>	<u>5,289,452</u>	<u>858,511</u>
<u>13,085,629</u>	<u>81,509,889</u>	<u>7,833,990</u>
<u>\$ 13,010,431</u>	<u>\$ 86,799,341</u>	<u>\$ 8,692,501</u>

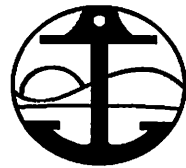
City of Pittsburgh
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2007

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 16,678,956	\$ 3,527,482	\$ 1,657,071
Cash payments to suppliers of goods and services	(6,721,732)	(42,032)	(1,066,315)
Cash payments to employees for services	(2,695,114)	(638,287)	(582,124)
Other operating revenues	(616,128)	71,261	(79,299)
Net cash provided (used) by operating activities	6,645,982	2,918,424	(70,667)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	63,600	-	22,500
Transfers out	(389,804)	(440,421)	(83,137)
Interfund payments	(100,000)	100,000	-
Net cash provided (used) by noncapital financing activities	(426,204)	(340,421)	(60,637)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	(450,000)	(530,000)	-
Interest and fiscal charges paid on long-term debt	(1,904,236)	(386,640)	-
Proceeds from sale of capital assets	410	-	7,497
Proceeds from issuance of capital leases	-	-	-
Acquisition of capital assets	(3,712,628)	(3,544,233)	(253,197)
Net cash provided (used) by capital and related financing activities	(6,066,454)	(4,460,873)	(245,700)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	1,534,731	295,038	33,767
Net cash provided (used) by investing activities	1,534,731	295,038	33,767
Net increase (decrease) in cash and cash equivalents	1,688,055	(1,587,832)	(343,237)
CASH AND CASH EQUIVALENTS:			
Beginning of year	29,156,340	6,553,970	887,107
End of year	\$ 30,844,395	\$ 4,966,138	\$ 543,870
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET			
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 4,506,457	\$ 2,321,962	\$ (483,024)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	909,070	436,635	446,122
Changes in operating assets and liabilities:			
Accounts receivable	761,723	(165,117)	(3,788)
Loans receivable	-	-	-
Inventory	74,058	-	13,820
Prepaid items	(70)	-	-
Accounts payable	274,006	310,480	(63,751)
Salaries payable	17,603	2,375	614
Taxes payable	-	-	(89)
Refundable deposits	45,736	-	7,509
Due to other agencies	-	-	-
Compensated absences	57,399	12,089	11,920
Insurance claims payable	-	-	-
Total adjustments	2,139,525	596,462	412,357
Net cash provided (used) by operating activities	\$ 6,645,982	\$ 2,918,424	\$ (70,667)
NON-CASH TRANSACTIONS	\$ 63,815	\$ 197,903	\$ 116,576

See accompanying Notes to Basic Financial Statements

Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
\$ 5,725,137	\$ 27,588,646	\$ 6,833,821
(4,976,757)	(12,806,836)	(3,756,797)
(1,004,924)	(4,920,449)	(2,696,275)
193,371	(430,795)	70,335
(63,173)	9,430,566	451,084
310,358	396,458	980,000
(227,447)	(1,140,809)	(250,000)
-	-	-
82,911	(744,351)	730,000
-	(980,000)	-
-	(2,290,876)	(10,511)
-	7,907	67,288
-	-	913,518
(56,877)	(7,566,935)	(1,097,028)
(56,877)	(10,829,904)	(126,733)
243,282	2,106,818	122,676
243,282	2,106,818	122,676
206,143	(36,871)	1,177,027
5,246,346	41,843,763	4,609,987
\$ 5,452,489	\$ 41,806,892	\$ 5,787,014
\$ (418,462)	\$ 5,926,933	\$ 28,607
494,263	2,286,090	688,368
(354,761)	238,057	(65,991)
-	-	(5,503)
40,917	128,795	97,622
2,290	2,220	(259,214)
(113,845)	406,890	(20,459)
(3,184)	17,408	361
61,776	61,687	-
18,814	72,059	-
153,210	153,210	-
55,809	137,217	11,793
-	-	(24,500)
355,289	3,503,633	422,477
\$ (63,173)	\$ 9,430,566	\$ 451,084
\$ -	\$ 378,294	\$ -

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

City of Pittsburgh
Statement of Net Assets
Fiduciary Funds
June 30, 2007

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 3,249,024
Cash and investments held by fiscal agent	9,472,711
Assessment receivable	2,293,567
Interest receivable	<u>77,813</u>
Total assets	<u>\$ 15,093,115</u>
LIABILITIES	
Accounts payable	\$ 904,503
Deferred assessments	2,288,567
Due to other parties	6,027,210
Due to bondholders	<u>5,872,835</u>
Total liabilities	<u>\$ 15,093,115</u>

City of Pittsburg
Notes to Basic Financial Statements
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

Redevelopment Agency of the City of Pittsburg

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

Community Access

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

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity, Continued

Public Infrastructure Financing Authority

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

Pittsburg Power Company

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

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

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

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

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, Continued

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

Governmental Fund Financial Statements

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

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

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

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

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

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

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, Continued

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

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

Proprietary Fund Financial Statements

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

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

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

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

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, Continued

The following are description of the major enterprise funds.

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

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

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

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

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

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

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

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

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

Fiduciary Fund Financial Statements

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

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting and Measurement Focus, 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 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).

C. Use of Restricted/Unrestricted Net Assets

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

D. Cash and Investments

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

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

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

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

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

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

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Restricted Cash and Investments

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

F. Property Taxes

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

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

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

G. Interfund Balances/Internal Balances

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

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

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

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

H. Capital Assets

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets, Continued

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

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

I. Interest Payable

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

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

J. Long-Term Debt

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance 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.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Deferred Revenue

Government-Wide Financial Statements

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

Fund Financial Statements

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

L. Compensated Absences

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

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

M. Net Assets and Fund Equity

Government-Wide Financial Statements

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

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

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Net Assets and Fund Equity, Continued

Fund Financial Statements

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

Reservations and designations used by the City are as follows:

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

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

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

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

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

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

Designated for Recreation Services and Others represents funds donated or contributed to the Recreation, Engineering, and Police Departments for specified uses.

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

N. Use of Estimates

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

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 2-CASH AND INVESTMENTS

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

A. Policies

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

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the City employs the Trust Department of a bank as the custodian of certain City managed investments, regardless of their form. Individual Investments are generally made by the City's fiscal agent as required under its debt issues; the City normally invests in only in the California Local Agency Investment Fund pool administered by the State.

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

B. Classification

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

	<u>Government-Wide Statement of Net Assets</u>				
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Cash and investments	<u>\$ 109,916,416</u>	<u>\$ 18,234,910</u>	<u>\$ 128,151,326</u>	<u>\$ 3,249,024</u>	<u>\$ 131,400,350</u>
Restricted cash and investments	<u>\$ 196,218,978</u>	<u>\$ 23,571,982</u>	<u>\$ 219,790,960</u>	<u>\$ 9,472,711</u>	<u>\$ 229,263,671</u>
Total cash and investments					<u><u>\$ 360,664,021</u></u>

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

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

Authorized Investment Type	Maximum Maturity	Maximum 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	A 1	40%	15%
Commercial Paper	270 Days	A 1	25%	10%
Negotiable Certificates of Deposit	5 Years	Aa/AA	30%	15%
Certificates of Deposit	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	N/A	None	\$40 Million	None

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Pools*, investments were stated at fair value using the aggregate method. The City reported a loss of \$36,897.

The City's investments with Local Agency Investment Fund (LAIF), a State of California external investment pool, at June 30, 2007, 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.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

As of June 30, 2007, the City had \$84,113,437 invested in LAIF, which had invested 3.466% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 0.999545022 was used to calculate the fair value of the investments in LAIF. The fair value of the City's position in the pool is materially equivalent to the value of the pool share.

D. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	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
Per-refunded Municipal Obligations	N/A	AAA
Certificates of Deposits	N/A	None
Guaranteed Investment Agreements	N/A	None
Repurchase Agreements	30 days	A
Local Agency Investment Fund (LAIF)	N/A	None
California Asset Management Program (CAMP)	N/A	None

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

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.

Investment Type	Fair Value	Investment Maturities (in years)		
		1 year or less	1-5 years	Over 5 years
Cash in banks and on hand	\$ 26,930,874	\$ 26,930,874	\$ -	\$ -
Securities of U.S. Government	8,885,287	8,885,287	-	-
Money Market	19,105,884	19,105,884	-	-
Local Agency Investments Funds	84,113,437	84,113,437	-	-
Guaranteed Investment Agreements	201,628,539	47,738,038	131,922,469	21,968,032
Certificate of Deposit	20,000,000	20,000,000	-	-
Total	\$ 360,664,021	\$ 206,773,520	\$ 131,922,469	\$ 21,968,032

At June 30, 2007, these investments matured in an average of 176 days.

Money Market Funds are available for withdrawal on demand and at June 30, 2007 matured in an average of 14 days.

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2007 for each investment type as provided by Standard and Poor's investment rating system.

	Credit Quality Ratings	
	At Year End	Fair Value
Cash in banks and on hand		\$ 26,930,874
Certificate of Deposit	Not Rated	20,000,000
Securities of U.S. Government Agencies	AAA	8,885,287
Local Agency Investment Funds	Not Rated	84,113,437
Guaranteed Investment Contracts	Not Rated	201,628,539
Money Market Funds	AAAA	19,105,884
		\$ 360,664,021

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 2 - CASH AND INVESTMENTS (Continued)

G. Concentration of Credit Risk

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

Issuer	Investment Type	Amount
Royal Bank of Canada	Guaranteed Investment Agreements	\$ 111,658,687
AEGON/Transamerica Occ. Life Investment	Guaranteed Investment Agreements	47,738,038
FSA Capital Management Service	Guaranteed Investment Agreements	20,263,782
MBIA INS. Corp. Financial	Guaranteed Investment Agreements	14,491,608
	Total Major Funds	\$ 194,152,115

NOTE 3-NOTES AND LOANS RECEIVABLE

As of June 30, 2007, loans and notes receivable consisted of the following:

Description	Balance June 30, 2007
Governmental Funds:	
HUD Community Development Block Grant	\$ 256,836
Rehabilitation and construction loan	16,911,894
Steadfast Marina Heights L.P.	1,400,000
Fairfield Belmont, L.P Loan	4,876,523
Mercy Housing California Loan	871,537
Low income families Loan	259,440
Pacific Community Loan	382,666
Palm Plaza Group, LLC and Palm Plaza Development	1,834,800
Total governmental funds	<u>26,793,696</u>
Internal Service Funds	
Information Systems loans	30,651
Total loans receivables	<u>\$ 26,824,347</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 3-NOTES AND LOANS RECEIVABLE (Continued)

A. HUD Community Development Block Grant Loans

The HUD CDBG Special Revenue fund had a loans receivable balance as of June 30, 2007 which was made up of \$256,836 in CDBG entitlement loans.

B. Rehabilitation and Construction Loans

Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by HUD. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance was \$1,798,300 as of June 30, 2007.

The various rehabilitation and construction loans of \$15,113,594 include deferred and accrued interest of \$1,404,738 at June 30, 2007. These loans have been made to individual homeowners, businesses and developers within the Redevelopment Area. The terms of these loans are specific to the borrower, and interest rates, as well as usage and repayment requirements, vary according to the loan type. The following are descriptions of the various loans.

In 2005, a loan agreement was entered with the Mt. Diablo Unified School District (District) in the amount of \$6,147,209 for capital improvements. The funding was provided with the 2003A Bond Proceeds that typically would be passed through to the District. The District will repay the loan from school impact fees collected, until the Agency is fully reimbursed or 35 years, whichever occurs first. The balance outstanding as of June 30, 2007 was \$5,840,607.

In fiscal year 2005-2006, a Development and Disposition Agreement was entered into with Domus Development LLC (Developer) up to \$8,000,000 for the development of a 28-unit residential rental dwelling and an 8,000 square feet ground floor commercial space at the northeast corner of Railroad Avenue and 10th Street. Of which, \$6,000,000 will be funded by the Redevelopment Agency's low and moderate income housing funds and \$2,000,000 by future tax increments. During the fiscal year 2006-2007, \$3,184,360 of the loan was disbursed to the Developer. The Developer will repay the loan by making monthly payments of \$10,168, plus a Public Safety Annual Fee of \$376.19 per dwelling unit, with an increase of 5% every year commencing on October 15, 2008. The balance outstanding as of June 30, 2007 was \$3,954,225.

The remaining loans receivable of \$5,318,762 as of June 30, 2007 represents a number of small business and property owner rehabilitation and construction loans to eliminate blight by assisting improvements and rehabilitation of properties that are currently vacant or underutilized.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 3-NOTES AND LOANS RECEIVABLE (Continued)

C. Other Loans

During fiscal year 2004-2005, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$1,400,000 to the Steadfast Marina Heights L.P. for the purchase and renovation of 200 affordable residential units located within the Redevelopment Project Area. The loan bears interest of 7% per year and provides for the Agency to receive 30% of the projects residual receipts annually. The outstanding balance as of June 30, 2007 was \$1,400,000.

During fiscal year 2004-2005, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$4,880,000 to the Fairfield Belmont, L.P. for the purchase and renovation of 224 affordable residential units located within the Redevelopment Project Area. The loan bears interest of 1% per year and provides for the Agency to receive 20% of the projects residual receipts annually. The outstanding balance as of June 30, 2007 was \$4,876,523.

During fiscal year 2005-2006, the Redevelopment Agency/Low Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$1,052,854 to Mercy Housing California for the development of a 64-unit dwelling and child care center located within the Redevelopment Project Area. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. The outstanding balance as of June 30, 2007 was \$871,537.

During fiscal year 2006-2007, the Redevelopment Agency/ Low Moderate Income Housing II Special Revenue Fund agreed to loan funds to low income families to purchase homes. The loans bear no interest and are deferred until the property changes title or are refinanced for cash. The outstanding balance as of June 30, 2007 was \$259,440.

During fiscal year 2006-2007, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund agreed to loan funds of \$377,011 to Pacific Community Services for prior construction of 104 units called the Presidio Village Senior Housing. The loan bears interest of 3% per year and provides for the Agency to receive 50% of the projects residual receipts annually. The outstanding balance as of June 30, 2007 was \$382,666 and the deferred and accrued interest was \$5,655.

During fiscal year 2006-2007, the Redevelopment Agency Low/Moderate Income Housing II Special Revenue Fund provided \$728,000 and \$940,000 to Palm Plaza Group, LLC and Palm Plaza Development, respectively, for purchase and renovation of residential units located within the Redevelopment Project Area. The outstanding balance as of June 30, 2007 was \$1,834,800 and the deferred and accrued interest was \$72,800 and \$94,000 for Palm Plaza Group, LLC and Palm Plaza Development, respectively.

D. Information Systems Loans

The loans receivable in the Information Systems Internal Service Fund are for the City's employee home computer purchase loans; the outstanding receivable balance as of June 30, 2007 was \$30,651.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 4-DEFERRED REVENUE

A. Government-Wide Financial Statements

Unearned revenues in Government-Wide Financial Statements represent amounts for which revenues have not been earned. At June 30, 2007, unearned revenues in the Government-Wide Financial Statements consisted of unearned grant revenues of \$1,077,938 in Governmental Activities and \$309,056 in Business-Type Activities, and unearned service revenues of \$245,829 in Governmental Activities.

B. Fund Financial Statements

At June 30, 2007, the following deferred revenues were recorded in the Fund Financial Statements because either the revenues had not been earned or the funds were not available to finance expenditures of the current period:

	Governmental Funds					Enterprise	Total
	General Fund	Low/Moderate Income Housing II	Redevelopment Agency Special Revenue	Housing Authority (Section 8)	Non-Major Funds	Non-Major Enterprise Funds	
Unearned developer/donation revenue	\$ 789,074	\$ -	\$ -	\$ -	\$ 288,864	\$ 309,056	\$ 1,386,994
Housing loans receivable	-	-	523,649	18,039	2,102,217	-	2,643,905
Construction loan receivable	-	9,624,966	13,980,320	-	-	-	23,605,286
Unearned service revenue	245,829	-	-	-	-	-	245,829
Total	\$ 1,034,903	\$ 9,624,966	\$ 14,503,969	\$ 18,039	\$ 2,391,081	\$ 309,056	\$ 27,882,014

NOTE 5-INTERFUND TRANSACTIONS

A. Current Interfund Balances

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

Current interfund balances are as follows:

DUE FROM FUND:	DUE TO FUND	AMOUNT
Non-Major Governmental Funds:		
Special revenue funds:		
HUD Community Development Block Grant		\$ 441,728
San Marco CFD 2004-01		103,569
Public Safety CFD 2005-1		99,855
Park maintenance CFD 2007-1		150,000
	General Fund	\$ 795,152

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 5-INTERFUND TRANSACTIONS (Continued)

B. Interfund Advances

At June 30, 2007, the following funds had advances that were not expected to be repaid within the next year:

<u>FROM FUND:</u>	<u>TO FUND:</u>	<u>AMOUNT</u>
GOVERNMENTAL FUNDS:		
Low and Moderate Income Housing I Special Revenue Fund	To Redevelopment Agency Special Revenue Fund	\$ 8,100,000
TOTAL GOVERNMENTAL FUNDS		8,100,000
PROPRIETARY FUNDS		
Sewer Utility Enterprise Fund	To Water Utility Fund	204,280
Non-Major Enterprise Funds:	To Non-Major Enterprise Funds:	
Golf Course	Pittsburg Power	375,000
Island Energy	Pittsburg Power	1,250,000
TOTAL PROPRIETARY FUNDS		1,829,280
	TOTAL ADVANCES	\$ 9,929,280

At June 30, 2007, the Low/Moderate Income Housing I Special Revenue Fund had an advance outstanding of \$8,100,000 from the Redevelopment Agency Special Revenue Fund for the allocation of costs of low/moderate income housing program qualified for the Housing Set Aside efforts owed to the Agency. As required, the Agency has adopted a plan to eliminate the deferred amount.

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

During fiscal year 2003/2004 the Sewer Utility Enterprise Fund advanced \$525,000 to the Water Utility Enterprise Fund for repairs and capital improvements to the Hillview Reservoir Storm Drain. The advance is to be repaid over five years with interest at the Local Agency Investment Fund (LAIF) rate. At June 30, 2007, the balance of the advance was \$204,280.

During fiscal year 2003/2004 the Pittsburg Power Enterprise Fund advanced \$300,000 to the Island Energy Enterprise Fund to establish a reserve fund for the operating activities on Mare Island. The advance is to be repaid in future years when the net assets in the Island Energy have reached a level to replace the amount transferred from the Pittsburg Power Fund.

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 6-DEFERRED CHARGES

As of June 30, 2007, deferred charges for the Government-Wide Financial Statements consisted of the following:

	Balance <u>July 1, 2006</u>	Additions	Deletions	Balance <u>June 30, 2007</u>
Governmental Activities:				
Bond issuance costs	\$ 2,038,174	\$ 4,171,245	\$ (323,531)	\$ 5,885,888

The amortization expense was \$323,531 for the year ended June 30, 2007.

NOTE 7-CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2007, the City's capital assets consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Non-depreciable assets:			
Land	\$ 53,751,984	\$ 325,000	\$ 54,076,984
Construction in progress	63,574,891	9,135,839	72,710,730
Total non-depreciable assets	<u>117,326,875</u>	<u>9,460,839</u>	<u>126,787,714</u>
Depreciable assets:			
Buildings and improvements	50,478,906	19,883,837	70,362,743
Machinery and equipment	8,421,145	2,140,084	10,561,229
Infrastructure	209,126,289	93,490,157	302,616,446
	<u>268,026,340</u>	<u>115,514,078</u>	<u>383,540,418</u>
Less accumulated depreciation:			
Buildings and improvements	13,144,284	5,427,346	18,571,630
Machinery and equipment	4,266,826	1,301,068	5,567,894
Infrastructure	82,343,021	27,278,429	109,621,450
Total accumulated depreciation	<u>99,754,131</u>	<u>34,006,843</u>	<u>133,760,974</u>
Total depreciable assets	<u>168,272,209</u>	<u>81,507,235</u>	<u>249,779,444</u>
Total capital assets	<u>\$ 285,599,084</u>	<u>\$ 90,968,074</u>	<u>\$ 376,567,158</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 5-INTERFUND TRANSACTIONS (Continued)

C. Interfund Transfers, Continued

FROM FUND:	TO FUND:	AMOUNT	
GOVERNMENTAL FUNDS:			
Redevelopment Special Revenue Fund		\$ 3,000,000	
Redevelopment Debt Service Fund		119,166	
Non-Major Governmental Funds		1,796,932	
Water Utility		390,421	
Sewer Utility		440,421	
Marina		83,137	
Non-Major Enterprise Funds		227,447	
Internal Service Funds		250,000	
	To General Fund	6,307,524	A
Redevelopment Debt Service Fund		2,823,298	
	To Low/Moderate Housing II Special Revenue Fund	2,823,298	B
Redevelopment Debt Service Fund		1,562,182	
	To Redevelopment Special Revenue Fund	1,562,182	C
Low/Moderate Housing II Special Revenue Fund		1,847,037	
Redevelopment Special Revenue Fund		13,159,232	
	To Redevelopment Debt Service Fund	15,006,268	D
Redevelopment Special Revenue Fund		7,133,463	
Redevelopment Debt Service Fund		26,560,240	
Low/Moderate Housing II Special Revenue Fund		3,285,758	
Non-Major Governmental Funds		2,879,232	
	To Redevelopment Capital Projects Fund	39,858,693	E
General Fund		1,612,062	
Redevelopment Debt Service Fund		7,609,928	
Non-Major Governmental Funds		233,869	
	To Non-Major Governmental Funds	9,455,859	F
TOTAL GOVERNMENTAL FUNDS		75,013,824	
PROPRIETARY FUNDS			
General Fund	To Water Utility	63,600	G
Non-Major Governmental Funds	To Marina	22,500	H
General Fund		250,000	
Non-Major Governmental Funds		60,358	
	To Non-Major Enterprise Funds	310,358	I
General Fund	To Internal Service Funds	980,000	J
TOTAL PROPRIETARY FUNDS		1,376,458	
	TOTAL TRANSFERS	\$ 76,390,282	

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 6-DEFERRED CHARGES

As of June 30, 2007, deferred charges for the Government-Wide Financial Statements consisted of the following:

	Balance <u>July 1, 2006</u>	Additions	Deletions	Balance <u>June 30, 2007</u>
Governmental Activities:				
Bond issuance costs	\$ 2,038,174	\$ 4,171,245	\$ (323,531)	\$ 5,885,888

The amortization expense was \$323,531 for the year ended June 30, 2007.

NOTE 7-CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2007, the City's capital assets consisted of the following:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Non-depreciable assets:			
Land	\$ 53,751,984	\$ 325,000	\$ 54,076,984
Construction in progress	63,574,891	9,135,839	72,710,730
Total non-depreciable assets	<u>117,326,875</u>	<u>9,460,839</u>	<u>126,787,714</u>
Depreciable assets:			
Buildings and improvements	50,478,906	19,883,837	70,362,743
Machinery and equipment	8,421,145	2,140,084	10,561,229
Infrastructure	209,126,289	93,490,157	302,616,446
	268,026,340	115,514,078	383,540,418
Less accumulated depreciation:			
Buildings and improvements	13,144,284	5,427,346	18,571,630
Machinery and equipment	4,266,826	1,301,068	5,567,894
Infrastructure	82,343,021	27,278,429	109,621,450
Total accumulated depreciation	<u>99,754,131</u>	<u>34,006,843</u>	<u>133,760,974</u>
Total depreciable assets	<u>168,272,209</u>	<u>81,507,235</u>	<u>249,779,444</u>
Total capital assets	<u>\$ 285,599,084</u>	<u>\$ 90,968,074</u>	<u>\$ 376,567,158</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 7-CAPITAL ASSETS (Continued)

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2006	Additions	Retirements	Reclassifications	Prior Period Adjustments	Balance June 30, 2007
Non-depreciable assets:						
Land	\$ 45,413,481	\$ 11,012,176	\$ (2,673,673)	\$ -	\$ -	\$ 53,751,984
Construction in progress	37,995,791	33,250,660	(650,655)	(8,007,002)	986,097	63,574,891
Total non-depreciable assets	83,409,272	44,262,836	(3,324,328)	(8,007,002)	986,097	117,326,875
Depreciable assets:						
Building and improvements	47,845,231	-	(77,926)	2,711,601	-	50,478,906
Machinery and equipment	7,209,662	1,548,886	(811,174)	-	473,771	8,421,145
Infrastructure	203,902,765	1,925,584	(1,997,461)	5,295,401	-	209,126,289
Total depreciable assets	258,957,658	3,474,470	(2,886,561)	8,007,002	473,771	268,026,340
Less accumulated depreciation:						
Building and improvements	(11,395,673)	(1,696,893)	58,039	-	(109,757)	(13,144,284)
Machinery and equipment	(4,200,798)	(761,400)	747,022	-	(51,650)	(4,266,826)
Infrastructure	(78,635,207)	(5,743,684)	1,895,270	-	140,600	(82,343,021)
Total accumulated depreciation	(94,231,678)	(8,201,977)	2,700,331	-	(20,807)	(99,754,131)
Total depreciable assets, net	164,725,980	(4,727,507)	(186,230)	8,007,002	452,964	168,272,209
Total capital assets	\$ 248,135,252	\$ 39,535,329	\$ (3,510,558)	\$ -	\$ 1,439,061	\$ 285,599,084

Governmental activities depreciation expense for capital assets for the year ended June 30, 2007 are as follows:

General government	\$ 946,111
City Manager and City Clerk	4,780
Human Resources	8,465
Finance and services	53,748
Community development and services	76,934
Public Safety	310,454
Public works	6,801,485
Total depreciation expense	\$ 8,201,977

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 7-CAPITAL ASSETS (Continued)

A. Government-Wide Financial Statements, Continued

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

	Balance July 1, 2006	Additions	Retirements	Reclassifications	Balance June 30, 2007
Non-depreciable assets:					
Land	\$ -	\$ 325,000	\$ -	\$ -	\$ 325,000
Construction in progress	2,506,925	6,973,514	-	(344,600)	9,135,839
Total non-depreciable assets	2,506,925	7,298,514	-	(344,600)	9,460,839
Depreciable assets:					
Building and improvements	22,564,823	160,278	(2,841,264)	-	19,883,837
Machinery and equipment	2,233,778	83,896	(177,590)	-	2,140,084
Infrastructure	92,987,505	159,965	(1,913)	344,600	93,490,157
Total depreciable assets	117,786,106	404,139	(3,020,767)	344,600	115,514,078
Less accumulated depreciation:					
Building and improvements	(7,657,176)	(539,178)	2,769,008	-	(5,427,346)
Machinery and equipment	(1,324,265)	(154,803)	178,000	-	(1,301,068)
Infrastructure	(25,688,191)	(1,592,109)	1,871	-	(27,278,429)
Total accumulated depreciation	(34,669,632)	(2,286,090)	2,948,879	-	(34,006,843)
Total depreciable assets, net	83,116,474	(1,881,951)	(71,888)	344,600	81,507,235
Total capital assets	\$ 85,623,399	\$ 5,416,563	\$ (71,888)	\$ -	\$ 90,968,074

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2007 are as follows:

Water Utility	\$ 909,070
Sewer Utility	436,635
Marina	446,122
Golf Course	145,264
Island Energy	348,999
Total depreciation expense	\$ 2,286,090

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 7-CAPITAL ASSETS (Continued)

B. Fund Financial Statements

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

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

NOTE 8-LONG TERM DEBT

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2007:

Description	Original Issue Amount	Beginning Balance July 1, 2006	Additions	Retirements	Ending Balance June 30, 2007	Amounts Due Within One Year
Tax Allocation Bonds						
1993B RDA Refunding Bonds	\$ 40,000,000	\$ 39,885,000	\$ -	\$ (39,885,000)	\$ -	\$ -
1999 RDA Bonds	30,106,357	29,851,357	-	(55,000)	29,796,357	60,000
2002A RDA Refunding Bonds	59,970,000	43,605,000	-	(4,330,000)	39,275,000	4,495,000
2003A RDA Bonds	88,375,000	88,085,000	-	(290,000)	87,795,000	1,655,000
2004A RDA Housing Set Aside Bonds	18,270,000	18,005,000	-	(285,000)	17,720,000	295,000
2004B RDA Subordinated Refunding Bonds	10,720,000	10,720,000	-	-	10,720,000	-
2004A RDA Subordinated Bonds	117,615,000	117,615,000	-	-	117,615,000	-
2006A RDA Housing Set Aside Bonds	11,020,000	-	11,020,000	-	11,020,000	360,000
2006A RDA Subordinated Bonds	75,300,000	-	75,300,000	-	75,300,000	-
2006B RDA Subordinated Bonds	36,840,000	-	36,840,000	-	36,840,000	-
2006C RDA Subordinated Refunding Bonds	46,660,000	-	46,660,000	-	46,660,000	685,000
Total Tax Allocation Bonds		347,766,357	169,820,000	(44,845,000)	472,741,357	7,550,000
2006 Pension Obligation Bonds	39,566,056	39,566,056	-	-	39,566,056	-
Unamortized Premium		6,189,259	-	(442,090)	5,747,169	442,090
Deferred amount on refunding on 2006C RDA		-	(4,333,319)	149,425	(4,183,894)	(149,425)
Total Governmental Activities		\$ 393,521,672	\$ 165,486,681	\$ (45,137,665)	\$ 513,870,688	\$ 7,842,665

1993 Series B Redevelopment Agency Tax Allocation Refunding Bonds

In fiscal year 2007, the 1993 Series B Redevelopment Agency Tax Allocation Refunding Bonds (1993B RDA Bonds) were fully refunded in the amount of \$39,885,000 on an advance basis using 2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds. Proceeds from the 1993B RDA Bonds were used to fund certain capital improvements located within the Los Medanos Project Area. Certain direct obligations of the United States of America were purchased and were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the Refunded Bonds. As a result, the Refunded Bonds were considered to be defeased and the liability for those obligations was removed along with trust assets from the City's financial statements.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

1999 Redevelopment Agency Tax Allocation Bonds

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2007 amounted to \$29,796,354. The bonds bear interest 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. Interest is payable semi-annually on February 1 and August 1 of each year. The bonds are to be paid from Redevelopment Agency tax revenues. The proceeds of the bonds were used to provide money for certain public capital improvements located within the Redevelopment Agency's Project Area, to fund a reserve account, and to pay cost of issuance incurred in connection with the issuance.

The annual debt service requirements to mature the 1999 RDA Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 60,000	\$ 523,748	\$ 583,748
2009	65,000	520,653	585,653
2010	580,000	504,383	1,084,383
2011	600,000	474,438	1,074,438
2012	630,000	442,600	1,072,600
2013-2017	4,325,000	1,623,600	5,948,600
2018-2022	7,583,057	14,463,969	22,047,026
2023-2027	9,790,300	34,433,814	44,224,114
2028-2031	6,163,000	26,686,802	32,849,802
Total	\$ 29,796,357	\$ 79,674,007	\$ 109,470,364

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, 2007 amounted to \$39,275,000. The 2002 Series A 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 2002 RDA Bonds mature annually from 2002 to 2015 on August 1 in amounts ranging from \$3,930,000 to \$4,980,000. The bonds are to be paid from certain future tax revenues. Proceeds from the 2002 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.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2002 Series A Redevelopment Agency Tax Allocation Refunding Bonds, Continued

The annual debt service requirements to mature the 2002 RDA Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 4,495,000	\$ 1,840,025	\$ 6,335,025
2009	4,675,000	1,650,781	6,325,781
2010	3,690,000	1,459,188	5,149,188
2011	3,875,000	1,270,063	5,145,063
2012	4,065,000	1,071,563	5,136,563
2013-2016	18,475,000	2,001,956	20,476,956
Total	<u>\$ 39,275,000</u>	<u>\$ 9,293,575</u>	<u>\$ 48,568,575</u>

2003 Series A Redevelopment Agency Tax Allocation Bonds

2003 Series A Redevelopment Agency Tax Allocation Bonds (2003A RDA Bonds) outstanding at June 30, 2007 amounted to \$87,795,000. The 2003A RDA Bonds bear interest at rates between 2.00% and 5.00% with interest payments made semi-annually on February 1 and August 1. The 2003A RDA Bonds mature annually from 2004 to 2021 on August 1 in amounts ranging from \$5,000 to \$8,815,000. Proceeds from the 2003A RDA Bonds were used to fund redevelopment activities of benefit to the Agency's Los Medanos Redevelopment Project, to refund all of the Agency's outstanding Series 1993A Tax Allocation Refunding Bonds (\$36,760,000), to fund a reserve account, to fund capitalized interest on a portion of the Series 2003A Bonds, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of 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.

The annual debt service requirements to mature the 2003A RDA Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 1,655,000	\$ 4,207,763	\$ 5,862,763
2009	1,695,000	4,165,888	5,860,888
2010	2,410,000	4,096,500	6,506,500
2011	2,515,000	3,985,425	6,500,425
2012	2,645,000	3,856,425	6,501,425
2013-2017	19,955,000	16,992,625	36,947,625
2018-2022	35,540,000	9,186,250	44,726,250
2023-2027	13,485,000	3,454,081	16,939,081
2028-2030	7,895,000	574,156	8,469,156
Total	<u>\$ 87,795,000</u>	<u>\$ 50,519,113</u>	<u>\$ 138,314,113</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2004 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds

2004 Series A Housing Set Aside Tax Allocation Bonds Series (2004 A RDA bonds) outstanding at June 30, 2007 amounted to \$17,720,000. The Bonds bear interest rates from 3.750%-5.620% with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2005 through August 1, 2035. The Bonds were issued to fund the low and moderate income housing within the Agency's Los Medanos Community Development Project Area, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2004A bonds. The bonds are to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency.

The annual debt service requirements to mature the 2004A RDA Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 295,000	\$ 940,821	\$ 1,235,821
2009	305,000	929,571	1,234,571
2010	315,000	916,923	1,231,923
2011	330,000	902,733	1,232,733
2012	345,000	887,883	1,232,883
2013-2017	1,990,000	4,165,924	6,155,924
2018-2022	2,560,000	3,578,945	6,138,945
2023-2027	3,330,000	2,786,757	6,116,757
2028-2032	4,355,000	1,731,448	6,086,448
2033-2036	3,895,000	408,715	4,303,715
Total	<u>\$ 17,720,000</u>	<u>\$ 17,249,718</u>	<u>\$ 34,969,718</u>

2004 Series B Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

2004 Series B Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2004B RDA Bonds) outstanding at June 30, 2007 amounted to \$10,720,000. The Bonds bear interest rates from 3.810%-4.430% with interest payments made semiannually on March 1 and September 1 each year commencing March 1, 2005 through September 1 2011. The bonds are to be paid from Redevelopment Agency tax revenues. Proceeds from the 2004B RDA bonds were used to refund, on an advance basis, a portion of the Agency's outstanding Series 1996 Subordinate Tax Allocation bonds (\$20,000,000), to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2004B bonds.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2004 Series B Redevelopment Agency Subordinate Tax Allocation Refunding Bonds, Continued

The annual debt service requirements to mature the 2004B STARB Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 448,811	\$ 448,811
2009	1,990,000	410,901	2,400,901
2010	2,065,000	330,866	2,395,866
2011	3,260,000	219,791	3,479,791
2012	3,405,000	75,421	3,480,421
Total	<u>\$ 10,720,000</u>	<u>\$ 1,485,788</u>	<u>\$ 12,205,788</u>

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds outstanding at June 30, 2007 amounted to \$117,615,000. The bonds are repayable from Redevelopment Agency tax revenues. Principal payments are due annually on September 1, commencing in 2012. Proceeds from the 2004A Bonds were to be used to fund redevelopment activities of benefit to the Agency's Los Medanos Redevelopment Project, to refund, on an advance basis, a portion of the Agency's outstanding Series 1996 Subordinate Tax Allocation bonds (\$20,000,000), to fund capitalized interest on a portion of the 2004 A Bonds through September 2007, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the 2004A Bonds. A portion of the proceeds from the 2004A Bonds was placed in an irrevocable trust to provide for all future debt service payments on the defeased 1996 Bonds. As of June 30, 2007, \$20,000,000 of principal remained outstanding on the defeased 1996 bonds.

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds, Continued

The annual debt service requirements to mature the 2004A STAB Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 4,174,156	\$ 4,174,156
2009	-	4,174,156	4,174,156
2010	-	4,174,156	4,174,156
2011	-	4,174,156	4,174,156
2012	-	4,174,156	4,174,156
2013-2017	20,915,000	18,883,120	39,798,120
2018-2022	24,750,000	14,784,513	39,534,513
2023-2027	26,665,000	10,115,049	36,780,049
2028-2032	29,755,000	5,149,910	34,904,910
2033-2036	15,530,000	880,596	16,410,596
Total	\$ 117,615,000	\$ 70,683,969	\$ 188,298,969

Series 2006 Pension Obligation Bonds

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

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 125,000	\$ 1,614,517	\$ 1,739,517
2009	175,000	1,607,287	1,782,287
2010	240,000	1,597,165	1,837,165
2011	300,000	1,583,283	1,883,283
2012	375,000	1,565,931	1,940,931
2013-2017	4,801,674	9,715,821	14,517,495
2018-2022	6,512,067	12,051,416	18,563,483
2023-2027	6,662,250	12,983,294	19,645,544
2028-2032	8,860,065	11,350,518	20,210,583
2033-2035	11,515,000	1,394,524	12,909,524
Total	\$ 39,566,056	\$ 55,463,756	\$ 95,029,812

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2006 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds

On November 30, 2006, the City issued \$11,020,000 of Series 2006 Bonds bearing interest at 5.12-5.31% to fund low and moderate income housing of benefit to the Agency's Los Medanos Redevelopment Project, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006A bonds. The bonds with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2007 through August 1, 2036, are to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency.

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 360,000	\$ 570,780	\$ 930,780
2009	165,000	557,354	722,354
2010	170,000	548,786	718,786
2011	180,000	539,835	719,835
2012	190,000	530,372	720,372
2013-2017	1,095,000	2,492,911	3,587,911
2018-2022	1,405,000	2,171,492	3,576,492
2023-2027	1,815,000	1,747,983	3,562,983
2028-2032	2,360,000	1,196,834	3,556,834
2033-2037	3,280,000	487,815	3,767,815
Total	<u>\$ 11,020,000</u>	<u>\$ 10,844,162</u>	<u>\$ 21,864,162</u>

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

On December 7, 2006, the City issued \$75,300,000 of Series 2006A Bonds bearing auction rate bonds to finance certain public capital improvements within the Los Medanos Community Development Project, to fund capitalized interest on the 2006A Bonds through September 1, 2009, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2006A Bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing September 1, 2007 through September 1, 2036, are to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency.

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

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2006 Series A Redevelopment Agency Subordinate Tax Allocation Bonds, Continued

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 2,783,183	\$ 2,783,183
2009	-	2,750,709	2,750,709
2010	-	2,750,709	2,750,709
2011	-	2,750,709	2,750,709
2012	-	2,750,709	2,750,709
2013-2017	-	13,753,545	13,753,545
2018-2022	4,450,000	13,618,080	18,068,080
2023-2027	28,375,000	10,052,295	38,427,295
2028-2032	28,875,000	4,500,953	33,375,953
2033-2037	13,600,000	1,200,619	14,800,619
Total	<u>\$ 75,300,000</u>	<u>\$ 56,911,510</u>	<u>\$ 132,211,510</u>

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds

On November 29, 2006, the City issued \$36,840,000 of Series 2006B Bonds bearing interest at 5.12-5.22% to finance certain public capital improvements within the Los Medanos Community Development Project, to fund capitalized interest on the 2006B Bonds through September 1, 2009, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of the 2006B Bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2007 through September 1, 2020, are to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency.

The annual debt service requirements to mature the Series 2006B Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ -	\$ 1,902,796	\$ 1,902,796
2009	-	1,902,796	1,902,796
2010	-	1,902,796	1,902,796
2011	-	1,902,796	1,902,796
2012	1,280,000	1,870,060	3,150,060
2013-2017	17,130,000	7,210,696	24,340,696
2018-2021	18,430,000	1,987,176	20,417,176
Total	<u>\$ 36,840,000</u>	<u>\$ 18,679,115</u>	<u>\$ 55,519,115</u>

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

On November 29, 2006, the City issued \$46,660,000 of Series 2006C Bonds bearing interest at 3.50-4.50% to refund, on an advance basis, the Agency's outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 1993B, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006C bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2007 through September 1, 2034, are to be repaid from certain tax revenues and other funds as provided in certain resolutions of the Agency.

Net proceeds of \$44,179,521 from the 2006C bonds were deposited in irrevocable escrow fund to be held by an escrow agent to provide for all future debt service payments on the defeased 1993B Bonds. The refunding of the 1993B Bonds resulted in a \$4,383,362 decrease of future aggregate debt service and an economic gain of \$3,675,212. The 1993B bonds are considered to be defeased and the liabilities for those bonds have been removed. As of June 30, 2007, \$39,885,000 of principal remained outstanding on the defeased 1993B bonds.

The annual debt service requirements to mature the Series 2006C Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 685,000	\$ 1,998,158	\$ 2,683,158
2009	140,000	1,981,658	2,121,658
2010	145,000	1,975,958	2,120,958
2011	-	1,973,058	1,973,058
2012	150,000	1,969,683	2,119,683
2013-2017	840,000	9,750,500	10,590,500
2018-2022	1,020,000	9,565,338	10,585,338
2023-2027	1,250,000	9,338,266	10,588,266
2028-2032	10,860,000	8,840,931	19,700,931
2033-2035	31,570,000	2,093,231	33,663,231
Total	<u>\$ 46,660,000</u>	<u>\$ 49,486,779</u>	<u>\$ 96,146,779</u>

Interest Rate Swap Agreements

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements, Continued

Terms. The terms, including the counterparty credit ratings of the outstanding swap, as of June 30, 2007, are included below. The Agency's and City's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds.

Associated Bonds	2004A RDA Tax Allocation Bonds	2005 Water Revenue Bonds	2006A RDA Tax Allocation Bonds
City Pays	3.5490%	3.6150%	3.6530%
City Receives	63% of 1-month USD-LIBOR +0.35%	63% of 1-month USD-LIBOR +0.30%	63% of 1-month USD-LIBOR +0.30%
Maturity Date	9/1/2035	5/25/2035	8/25/2036
Initial Notional	\$117,615,000	\$38,850,000	\$73,300,000
Bank Counterparty	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services
Credit Ratings by			
Moody's/Fitch/S&P	Aa3/AA-/A+	Aa3/AA-/A+	Aa3/AA-/A+
Total Value	\$4,180,957.70	\$1,355,217.06	\$2,390,377.82

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

On December 15, 2005, the City elected to enter into a 63% of 1-month LIBOR plus 30 basis points (0.30%) floating-to-fixed interest rate swap to hedge the issuance of \$38,850,000 of variable-rate Series 2005 Water Bonds. The 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.

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements, Continued

Fair value. The Agency's swap had a positive fair value as of June 30, 2007 of \$4,180,958 and \$2,390,378 for 2004A and 2006A RDA Tax Allocation Bonds, respectively, while the City's swap had a positive fair value of \$1,355,217 for 2005 Water Revenue Bonds. This fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

Credit risk. As of June 30, 2007, the Agency was exposed to credit risk on its outstanding swap because the swap had a positive fair value of \$4,180,958 and \$2,390,378 for 2004A and 2006A RDA Tax Allocation Bonds, respectively, while the City exposure was in the amount of \$1,355,217. The Agency and the City are exposed to credit risk in the amount of the derivative's fair value. This amount may increase if interest rates increase in the future. However, if interest rates decline and the fair value of the swap were to become negative, the Agency and City would no longer be exposed to credit risk. The swap counterparty is Piper Jaffray Financial Products, Inc. who is guaranteed by Morgan Stanley Capital Services, Inc. (MSCS), the guarantor for the counterparty is rated Aa3/A+/AA- by Moody's, Standard & Poor's and Fitch respectively. The Agency and City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated.

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

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

Interest Rate Swap Agreements, Continued

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

Capital Lease for Governmental Activities

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

Interest on the outstanding principal is 4.425%; monthly payments of principal and interest are made every month commencing March 30, 2007 through March 30, 2012. The outstanding balance at June 30, 2007 was \$913,518.

The annual debt service requirements to mature the Capital Lease outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Maintenance Fee	Total	Interest
2008	\$ 118,685	\$ 58,040	\$ 176,725	\$ 36,864
2009	126,665	58,040	184,705	28,884
2010	135,005	58,040	193,045	20,544
2011	143,723	58,040	201,763	11,827
2012	113,750	43,530	157,280	2,914
Total	\$ 637,828	\$ 275,690	\$ 913,518	\$ 101,033

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2007:

Description	Original Issue Amount	Beginning Balance July 1, 2006	Additions	Retirements	Ending Balance June 30, 2007	Amounts Due Within One Year
Revenue Bonds						
2004 Waste Water Revenue Bonds	\$ 11,950,000	\$ 10,815,000	\$ -	\$ (530,000)	\$ 10,285,000	\$ 545,000
2005 Water Revenue Bonds	38,850,000	38,475,000	-	(450,000)	38,025,000	450,000
Total Revenue Bonds		49,290,000	-	(980,000)	48,310,000	995,000
Capital Leases		71,565	-	(56,876)	14,689	14,689
Total Business-Type Activities		\$ 49,361,565	\$ -	\$ (1,036,876)	\$ 48,324,689	\$ 1,009,689

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2004 Wastewater Revenue Bonds

2004 Wastewater Revenue Bonds (2004 Wastewater) outstanding at June 30, 2007 amounted to \$10,285,000. In March 2004 the City of Pittsburgh Financing Authority (Authority) issued \$11,950,000 of Wastewater Revenue Refunding Bonds Series 2004. The Bonds bear interest rates from 2.00%-4.25% with interest payment made semi-annually on June 1 and December 1 commencing June 1, 2004 through June 1, 2022. The Bonds are payable from certain lien payments received by the Authority. The Bonds were issued to refund the \$11,545,000 outstanding balance of the 1994 Wastewater Revenue Refunding Bonds. Proceeds from the 2004 Bonds were placed in an irrevocable trust to provide for all future debt service payments on the defeased 1996 Bonds. Accordingly, the trust account assets and liability for the defeased 1994 Bonds are not included in the City's basic financial statements. The defeased 1994 Bonds were called on June 1, 2004.

The annual debt service requirements to mature the 2004 Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 545,000	\$ 367,978	\$ 912,978
2009	555,000	357,078	912,078
2010	570,000	343,203	913,203
2011	590,000	328,953	918,953
2012	605,000	311,253	916,253
2013-2017	3,350,000	1,234,830	4,584,830
2018-2022	4,070,000	528,108	4,598,108
Total	\$ 10,285,000	\$ 3,471,403	\$ 13,756,403

2005 Water Revenue Bonds

2005 Water Revenue Bonds outstanding at June 30, 2007 amounted to \$38,025,000. The bonds are repayable from the net revenues of the City's Water System. Principal payments are due annually on June 1, commencing in 2006. Proceeds from the 2005 Bonds were to be used to refund, on an advance basis, the City of Pittsburgh Public Financing Authority Series 1997 Water Revenue Bonds (\$13,430,000), to fund certain repairs, renovations, extensions, betterments and improvements to the Water System, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the 2005 Bonds. A portion of the proceeds from the 2005 Bonds was placed in an irrevocable trust to provide for all future debt service payments on the defeased 1997 Bonds. As of June 30, 2007, \$12,725,000 of principal remained outstanding on the defeased 1997 bonds.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 8-LONG-TERM DEBT (Continued)

2005 Water Revenue Bonds, Continued

The annual debt service requirements to mature the 2005 Bonds outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 450,000	\$ 1,374,604	\$ 1,824,604
2009	675,000	1,358,336	2,033,336
2010	825,000	1,333,935	2,158,935
2011	900,000	1,304,111	2,204,111
2012	925,000	1,271,576	2,196,576
2013-2017	5,175,000	5,831,899	11,006,899
2018-2022	6,250,000	4,821,506	11,071,506
2023-2027	7,500,000	3,601,444	11,101,444
2028-2032	9,025,000	2,142,791	11,167,791
2033-2036	6,300,000	460,913	6,760,913
Total	\$ 38,025,000	\$ 23,501,115	\$ 61,526,115

Capital Lease for Business-Type Activities

At June 30, 2007, the City had a golf course equipment lease purchase agreements outstanding with John Deer Credit. Interest on the outstanding principal was 5.238%; monthly payments of principal and interest are made every month. The outstanding balance at June 30, 2007 was \$14,689.

The annual debt service requirements to mature the Capital Lease outstanding at June 30, 2007, were as follows:

Year Ending June 30,	Principal	Interest	Total
2008	\$ 14,689	\$ 129	\$ 14,818
Total	\$ 14,689	\$ 129	\$ 14,818

Compensated Absences

Compensated absences at June 30, 2007 are presented as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 1,501,492	\$ 210,206	\$ 1,711,698
Additions	739,366	144,647	884,013
Payments	(17,502)	(7,430)	(24,932)
Ending Balance	<u>\$ 2,223,356</u>	<u>\$ 347,423</u>	<u>\$ 2,570,779</u>
Due within One Year	<u>\$ 310,480</u>	<u>\$ 40,773</u>	<u>\$ 351,253</u>

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 9-SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activities. The activity for those issues for the year ended June 30, 2007, was as follows:

Description	Beginning Balance July 1	Additions	Retirements	Ending Balance June 30
1998 Marina Walk A.D. Bonds	\$ 1,605,000	\$ -	\$ (35,000)	\$ 1,570,000
1998 Pittsburgh IFA Bonds	10,525,000	-	(390,000)	10,135,000
2001-01 San Marco A.D. Bonds	7,145,000	-	(125,000)	7,020,000
2001-02 Oak Hills South A.D. Bonds	2,620,000	-	(45,000)	2,575,000
2001-03 Century Plaza Bonds	4,255,000	-	(75,000)	4,180,000
2005 Vista Del Mar CFD Bonds	12,115,000	-	-	12,115,000
Total	\$ 38,265,000	\$ -	\$ (670,000)	\$ 37,595,000

1998 Marina Walk Assessment District Bonds - 1998 Marina Walk Assessment District Bonds (Marina Walk Bonds) outstanding at June 30, 2007, amounted to \$1,570,000. The Marina Walk Bonds bear interest rates between 4.25% and 5.40% with interest payments made semi-annually on March 2 and September 2. The Marina Walk Bonds mature annually from 2000 to 2028 on September 2 in amounts ranging from \$30,000 to \$120,000. Proceeds from the Marina Walk Bonds were used to finance the construction and acquisition of certain public improvements specifically benefiting properties located within the boundaries of the Marina Walk Assessment District.

1998 Pittsburgh Infrastructure Financing Authority Bonds - 1998 Pittsburgh Infrastructure Financing Authority Bonds (1998 PIFA Bonds) consist of two series with principal outstanding at June 30, 2007, amounting in total to \$10,135,000. The 1998 PIFA Bonds bear interest rates between 4.00% and 5.85% with interest payments made semi-annually on March 2 and September 2. The 1998 PIFA Bonds mature annually from 1999 to 2024 on September 2 in amounts ranging from \$105,000 to \$435,000. Proceeds from the 1998 PIFA Bonds were used to acquire \$12,000,000 principal amount of the Pittsburgh Limited Obligation Refunding Bonds, Reassessment District No. 1998-1 which were issued to refund the New York Landing and Oakhill Water Facilities Assessment District Bonds and the 1995 and 1994 Pittsburgh Infrastructure Financing Authority Bonds.

2001-01 San Marco Assessment District Bonds - 2001-01 Limited Obligation Improvement Assessment District Bonds (San Marco Bonds) outstanding at June 30, 2007, amounted to \$7,020,000. The San Marco Bonds bear interest rates between 4.00% and 5.90% with interest payments made semi-annually on March 2 and September 2. The San Marco Bonds are special obligations of the City and are to be paid from annual assessment installments. Proceeds from the San Marco Bonds were used to finance the construction and acquisition of certain public improvements within the assessment district.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

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

2001-02 Oak Hills South Assessment District Bonds - 2001-02 Limited Obligation Improvement Assessment District Bonds (Oak Hills South Bonds) outstanding at June 30, 2007, amounted to \$2,575,000. The Oak Hills South Bonds bear interest rates between 4.00% and 5.20% with interest payments made semi-annually on March 2 and September 2. The Oak Hills South Bonds are special obligations of the City and are to be paid from annual assessment installments. Proceeds from the Oak Hills South Bonds were used to finance the construction and acquisition of certain public improvements within the City's assessment district No. 2001-02.

2001-03 Century Plaza Assessment District Bonds - 2001-03 Limited Obligation Improvement Assessment District Bonds (Century Plaza Bonds) outstanding at June 30, 2007, amounted to \$4,180,000. 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 special obligations of the City and 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 sponsored \$12,115,000 of 2005 Community Facilities District Bonds (Vista Del Mar). The Vista Del Mar Bonds bear interest rates between 3.00% and 5.00% with interest payments made annual on September 1. The Vista Del Mar Bonds are to be paid from special taxes which are levied by the City on taxable real property within the boundaries of the District. Proceeds from the Vista Del Mar Bonds will be used to finance certain public infrastructure improvements within the City's Community Facilities District No. 2005-2.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 10-FUND EQUITY

A. Fund Reserves and Designations

In the Governmental Funds, fund balances at June 30, 2007, have been reserved or designated for the following purposes:

	Special Revenue					Debt Service		Total Governmental Funds
	General Fund	Low and Moderate Income Housing I	Low and Moderate Income Housing II	Redevelopment Agency	Housing Authority (Section 8)	Redevelopment Agency	Non-Major Governmental Funds	
Fund Balances:								
Reserved:								
Supplies	\$ 52,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,410
Capital projects	75,993	-	-	609,625	-	-	14,200,278	14,885,896
Special projects	-	-	2,955,548	-	3,010,829	-	6,927,951	12,894,328
Debt service	-	-	-	-	-	200,779,626	129,072	200,908,698
Prepaid items	10,854	-	-	175,089	-	-	-	185,943
Advances	-	-	-	8,100,000	-	-	-	8,100,000
Unreserved, designated:								
Loans - CFD	353,424	-	-	-	-	-	-	353,424
Capital projects	-	-	-	49,143,642	-	-	-	49,143,642
Unreserved, undesignated, reported in:								
General fund	9,566,686	-	-	-	-	-	-	9,566,686
Special Revenue funds	-	(8,100,000)	-	-	-	-	2,526,959	(5,573,041)
Total fund balances	\$ 10,059,367	\$ (8,100,000)	\$ 2,955,548	\$ 58,028,356	\$ 3,010,829	\$ 200,779,626	\$ 23,784,260	\$ 290,517,986

B. Deficit Fund Balance/Net Assets

At June 30, 2007, the Low and Moderate Income Housing I Special Revenue Fund had a deficit fund balance of \$8,100,000. The deficit will be reduced with future years incremental tax revenues.

At June 30, 2007, the San Marco CFD 2004-01 Special Revenue Fund had a deficit fund balance of \$43,206. The deficit will be reduced with future years assessment revenues.

At June 30, 2007, the Vista Del Mar CFD 2005-2 Special Revenue Fund had a deficit fund balance of \$4,824. The deficit will be reduced with future years incremental tax revenues.

At June 30, 2007, the Public Safety CFD 2005-1 Special Revenue Fund had a deficit fund balance of \$50,630. The deficit will be reduced with future years assessment revenues.

At June 30, 2007, the Park Maintenance CFD 2007-1 Special Revenue Fund had a deficit fund balance of \$39,030. The deficit will be reduced with future years assessment revenues.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 11-RISK MANAGEMENT

A. General Liability Insurance

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

B. Workers' Compensation

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

C. Estimated Reserves for Claims

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

The City's liability for uninsured claims, based on claims history, was computed as follows and is recorded in the Insurance Internal Service Fund:

For the Years Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2005	\$ 215,573	\$ 26,751	\$ (8,286)	\$ 234,038
2006	234,038	119,161	(160,356)	192,843
2007	192,843	82,390	(106,890)	168,343

D. Purchased Insurance

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

Coverage Type	Deductible	Coverage Limits
All Risk Fire and Property	\$ 5,000	\$ 1,000,000,000
Boiler and Machinery	5,000	100,000,000
All Vehicles (Physical Damage)	2,000	250,000
Police Vehicles (Physical Damage)	3,000	250,000
Workers' Compensation	None	145,000,000
Liability	25,000	25,000,000

City of Pittsburg
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 11-RISK MANAGEMENT (Continued)

D. Purchased Insurance, Continued

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 12-DEFINED BENEFIT PENSION PLAN

A. CALPERS Safety and Miscellaneous Plans

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

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

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 12-DEFINED BENEFIT PENSION PLAN (Continued)

A. CALPERS Safety and Miscellaneous Plans, Continued

Funding Policy - The Plan's provisions and benefits in effect at June 30, 2007, are summarized as follows:

	Miscellaneous	Safety
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	50
Monthly benefits, as % of annual salary	1.426-2.418%	3.00%
Required employee contribution rate	7%	9%
Required employer contribution rate	16.695%	29.893%

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

Annual Pension Cost - For 2006-2007, the City's annual pension cost of \$4,567,333 for CALPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2004, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 3.25% to 14.45% for miscellaneous employees and from 3.25% to 13.15% for safety employees depending on age, service, and type of employment, and (c) 2% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The average remaining amortization period at June 30, 2004, was 30 years for miscellaneous and safety employees for prior and current service unfunded liability.

THREE-YEAR TREND INFORMATION FOR PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2005	\$ 5,454,618	100%	\$ -
6/30/2006	6,091,721	100%	-
6/30/2007	4,567,333	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.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 12-DEFINED BENEFIT PENSION PLAN (Continued)

A. CALPERS Safety and Miscellaneous Plans, Continued

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

B. Contra Costa County Employees' Retirement Association

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

Between July 1, 1973 and June 30, 2001 the City of Pittsburgh (City) provided retirement benefits to its employee groups by contracting with the Contra Costa County Employees' Retirement Association (CCCERA). The City of Pittsburgh converted to the CalPERS retirement system effective July 1, 2001 and entered into a Termination Withdrawal Agreement with CCCERA that resulted in the following consequences:

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

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

The Termination Withdrawal Agreement stated that as of June 30, 2001 the City of Pittsburgh 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 Pittsburgh Bookkeeping Asset Account. If the ratio of the balance of the City's Bookkeeping Asset Account to its triennial updated termination unfunded liability is below 95% or exceeds 105%, the resulting obligation (if not paid in full) or surplus, will be amortized as a level amount over 15 years.

In January 2006 the City of Pittsburgh received correspondence dated January 3, 2006 from CCCERA indicating that the City had an updated unfunded liability of \$11,902,898 that had been re-determined as of December 31, 2003. In June, 2006 the City issued Pension Obligation bonds for a total amount of \$39,566,055.85; upon completion of this transaction the City utilized these bond proceeds to prepay the unfunded liability owed to CCCERA which amounted to \$12,700,000 as of June 30, 2006. The balance of bond funds in the amount of \$25,977,758 was used to prepay the City's unfunded accrued liability for both the miscellaneous and safety plans to the Public Employees Retirement System (PERS).

Almost a year later the City of Pittsburgh 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%.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 12-DEFINED BENEFIT PENSION PLAN (Continued)

B. Contra Costa County Employees' Retirement Association, Continued

The August 23, 2007 letter stated that since this ratio is below 95% this triggers a lump sum payment as of December 31, 2006 for \$2,505,433 plus interest at the rate of 7.8% to date of payment or an annual payment of \$289,144 to be amortized over 15 years starting with the first payment due on December 31, 2007. The next triennial experience update is scheduled for December 31, 2009.

It is staff's intention to recommend to the City Council at the meeting on January 22, 2008 authorization of the annual payment option.

NOTE 13-OTHER POST-EMPLOYMENT BENEFITS

The City provided health care benefits for 93 retired employees on a pay-as-you-go basis with the City paying a portion of the costs. All active health care plan participants and their spouses may become eligible upon retirement for these benefits if they reach the normal retirement age while working for the City. The City's post-employment expenditures for the fiscal year 2007 amounted to \$497,460 including \$104,099 for 24 retirees not on a pay-as-you-go basis.

NOTE 14-COMMITMENTS AND CONTINGENCIES

A. Grants from Other Governments

The City participates in a number of Federal, State, and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2007, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

B. Litigation

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

C. Pass-Through Agreements

The Agency has agreements with the County of Contra Costa, College District, Education Office, Fire District, Flood Control District, County Library District, East Bay Regional Parks District, Mosquito Abatement District, Antioch Unified School District and Pittsburgh Unified School District which requires it to pass through a portion of its property tax increment to these agencies. The Community Redevelopment Law Reform Act of 1993, also known as AB 1290, require the Agency to also pass through tax increments to other taxing agencies not engaged in agreements with the Agency. The tax increment passed through to all agencies amounted to \$7,232,732 for fiscal year 2006-2007.

City of Pittsburgh
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2007

NOTE 15-PRIOR PERIOD ADJUSTMENT

A. Government-Wide Financial Statements:

Prior period adjustments were recorded to the governmental activities due to correction of errors in capital assets and accounts payable as of June 30, 2006.

	Net Assets, as Previously Reported	Prior Period Adjustments		Net Assets, as Restated
		Capital Assets	Accounts Payable	
Government-Wide Activities:				
Governmental	\$ 70,923,101	\$ 1,439,061	\$ 211,275	\$ 72,573,437

B. Fund Financial Statements:

Rose Winter doing business as Winter Chevrolet and Winter Honda has combined and submitted to the City of Pittsburgh, their sales tax filing report on a one-time annual basis rather than on a semi-annual fiscal year basis (as is the practice with Mazzei Pontiac/Cadillac) which consequently resulted in an unnecessary prior year accrual for an anticipated sales tax payment to Rose Winter. This unnecessary accrual was subsequently reversed in the wrong fiscal year. The correct liability was not properly adjusted for the prior year that the accrual was posted, thus necessitating a prior year correction to the accounts payable liability line. The net affect of this correction is the reduction of the liability by \$211,275 and an increase to the Economic Development fund equity of \$211,275.

	Net Assets, as Previously Reported	Prior Period Adjustments	Net Assets, as Restated
		Accounts Payable	
Governmental Fund			
Economic Development	\$ 3,203,375	\$ 211,275	\$ 3,414,650

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



**REQUIRED
SUPPLEMENTARY INFORMATION**

City of Pittsburgh
Required Supplementary Information
For the year ended June 30, 2007

1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Public hearings are conducted at the City to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund, special revenue funds and capital projects funds. Formal budgetary integration is not employed for debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions. The debt service and agency funds are not budgeted.
4. Budgets for the General, special revenue (except for the Low/Moderate Income Housing I Special Revenue Fund, Budget Stabilization Special Revenue Fund, and the Vista Del Mar CFD 2005-2 Special Revenue Fund) and capital projects funds are adopted on a basis consistent with GAAP.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2007, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
6. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
7. Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year.
8. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

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

City of Pittsburg
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules

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

Budgetary Comparison Schedule, General Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 2,692,622	\$ 2,692,622	\$ 3,829,392	\$ 1,136,770
Sales taxes	8,600,000	8,600,000	7,953,283	(646,717)
Franchise taxes	2,096,785	2,096,785	2,246,603	149,818
Other taxes	1,204,400	1,204,400	1,222,661	18,261
Intergovernmental revenues	5,385,967	5,385,967	6,132,409	746,442
Permits, licenses and fees	1,218,925	1,218,925	900,648	(318,277)
Fines and forfeitures	287,440	287,440	249,135	(38,305)
Service fees	3,277,855	3,277,855	3,764,627	486,772
Use of money and property	500,000	500,000	742,326	242,326
Other revenues	338,734	338,734	664,223	325,489
Total revenues	25,602,728	25,602,728	27,705,307	2,102,579
EXPENDITURES:				
Current:				
General Government	2,637,844	2,546,729	2,424,802	121,927
City Council	122,135	122,135	86,383	35,752
City Manager and City Clerk	971,184	1,064,799	887,297	177,502
City Attorney	451,960	451,960	584,173	(132,213)
Human resources	876,663	876,663	784,514	92,149
Finance and services	2,021,538	2,349,547	2,263,413	86,134
Community development and services	5,899,255	6,235,414	5,952,488	282,926
Public safety	16,438,024	16,475,967	16,173,027	302,940
Public works - administration	181,434	181,434	177,438	3,996
Public works - streets	1,816,725	1,818,549	1,756,136	62,413
Public works - parks	219,516	219,516	139,244	80,272
Public works - others	210,283	211,283	174,880	36,403
Total expenditures	31,846,561	32,553,996	31,403,795	1,150,201
REVENUES OVER (UNDER) EXPENDITURES	(6,243,833)	(6,951,268)	(3,698,488)	3,252,780
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	1,800,000	1,800,000	1,800,000	-
Transfers in	6,854,933	7,200,442	6,307,524	(892,918)
Transfers out	(2,566,600)	(2,905,662)	(2,905,662)	-
Total other financing sources (uses)	6,088,333	6,094,780	5,201,862	(892,918)
Net change in fund balance	\$ (155,500)	\$ (856,488)	1,503,374	\$ 2,359,862
FUND BALANCE:				
Beginning of year			8,555,993	
End of year			<u>\$ 10,059,367</u>	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

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

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Property taxes	\$ 2,786,500	\$ 2,786,500	\$ 3,203,997	\$ 417,497
Use of money and property	60,000	60,000	303,820	243,820
Other revenues	12,000	12,000	3,477	(8,523)
Total revenues	2,858,500	2,858,500	3,511,294	652,794
EXPENDITURES:				
Current:				
General Government	-	-	22,062	(22,062)
Community development and services	50,000	12,806,126	3,359,521	9,446,605
Total expenditures	50,000	12,806,126	3,381,583	9,424,543
REVENUES OVER (UNDER) EXPENDITURES	2,808,500	(9,947,626)	129,711	10,077,337
OTHER FINANCING SOURCES (USES):				
Transfers in	-	11,624,892	2,823,298	(8,801,594)
Transfers out	(1,239,196)	(5,859,801)	(5,132,795)	727,006
Total other financing sources (uses)	(1,239,196)	5,765,091	(2,309,497)	(8,074,588)
Net change in fund balances	\$ 1,569,304	\$ (4,182,535)	(2,179,786)	\$ 2,002,749
FUND BALANCES:				
Beginning of year			5,135,334	
End of year			<u>\$ 2,955,548</u>	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

Budgetary Comparison Schedule, Redevelopment Agency Special Revenue Fund

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 38,427,120	\$ 38,427,120	\$ 43,883,972	\$ 5,456,852
Service fees	75,000	75,000	124,712	49,712
Use of money and property	5,525,444	500,000	1,632,365	1,132,365
Other revenues	-	-	441,299	441,299
Total revenues	44,027,564	39,002,120	46,082,348	7,080,228
EXPENDITURES:				
Current:				
General Government	11,171,636	12,931,449	11,264,509	1,666,940
Community development and services	1,852,500	14,988,854	5,250,218	9,738,636
Capital outlay and improvements	2,800,000	3,766,858	2,360,870	1,405,988
Total expenditures	15,824,136	31,687,161	18,875,597	12,811,564
REVENUES OVER (UNDER) EXPENDITURES	28,203,428	7,314,959	27,206,751	19,891,792
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	1,300,000	1,800,000	2,309,250	509,250
Transfers in	-	2,092,246	1,562,182	(530,064)
Transfers out	(17,916,963)	(23,806,788)	(23,292,694)	514,094
Total other financing sources (uses)	(16,616,963)	(19,914,542)	(19,421,262)	493,280
Net change in fund balances	\$ 11,586,465	\$ (12,599,583)	7,785,489	\$ 20,385,072
FUND BALANCES:				
Beginning of year			50,242,867	
End of year			\$ 58,028,356	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2007

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

A. Budgetary Comparison Schedules, Continued

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

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 10,000,727	\$ 10,000,727	\$ 10,878,367	\$ 877,640
Use of money and property	-	-	145,391	145,391
Other revenues	15,000	15,000	10,939	(4,061)
Total revenues	10,015,727	10,015,727	11,034,697	1,018,970
EXPENDITURES:				
Current:				
General government	856,759	856,759	841,055	15,704
Community development and services	9,195,012	9,195,012	9,264,373	(69,361)
Total expenditures	10,051,771	10,051,771	10,105,428	(53,657)
REVENUES OVER (UNDER) EXPENDITURES	(36,044)	(36,044)	929,269	965,313
Net change in fund balances	\$ (36,044)	\$ (36,044)	929,269	\$ 965,313
FUND BALANCES:				
Beginning of year			2,081,560	
End of year			\$ 3,010,829	

City of Pittsburgh
Required Supplementary Information, Continued
For the year ended June 30, 2007

2. DEFINED PENSION PLAN

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

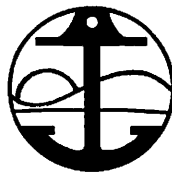
	(A)	(B)	(C)	(D)	(E)	(F)
Miscellaneous Plan:			Unfunded (Overfunded)			Unfunded (Overfunded)
		Entry Age	Actuarial	Funded		Actuarial
Actuarial	Actuarial	Actuarial	Accrued	Ratio	Covered	Liability as
Valuation	Asset	Accrued	Liability	(A/B)	Payroll	Percentage of
Date*	Value	Liability	(B-A)			Covered
						Payroll
						(C/E)
6/30/2004	\$ 10,224,167	\$ 25,438,868	\$ 15,214,701	40.2%	\$ 12,036,230	126.4%
6/30/2005	13,819,588	30,202,944	16,383,356	45.8%	12,070,970	135.7%
6/30/2006	33,291,126	33,318,378	27,252	99.9%	12,338,518	0.2%

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

	(A)	(B)	(C)	(D)	(E)	(F)
Safety Plan			Unfunded (Overfunded)			Unfunded (Overfunded)
		Entry Age	Actuarial	Funded		Actuarial
Actuarial	Actuarial	Actuarial	Accrued	Ratio	Covered	Liability as
Valuation	Asset	Accrued	Liability	(A/B)	Payroll	Percentage of
Date*	Value	Liability	(B-A)			Covered
						Payroll
						(C/E)
6/30/2004	\$ 4,424,586,846	\$ 5,383,921,842	\$ 959,334,996	82.2%	\$ 575,294,434	166.8%
6/30/2005	5,295,150,375	6,367,049,264	1,071,898,889	83.2%	664,147,796	161.4%
6/30/2006	6,102,615,567	7,278,049,834	1,175,434,267	83.8%	754,730,438	155.7%

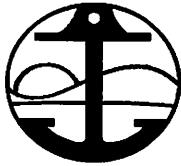
*Latest information available.

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



SUPPLEMENTARY INFORMATION

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007

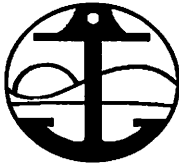


City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Redevelopment Agency Capital Project Fund - Major Fund For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ -	\$ 4,398,801	\$ 794,252	\$ (3,604,549)
Other revenues	-	1,400,000	8,923	(1,391,077)
Total revenues	-	5,798,801	803,175	(4,995,626)
EXPENDITURES:				
Current:				
Community development and services	-	1,727,680	870,144	857,536
Capital outlay and improvements	-	136,340,381	40,301,395	96,038,986
Total expenditures	-	138,068,061	41,171,539	96,896,522
REVENUES OVER (UNDER) EXPENDITURES	-	(132,269,260)	(40,368,364)	91,900,896
OTHER FINANCING SOURCES (USES):				
Capital contribution	-	-	(180,391)	(180,391)
Transfers in	-	102,517,715	39,858,693	(62,659,022)
Total other financing sources (uses)	-	102,517,715	39,678,302	(62,839,413)
Net change in fund balances	\$ -	\$ (29,751,545)	(690,062)	\$ 29,061,483
FUND BALANCES:				
Beginning of year			690,062	
End of year			\$ -	

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

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

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

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

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

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.

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, CONTINUED:

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

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

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

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

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

DEBT SERVICE FUNDS:

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

CAPITAL PROJECTS FUNDS:

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

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

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

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

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

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

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2007

	Special Revenue					
	Budget Stabilization	Economic Development	Small Cities Grant	Gas Tax	Measure C Tax Fund	Lighting & Landscape
ASSETS						
Cash and investments	\$ 2,664,649	\$ 3,035,494	\$ 590,714	\$ 435,067	\$ 786,949	\$ 170,023
Restricted cash and investments	-	-	-	-	-	-
Receivables:						
Accounts	-	-	-	100,369	715,134	746
Interest	-	-	5,553	9,771	10,427	-
Loans/notes	-	-	1,798,300	-	-	-
Prepaid items	-	-	-	-	-	-
Total assets	\$ 2,664,649	\$ 3,035,494	\$ 2,394,567	\$ 545,207	\$ 1,512,510	\$ 170,769
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 83,073	\$ 26,213	\$ -	\$ -	\$ 88,424
Interest payable	-	-	-	-	-	-
Salaries payable	-	-	6,630	-	-	66,471
Refundable deposits	-	-	-	-	-	-
Loans payable - current	-	-	-	-	-	-
Due to other agencies	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	1,798,300	-	-	-
Total liabilities	-	83,073	1,831,143	-	-	154,895
Fund Balances:						
Reserved	-	2,952,421	563,424	545,207	1,512,510	15,874
Unreserved, undesignated, reported in:						
Special revenue funds	2,664,649	-	-	-	-	-
Total unreserved, undesignated	2,664,649	-	-	-	-	-
Total fund balances (deficit)	2,664,649	2,952,421	563,424	545,207	1,512,510	15,874
Total liabilities and fund balances	\$ 2,664,649	\$ 3,035,494	\$ 2,394,567	\$ 545,207	\$ 1,512,510	\$ 170,769

Special Revenue

Lighting & Landscaping Oak Hill	Miscellaneous Grants	Assets Seizure	Local Law Enforcement Block Grant	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	San Marco CFD 2004-01
\$ 117,985	\$ 46,923	\$ 222,619	\$ 86,043	\$ 737,695	\$ 218,969	\$ 3,478	\$ 59,765
-	-	-	-	-	-	-	-
-	61,485	-	10,777	-	-	836,858	-
1,219	920	1,998	929	7,558	1,308	-	598
-	-	-	-	-	-	256,836	-
-	-	-	-	-	-	-	-
<u>\$ 119,204</u>	<u>\$ 109,328</u>	<u>\$ 224,617</u>	<u>\$ 97,749</u>	<u>\$ 745,253</u>	<u>\$ 220,277</u>	<u>\$ 1,097,172</u>	<u>\$ 60,363</u>
\$ 994	\$ -	\$ 5,940	\$ 13,890	\$ 4,000	\$ 4,559	\$ 72,056	-
-	-	-	-	-	-	-	-
-	584	-	-	-	11,306	3,478	-
-	10,850	65,294	-	-	-	-	-
-	-	-	-	-	-	256,836	-
-	12,281	-	-	-	-	-	-
-	-	-	-	-	-	441,728	103,569
-	85,613	-	83,858	-	-	303,917	-
<u>994</u>	<u>109,328</u>	<u>71,234</u>	<u>97,748</u>	<u>4,000</u>	<u>15,865</u>	<u>1,078,015</u>	<u>103,569</u>
118,210	-	153,383	1	741,253	204,412	19,157	-
-	-	-	-	-	-	-	(43,206)
-	-	-	-	-	-	-	(43,206)
<u>118,210</u>	<u>-</u>	<u>153,383</u>	<u>1</u>	<u>741,253</u>	<u>204,412</u>	<u>19,157</u>	<u>(43,206)</u>
<u>\$ 119,204</u>	<u>\$ 109,328</u>	<u>\$ 224,617</u>	<u>\$ 97,749</u>	<u>\$ 745,253</u>	<u>\$ 220,277</u>	<u>\$ 1,097,172</u>	<u>\$ 60,363</u>

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds, Continued
June 30, 2007

	Special Revenue (Continued)				Debt
	Solid Waste	Vista Del Mar CFD 2005-2	Public Safety CFD 2005-1	Park	Pension Obligations
				Maintenance CFD 2007-1	
ASSETS					
Cash and investments	\$ -	\$ 1,346	\$ 50,292	\$ 110,970	\$ 56,351
Restricted cash and investments	-	-	-	-	875,210
Receivables:					
Accounts	102,099	-	-	-	-
Interest	-	-	498	-	5,025
Loans/notes	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 102,099	\$ 1,346	\$ 50,790	\$ 110,970	\$ 936,586
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 6,170	\$ 1,565	\$ -	\$ 256
Interest payable	-	-	-	-	807,258
Salaries payable	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Loans payable - current	-	-	-	-	-
Due to other agencies	-	-	-	-	-
Due to other funds	-	-	99,855	150,000	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	6,170	101,420	150,000	807,514
Fund Balances:					
Reserved	102,099	-	-	-	129,072
Unreserved, reported in:					
Special revenue funds	-	(4,824)	(50,630)	(39,030)	-
Total unreserved, designated	-	(4,824)	(50,630)	(39,030)	-
Total fund balances (deficit)	102,099	(4,824)	(50,630)	(39,030)	129,072
Total liabilities and fund balances	\$ 102,099	\$ 1,346	\$ 50,790	\$ 110,970	\$ 936,586

Capital Projects

Inclusionary Housing	Traffic Impact Fair Share	Kirker Creek Drainage Fees	Capital Improvement	Traffic Mitigation	Park Dedication	Total Non-Major Governmental Funds
\$ 1,952,454	\$ 852,361	\$ 1,241,084	\$ 730,153	\$ 4,716,738	\$ 5,179,050	\$ 24,067,172
-	-	-	-	-	-	875,210
-	-	-	-	-	-	1,827,468
16,697	-	12,487	-	53,202	78,033	206,223
-	-	-	-	-	-	2,055,136
-	-	-	5,042,026	-	-	5,042,026
<u>\$ 1,969,151</u>	<u>\$ 852,361</u>	<u>\$ 1,253,571</u>	<u>\$ 5,772,179</u>	<u>\$ 4,769,940</u>	<u>\$ 5,257,083</u>	<u>\$ 34,073,235</u>
\$ -	\$ -	\$ -	\$ 5,063,688	\$ 438,959	\$ 3,758	\$ 5,813,545
-	-	-	-	-	-	807,258
-	-	-	-	-	-	88,469
-	-	-	48,209	-	-	124,353
-	-	-	-	-	-	256,836
-	-	-	-	-	-	12,281
-	-	-	-	-	-	795,152
119,393	-	-	-	-	-	2,391,081
<u>119,393</u>	<u>-</u>	<u>-</u>	<u>5,111,897</u>	<u>438,959</u>	<u>3,758</u>	<u>10,288,975</u>
1,849,758	852,361	1,253,571	660,282	4,330,981	5,253,325	21,257,301
-	-	-	-	-	-	2,526,959
-	-	-	-	-	-	2,526,959
<u>1,849,758</u>	<u>852,361</u>	<u>1,253,571</u>	<u>660,282</u>	<u>4,330,981</u>	<u>5,253,325</u>	<u>23,784,260</u>
<u>\$ 1,969,151</u>	<u>\$ 852,361</u>	<u>\$ 1,253,571</u>	<u>\$ 5,772,179</u>	<u>\$ 4,769,940</u>	<u>\$ 5,257,083</u>	<u>\$ 34,073,235</u>

(Concluded)

City of Pittsburg
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2007

	Special Revenue					
	Budget Stabilization	Economic Development	Small Cities Grant	Gas Tax	Measure C Tax Fund	Lighting & Landscape
REVENUES:						
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 1,603,855	\$ 715,134	\$ -
Licenses, permits and fees	-	-	-	-	-	-
Special assessments	-	-	-	-	-	2,061,077
Service fees	-	-	-	-	-	-
Use of money and property	-	-	136,239	42,460	54,718	-
Other revenues	-	-	435,609	-	-	5,780
Total revenues	-	-	571,848	1,646,315	769,852	2,066,857
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	122,343
Community development and services	-	-	731,534	-	8,250	-
Public safety	-	-	-	-	-	-
Public works - streets	-	-	-	196,919	-	3,549,264
General non-departmental	-	462,229	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	462,229	731,534	196,919	8,250	3,671,607
REVENUES OVER (UNDER)	-	(462,229)	(159,686)	1,449,396	761,602	(1,604,750)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	105,000	-	-	1,612,062
Transfers out	-	-	-	(1,235,358)	(366,550)	-
Total other financing sources (uses)	-	-	105,000	(1,235,358)	(366,550)	1,612,062
Net change in fund balances	-	(462,229)	(54,686)	214,038	395,052	7,312
FUND BALANCES:						
Beginning of year, as restated	2,664,649	3,414,650	618,110	331,169	1,117,458	8,562
End of year	\$ 2,664,649	\$ 2,952,421	\$ 563,424	\$ 545,207	\$ 1,512,510	\$ 15,874

Special Revenue

Lighting & Landscape Oak Hill	Miscellaneous Grants	Assets Seizure	Local Law Enforcement Block Grant	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)	HUD Community Development Block Grant	San Marco CFD 2004-01
\$ -	\$ 339,732	\$ -	\$ 50,972	\$ -	\$ -	\$ 762,672	\$ -
-	-	-	-	-	-	-	-
33,959	-	-	-	229,665	803,471	-	47,298
-	-	-	-	-	-	-	-
-	6,886	9,051	4,600	33,008	5,855	-	1,788
5,755	705	13,827	-	-	307	-	-
<u>39,714</u>	<u>347,323</u>	<u>22,878</u>	<u>55,572</u>	<u>262,673</u>	<u>809,633</u>	<u>762,672</u>	<u>49,086</u>
-	-	-	-	1,244	-	-	10,942
-	10,718	-	56,713	82,932	-	519,722	-
-	343,807	10,914	11,188	-	32,674	-	-
45,411	-	-	-	-	507,387	-	-
-	-	-	-	-	231,609	-	-
-	-	-	-	-	-	-	-
<u>45,411</u>	<u>354,525</u>	<u>10,914</u>	<u>67,901</u>	<u>84,176</u>	<u>771,670</u>	<u>519,722</u>	<u>10,942</u>
<u>(5,697)</u>	<u>(7,202)</u>	<u>11,964</u>	<u>(12,329)</u>	<u>178,497</u>	<u>37,963</u>	<u>242,950</u>	<u>38,144</u>
-	-	-	-	-	-	-	-
-	-	-	-	(25,500)	(105,982)	(242,950)	-
-	-	-	-	(25,500)	(105,982)	(242,950)	-
<u>(5,697)</u>	<u>(7,202)</u>	<u>11,964</u>	<u>(12,329)</u>	<u>152,997</u>	<u>(68,019)</u>	<u>-</u>	<u>38,144</u>
<u>123,907</u>	<u>7,202</u>	<u>141,419</u>	<u>12,330</u>	<u>588,256</u>	<u>272,431</u>	<u>19,157</u>	<u>(81,350)</u>
<u>\$ 118,210</u>	<u>\$ -</u>	<u>\$ 153,383</u>	<u>\$ 1</u>	<u>\$ 741,253</u>	<u>\$ 204,412</u>	<u>\$ 19,157</u>	<u>\$ (43,206)</u>

(Continued)

City of Pittsburg

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds, Continued

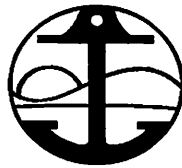
For the year ended June 30, 2007

	Special Revenue (Continued)				Debt
					Service
	Solid Waste	Vista Del Mar CFD 2005-2	Public Safety CFD 2005-1	Park Maintenance CFD 2007-1	Pension Obligations
REVENUES:					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	102,099	-	-	-	-
Special assessments	-	-	33,682	-	-
Service fees	-	-	-	-	1,694,343
Use of money and property	-	-	1,647	-	55,016
Other revenues	-	-	-	-	-
Total revenues	102,099	-	35,329	-	1,749,359
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Community development and services	-	3,408	14,742	-	-
Public safety	-	-	-	-	-
Public works - streets	-	-	-	39,030	-
General non-departmental	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	1,729,506
Total expenditures	-	3,408	14,742	39,030	1,729,506
REVENUES OVER (UNDER)					
EXPENDITURES	102,099	(3,408)	20,587	(39,030)	19,853
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	102,099	(3,408)	20,587	(39,030)	19,853
FUND BALANCES:					
Beginning of year	-	(1,416)	(71,217)	-	109,219
End of year	\$ 102,099	\$ (4,824)	\$ (50,630)	\$ (39,030)	\$ 129,072

Capital Projects							Total Non-Major Governmental Funds
Inclusionary Housing	Traffic Impact Fair Share	Kirker Creek Drainage Fees	Capital Improvement	Traffic Mitigation	Park Dedication		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,472,365	
1,816,599	773,364	214,722	-	896,905	3,915,221	7,718,910	
-	-	-	-	-	-	3,209,152	
-	-	-	-	-	-	1,694,343	
33,159	78,997	58,278	296	212,134	295,200	1,029,332	
-	-	-	-	35,180	-	497,163	
<u>1,849,758</u>	<u>852,361</u>	<u>273,000</u>	<u>296</u>	<u>1,144,219</u>	<u>4,210,421</u>	<u>17,621,265</u>	
-	-	-	-	-	-	134,529	
-	-	-	-	-	-	1,428,019	
-	-	-	-	-	-	398,583	
-	-	-	-	4,406,228	5,975	8,750,214	
-	-	-	-	-	-	693,838	
-	-	-	5,240,812	-	-	5,240,812	
-	-	-	-	-	-	1,729,506	
-	-	-	5,240,812	4,406,228	5,975	18,375,501	
<u>1,849,758</u>	<u>852,361</u>	<u>273,000</u>	<u>(5,240,516)</u>	<u>(3,262,009)</u>	<u>4,204,446</u>	<u>(754,236)</u>	
-	-	-	5,107,123	2,631,674	-	9,455,859	
-	-	-	-	(500,200)	(2,516,968)	(4,993,508)	
-	-	-	5,107,123	2,131,474	(2,516,968)	4,462,351	
<u>1,849,758</u>	<u>852,361</u>	<u>273,000</u>	<u>(133,393)</u>	<u>(1,130,535)</u>	<u>1,687,478</u>	<u>3,708,115</u>	
-	-	980,571	793,675	5,461,516	3,565,847	20,076,145	
<u>\$ 1,849,758</u>	<u>\$ 852,361</u>	<u>\$ 1,253,571</u>	<u>\$ 660,282</u>	<u>\$ 4,330,981</u>	<u>\$ 5,253,325</u>	<u>\$ 23,784,260</u>	

(Concluded)

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



City of Pittsburg

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

Budget Stabilization Special Revenue Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers out	\$ (816,064)	\$ (816,064)	\$ -	\$ (816,064)
Total other financing sources (uses)	<u>(816,064)</u>	<u>(816,064)</u>	<u>-</u>	<u>(816,064)</u>
Net change in fund balances	<u>\$ 816,064</u>	<u>\$ 816,064</u>	<u>-</u>	<u>\$ (816,064)</u>
FUND BALANCES:				
Beginning of year			<u>2,664,649</u>	
End of year			<u>\$ 2,664,649</u>	

City of Pittsburgh

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

Economic Development Special Revenue Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General non-departmental	\$ 780,000	\$ 780,000	\$ 462,229	\$ 317,771
Total expenditures	780,000	780,000	462,229	317,771
Net change in fund balances	<u>(780,000)</u>	<u>(780,000)</u>	(462,229)	<u>\$ 317,771</u>
FUND BALANCES:				
Beginning of year			3,414,650	
End of year			<u>\$ 2,952,421</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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 111,000	\$ 111,000	\$ 136,239	\$ 25,239
Other revenues	550,000	550,000	435,609	(114,391)
Total revenues	661,000	661,000	571,848	(89,152)
EXPENDITURES:				
Current:				
Community development and services	818,298	818,298	731,534	86,764
Total expenditures	818,298	818,298	731,534	86,764
REVENUES OVER (UNDER) EXPENDITURES	(157,298)	(157,298)	(159,686)	(2,388)
OTHER FINANCING SOURCES (USES):				
Transfers in	105,000	105,000	105,000	-
Total other financing sources (uses)	105,000	105,000	105,000	-
Net change in fund balances	\$ (52,298)	\$ (52,298)	(54,686)	\$ (2,388)
FUND BALANCES:				
Beginning of year			618,110	
End of year			\$ 563,424	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 4,000	\$ 4,000	\$ 42,460	\$ 38,460
Intergovernmental	1,150,400	1,150,400	1,603,855	453,455
Total revenues	1,154,400	1,154,400	1,646,315	491,915
EXPENDITURES:				
Current:				
Public Works	-	210,000	196,919	13,081
Total expenditures	-	210,000	196,919	13,081
REVENUES OVER (UNDER) EXPENDITURES	1,154,400	944,400	1,449,396	504,996
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,175,000)	(1,235,358)	(1,235,358)	-
Total other financing sources (uses)	(1,175,000)	(1,235,358)	(1,235,358)	-
Net change in fund balances	\$ (20,600)	\$ (290,958)	214,038	\$ 504,996
FUND BALANCES:				
Beginning of year			331,169	
End of year			\$ 545,207	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 5,000	\$ 5,000	\$ 54,718	\$ 49,718
Intergovernmental	685,000	685,000	715,134	30,134
Total revenues	690,000	690,000	769,852	79,852
EXPENDITURES:				
Current:				
Community development and services	22,500	22,500	8,250	14,250
Total expenditures	22,500	22,500	8,250	14,250
REVENUES OVER (UNDER) EXPENDITURES	667,500	667,500	761,602	94,102
OTHER FINANCING SOURCES (USES):				
Transfers out	(250,000)	(881,823)	(366,550)	515,273
Total other financing sources (uses)	(250,000)	(881,823)	(366,550)	515,273
Net change in fund balances	\$ 417,500	\$ (214,323)	395,052	\$ 609,375
FUND BALANCES:				
Beginning of year			1,117,458	
End of year			\$ 1,512,510	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Lighting & Landscape Special Revenue Fund For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 2,065,784	\$ 2,065,784	\$ 2,061,077	\$ (4,707)
Other revenues	-	-	5,780	5,780
Total revenues	2,065,784	2,065,784	2,066,857	1,073
EXPENDITURES:				
Current:				
General government	72,200	72,200	122,343	(50,143)
Public works	3,516,584	3,555,646	3,549,264	6,382
Total expenditures	3,588,784	3,627,846	3,671,607	(43,761)
REVENUES OVER (UNDER) EXPENDITURES	(1,523,000)	(1,562,062)	(1,604,750)	(42,688)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	1,523,000	1,612,062	1,612,062	-
Total other financing sources (uses)	1,523,000	1,612,062	1,612,062	-
Net change in fund balances	\$ -	\$ 50,000	7,312	\$ (42,688)
FUND BALANCES:				
Beginning of year			8,562	
End of year			\$ 15,874	

City of Pittsburgh

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

Lighting & Landscape Oak Hill Special Revenue Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 33,960	\$ 33,960	\$ 33,959	\$ (1)
Use of money and property	2,000	2,000	5,755	3,755
Total revenues	35,960	35,960	39,714	3,754
EXPENDITURES:				
Current:				
Public works	46,520	46,520	45,411	1,109
Total expenditures	46,520	46,520	45,411	1,109
REVENUES OVER (UNDER) EXPENDITURES	(10,560)	(10,560)	(5,697)	4,863
Net change in fund balances	\$ (10,560)	\$ (10,560)	(5,697)	\$ 4,863
FUND BALANCES:				
Beginning of year			123,907	
End of year			\$ 118,210	

City of Pittsburg

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Miscellaneous Grants Special Revenue Fund For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 6,886	\$ 6,886
Intergovernmental	-	444,617	339,732	(104,885)
Other revenues	-	38,300	705	(37,595)
Total revenues	-	482,917	347,323	(135,594)
EXPENDITURES:				
Current:				
Community development and services	-	23,262	10,718	12,544
Public Safety	-	469,572	343,807	125,765
Total expenditures	-	492,834	354,525	138,309
Net change in fund balances	\$ -	\$ (9,917)	(7,202)	\$ 2,715
FUND BALANCES:				
Beginning of year			7,202	
End of year			\$ -	

City of Pittsburg

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

Asset Seizure Special Revenue Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 9,051	\$ 9,051
Other revenues	-	-	13,827	13,827
Total revenues	-	-	22,878	22,878
EXPENDITURES:				
Current:				
Public Safety	-	141,420	10,914	130,506
Total expenditures	-	141,420	10,914	130,506
REVENUES OVER (UNDER) EXPENDITURES	-	(141,420)	11,964	153,384
Net change in fund balances	\$ -	\$ (141,420)	11,964	\$ 153,384
FUND BALANCES:				
Beginning of year			141,419	
End of year			\$ 153,383	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 4,600	\$ 4,600
Intergovernmental	-	130,690	50,972	(79,718)
Total revenues	-	130,690	55,572	(75,118)
EXPENDITURES:				
Current:				
Community development and services	-	100,405	56,713	43,692
Public safety	-	38,389	11,188	27,201
Total expenditures	-	138,794	67,901	70,893
Net change in fund balances	\$ -	\$ (8,104)	(12,329)	\$ (4,225)
FUND BALANCES:				
Beginning of year			12,330	
End of year			<u>\$ 1</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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 250,000	\$ 250,000	\$ 229,665	\$ (20,335)
Use of money and property	3,200	3,200	33,008	29,808
Total revenues	253,200	253,200	262,673	9,473
EXPENDITURES:				
Current:				
General government	1,977	1,977	1,244	733
Community development and services	180,000	180,000	82,932	97,068
Total expenditures	181,977	181,977	84,176	97,801
REVENUES OVER (UNDER) EXPENDITURES	71,223	71,223	178,497	107,274
OTHER FINANCING SOURCES (USES):				
Transfers out	(25,500)	(25,500)	(25,500)	-
Total other financing sources (uses)	(25,500)	(25,500)	(25,500)	-
Net change in fund balances	\$ 45,723	\$ 45,723	152,997	\$ 107,274
FUND BALANCES:				
Beginning of year			588,256	
End of year			\$ 741,253	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 785,000	\$ 785,000	\$ 803,471	\$ 18,471
Use of money and property	-	-	5,855	5,855
Other revenues	-	-	307	307
Total revenues	785,000	785,000	809,633	24,633
EXPENDITURES:				
Current:				
Public safety	33,152	33,152	32,674	478
Public works	556,741	540,453	507,387	33,066
General non-departmental	195,110	195,110	231,609	(36,499)
Total expenditures	785,003	768,715	771,670	(2,955)
REVENUES OVER (UNDER) EXPENDITURES	(3)	16,285	37,963	21,678
OTHER FINANCING SOURCES (USES):				
Transfers in	(83,482)	(105,982)	(105,982)	-
Total other financing sources (uses)	(83,482)	(105,982)	(105,982)	-
Net change in fund balances	\$ (83,485)	\$ (89,697)	(68,019)	\$ 21,678
FUND BALANCES:				
Beginning of year			272,431	
End of year			\$ 204,412	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual HUD Community Development Block Grant Special Revenue Fund For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 716,158	\$ 816,727	\$ 762,672	\$ (54,055)
Total revenues	716,158	816,727	762,672	(54,055)
EXPENDITURES:				
Current:				
Community development and services	715,316	815,885	519,722	-
Total expenditures	715,316	815,885	519,722	-
REVENUES OVER (UNDER) EXPENDITURES	842	842	242,950	242,108
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(242,950)	242,950
Total other financing sources (uses)	-	-	(242,950)	242,950
Net change in fund balances	842	842	-	485,058
FUND BALANCES:				
Beginning of year			19,157	
End of year			\$ 19,157	

City of Pittsburgh

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

San Marco CFD 2004-1 Special Revenue Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 28,664	\$ 28,664	\$ 47,298	\$ 18,634
Use of money and property	-	-	1,788	1,788
Total revenues	28,664	28,664	49,086	20,422
EXPENDITURES:				
Current:				
General non-departmental	7,000	7,000	10,942	(3,942)
Total expenditures	7,000	7,000	10,942	(3,942)
Net change in fund balances	\$ 21,664	\$ 21,664	38,144	\$ 24,364
FUND BALANCES:				
Beginning of year			(81,350)	
End of year			\$ (43,206)	

City of Pittsburgh

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

Solid Waste Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ -	\$ -	\$ 102,099	\$ 102,099
Total revenues	-	-	102,099	-
Net change in fund balances	\$ -	\$ -	102,099	\$ -
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 102,099	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
General non-departmental	\$ 6,000	\$ 6,000	\$ 3,408	\$ 2,592
Total expenditures	6,000	6,000	3,408	2,592
Net change in fund balances	<u>\$ (6,000)</u>	<u>\$ (6,000)</u>	(3,408)	<u>\$ 2,592</u>
FUND BALANCES:				
Beginning of year			(1,416)	
End of year			<u>\$ (4,824)</u>	

City of Pittsburgh

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Public Safety CFD 2005-1 Special Revenue Fund For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES:				
Special assessments	\$ 21,499	\$ 21,499	\$ 33,682	\$ 12,183
Use of money and property	3,583	3,583	1,647	(1,936)
Total revenues	25,082	25,082	35,329	10,247
EXPENDITURES:				
Current:				
General non-departmental	6,000	6,000	14,742	(8,742)
Total expenditures	6,000	6,000	14,742	(8,742)
Net change in fund balances	\$ 19,082	\$ 19,082	20,587	\$ 18,989
FUND BALANCES:				
Beginning of year			(71,217)	
End of year			<u>\$ (50,630)</u>	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES:				
Current:				
Public works - streets	\$ -	\$ -	\$ 39,030	\$ (39,030)
Total expenditures	-	-	39,030	(39,030)
Net change in fund balances	\$ -	\$ -	(39,030)	\$ 39,030
FUND BALANCES:				
Beginning of year			-	
End of year			\$ (39,030)	

City of Pittsburg

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

Pension Obligations Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Service fees	\$ 1,650,000	\$ 1,650,000	\$ 1,694,343	\$ 44,343
Use of money and property	-	-	55,016	55,016
Total revenues	1,650,000	1,650,000	1,749,359	99,359
EXPENDITURES:				
Debt Service:				
Interest and fiscal charges	1,650,000	1,650,000	1,729,506	(79,506)
Total expenditures	1,650,000	1,650,000	1,729,506	(79,506)
REVENUES OVER (UNDER) EXPENDITURES	-	-	19,853	178,865
Net change in fund balances	\$ -	\$ -	19,853	\$ 178,865
FUND BALANCES:				
Beginning of year			109,219	
End of year			<u>\$ 129,072</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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permit and fees	\$ -	\$ -	\$ 1,816,599	\$ 1,816,599
Use of money and property	-	-	33,159	33,159
Total revenues	-	-	1,849,758	1,849,758
Net change in fund balances	\$ -	\$ -	1,849,758	\$ 1,849,758
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 1,849,758	

City of Pittsburgh

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

Traffic Impact Fair Share Capital Projects Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ -	\$ -	\$ 773,364	\$ 773,364
Use of money and property	-	-	78,997	78,997
Total revenues	-	-	852,361	852,361
Net change in fund balances	\$ -	\$ -	852,361	\$ 852,361
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 852,361	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits and fees	\$ 150,000	\$ 150,000	\$ 214,722	\$ 64,722
Use of money and property	10,000	10,000	58,278	48,278
Total revenues	160,000	160,000	273,000	113,000
EXPENDITURES:				
Current:				
Public works	-	100,000	-	100,000
Total expenditures	-	100,000	-	100,000
Net change in fund balances	\$ 160,000	\$ 60,000	273,000	\$ 13,000
FUND BALANCES:				
Beginning of year			980,571	
End of year			\$ 1,253,571	

City of Pittsburg

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

Capital Improvement Capital Projects Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 296	\$ 296
Total revenues	<u>-</u>	<u>-</u>	<u>296</u>	<u>296</u>
EXPENDITURES:				
Current:				
Capital outlay and improvements	-	6,231,538	5,240,812	990,726
Total expenditures	<u>-</u>	<u>6,231,538</u>	<u>5,240,812</u>	<u>990,726</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(6,231,538)</u>	<u>(5,240,516)</u>	<u>991,022</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	5,914,367	5,107,123	(807,244)
Total other financing sources (uses)	<u>-</u>	<u>5,914,367</u>	<u>5,107,123</u>	<u>(807,244)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (317,171)</u>	<u>(133,393)</u>	<u>\$ 183,778</u>
FUND BALANCES:				
Beginning of year			793,675	
End of year			<u>\$ 660,282</u>	

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, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits, and fees	\$ 500,000	\$ 500,000	\$ 896,905	\$ 396,905
Use of money and property	28,000	28,000	212,134	184,134
Other revenues	-	-	35,180	35,180
Total revenues	528,000	528,000	1,144,219	616,219
EXPENDITURES:				
Current:				
Public works - Streets	-	8,019,917	4,406,228	3,613,689
Total expenditures	-	8,019,917	4,406,228	3,613,689
REVENUES OVER (UNDER) EXPENDITURES	528,000	(7,491,917)	(3,262,009)	(2,997,470)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,885,189	2,631,674	(253,515)
Transfers out	(50,000)	(1,176,849)	(500,200)	676,649
Total other financing sources (uses)	(50,000)	1,708,340	2,131,474	423,134
Net change in fund balances	\$ 578,000	\$ (9,200,257)	(1,130,535)	\$ (2,574,336)
FUND BALANCES:				
Beginning of year			5,461,516	
End of year			\$ 4,330,981	

City of Pittsburgh

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

Park Dedication Capital Projects Fund

For the year ended June 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Licenses, permits, and fees	\$ 1,165,000	\$ 1,165,000	\$ 3,915,221	\$ 2,750,221
Use of money and property	15,000	15,000	295,200	280,200
Total revenues	1,180,000	1,180,000	4,210,421	3,030,421
EXPENDITURES:				
Current:				
Public works - streets	-	674,891	5,975	668,916
Total expenditures	-	674,891	5,975	668,916
REVENUES OVER (UNDER) EXPENDITURES	1,180,000	505,109	4,204,446	2,361,505
OTHER FINANCING SOURCES (USES):				
Transfers out	(75,000)	(4,831,513)	(2,516,968)	2,314,545
Total other financing sources (uses)	(75,000)	(4,831,513)	(2,516,968)	2,314,545
Net change in fund balances	\$ 1,255,000	\$ 5,336,622	1,687,478	\$ 4,676,050
FUND BALANCES:				
Beginning of year			3,565,847	
End of year			\$ 5,253,325	

CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2007



PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

Island Energy Fund - This fund was established to account for expenditures incurred in maintenance of the facilities, in distributing gas and electricity to the industries, schools, business, and residents of Mare Island, in Vallejo, and to account for revenues collected from services to customers.

Pittsburg Power Fund - This fund was created by the Joint Powers Agreement between the City of Pittsburg and the Redevelopment Agency to develop revenue streams, to manage different activities for power related projects, capital improvement projects, and bond issuance process.

City of Pittsburg
Statement of Net Assets
Non-Major Enterprise Funds
June 30, 2007

	Golf Course	Island Energy	Pittsburg Power	Total Non-Major Enterprise Funds
ASSETS				
Current assets:				
Cash and investments	\$ 255,743	\$ 1,881,993	\$ 3,211,694	\$ 5,349,430
Restricted cash and investments	-	103,059	-	103,059
Receivables:				
Accounts	7,810	733,185	391,350	1,132,345
Interest	-	18,908	-	18,908
Advances to other funds	-	-	1,625,000	1,625,000
Inventory	59,665	-	-	59,665
Prepaid items and other assets	-	3,187	-	3,187
Total current assets	323,218	2,740,332	5,228,044	8,291,594
Noncurrent assets				
Capital assets:				
Depreciable assets, net	1,180,881	6,142,650	-	7,323,531
Total noncurrent assets	1,180,881	6,142,650	-	7,323,531
Total assets	1,504,099	8,882,982	5,228,044	15,615,125
LIABILITIES				
Current liabilities:				
Accounts payable	24,257	294,642	71,809	390,708
Salaries payable	21,222	1,776	3,450	26,448
Taxes Payable	11,088	67,306	-	78,394
Refundable deposits	11,657	48,018	-	59,675
Deferred Revenues	11,329	297,727	-	309,056
Compensated absences payable - due within one year	4,563	3,544	1,250	9,357
Capital leases - due within one year	14,689	-	-	14,689
Total current liabilities	98,805	713,013	76,509	888,327
Noncurrent liabilities:				
Advances from other funds	375,000	1,250,000	-	1,625,000
Compensated absences payable - due in more than one year	64,967	9,252	17,148	91,367
Total noncurrent liabilities	439,967	1,259,252	17,148	1,716,367
Total liabilities	538,772	1,972,265	93,657	2,604,694
NET ASSETS				
Invested in capital assets, net of related debt	791,192	6,142,650	-	6,933,842
Restricted for specific purposes	59,665	106,246	1,625,000	1,790,911
Unrestricted	114,470	661,821	3,509,387	4,285,678
Total net assets	\$ 965,327	\$ 6,910,717	\$ 5,134,387	\$ 13,010,431

City of Pittsburg
Statement of Revenues and Expenditures
Non-Major Enterprise Funds
June 30, 2007

	Golf Course	Island Energy	Pittsburg Power	Total Non-Major Enterprise Funds
OPERATING REVENUES:				
Charges for services	\$ 747,395	\$ 3,263,079	\$ 1,430,295	\$ 5,440,769
Other Fees	-	-	-	-
Rent and concessions	374,984	-	-	374,984
Gas and Oil sales	92,121	-	-	92,121
Other operating revenues	50,996	283,973	-	334,969
Total operating revenues	1,265,496	3,547,052	1,430,295	6,242,843
OPERATING EXPENSES:				
Salaries and wages	542,994	42,364	84,211	669,569
Department supplies	297,723	1,603,963	136,399	2,038,085
Rentals	2,681	27,895	243	30,819
Utilities	36,885	21,638	-	58,523
Maintenance and operations	225,828	1,471,090	1,143,550	2,840,468
Depreciation and amortization	145,264	348,999	-	494,263
Fringe benefits	277,757	44,195	66,028	387,980
Other operating expenses	81,600	-	59,998	141,598
Total operating expenses	1,610,732	3,560,144	1,490,429	6,661,305
OPERATING INCOME (LOSS)	(345,236)	(13,092)	(60,134)	(418,462)
NONOPERATING REVENUES (EXPENSES):				
Investment earnings	6,480	89,068	166,642	262,190
Gain (loss) on disposal of assets	(1,837)	-	-	(1,837)
Total nonoperating revenues (expenses)	4,643	89,068	166,642	260,353
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(340,593)	75,976	106,508	(158,109)
OPERATING TRANSFERS:				
Transfers in	250,000	-	60,358	310,358
Transfers out	-	(90,130)	(137,317)	(227,447)
Total operating transfers	250,000	(90,130)	(76,959)	82,911
Net income (loss)	(90,593)	(14,154)	29,549	(75,198)
NET ASSETS:				
Beginning of year	1,055,920	6,924,871	5,104,838	13,085,629
End of year	\$ 965,327	\$ 6,910,717	\$ 5,134,387	\$ 13,010,431

City of Pittsburg
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2007

	Golf Course	Island Energy	Pittsburg Power	Total Non-Major Enterprise Funds
CASH FLOW FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 1,263,113	\$ 2,979,793	\$ 1,482,231	\$ 5,725,137
Cash payments to suppliers of goods and services	(530,974)	(3,020,491)	(1,425,292)	(4,976,757)
Cash payments to employees for services	(790,212)	(77,980)	(136,732)	(1,004,924)
Other operating revenue (expenses)	(30,604)	283,973	(59,998)	193,371
Net cash provided (used) by operating activities	(88,677)	165,295	(139,791)	(63,173)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers in	250,000	-	60,358	310,358
Transfers out	-	(90,130)	(137,317)	(227,447)
Net cash provided (used) by noncapital financing activities	250,000	(90,130)	(76,959)	82,911
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Payment on capital lease	(56,877)	-	-	(56,877)
Net cash provided (used) by capital and related financing activities	(56,877)	-	-	(56,877)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	6,480	70,160	166,642	243,282
Net cash provided (used) by investing activities	6,480	70,160	166,642	243,282
Net increase (decrease) in cash	110,926	145,325	(50,108)	206,143
CASH AND INVESTMENTS:				
Beginning of year	144,817	1,839,727	3,261,802	5,246,346
End of year	\$ 255,743	\$ 1,985,052	\$ 3,211,694	\$ 5,452,489
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (345,236)	\$ (13,092)	\$ (60,134)	\$ (418,462)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	145,264	348,999	-	494,263
Changes in operating assets and liabilities:				
Accounts receivable	48,977	(455,674)	51,936	(354,761)
Inventory	40,917	-	-	40,917
Prepaid items	5,477	(3,187)	-	2,290
Accounts payable	(14,828)	46,083	(145,100)	(113,845)
Salaries and wages payable	(439)	(1,804)	(941)	(3,184)
Taxes payable	577	61,199	-	61,776
Refundable deposits	11,614	7,200	-	18,814
Deferred Revenue	(11,978)	165,188	-	153,210
Compensated absences	30,978	10,383	14,448	55,809
Total adjustments	256,559	178,387	(79,657)	355,289
Net cash provided (used) by operating activities	\$ (88,677)	\$ 165,295	\$ (139,791)	\$ (63,173)

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

City of Pittsburg
Combining Statement of Net Assets
All Internal Service Funds
June 30, 2007

	Fleet Maintenance	Building Maintenance	Insurance	Information/ Communication Services	Fringe Benefits	Total
ASSETS						
Current assets:						
Cash and investments	\$ 1,144,809	\$ 781,257	\$ 956,783	\$ 444,753	\$ 2,459,412	\$ 5,787,014
Receivables:						
Accounts	52,031	-	10,920	-	32,402	95,353
Loans/Notes	-	-	-	30,651	-	30,651
Inventory	-	6,600	-	-	-	6,600
Prepaid items and other assets	-	-	862	275,691	31,828	308,381
Total current assets	1,196,840	787,857	968,565	751,095	2,523,642	6,227,999
Noncurrent assets:						
Capital assets:						
Depreciable assets, net	2,003,596	1,206,770	-	703,872	-	3,914,238
Total noncurrent assets	2,003,596	1,206,770	-	703,872	-	3,914,238
Total assets	3,200,436	1,994,627	968,565	1,454,967	2,523,642	10,142,237
LIABILITIES						
Current liabilities:						
Accounts payable	70,315	72,071	12,873	85,771	62,533	303,563
Salaries payable	8,371	7,906	-	3,342	1,976	21,595
Capital leases-due within one year	-	-	-	176,725	-	176,725
Claims payable	-	-	168,343	-	-	168,343
Compensated absences-due within one year	1,827	2,984	-	117	-	4,928
Total current liabilities	80,513	82,961	181,216	265,955	64,509	675,154
Noncurrent liabilities:						
Capital lease-due in more than one year	-	-	-	736,793	-	736,793
Compensated absences	11,255	18,383	-	8,151	-	37,789
Total noncurrent liabilities	11,255	18,383	-	744,944	-	774,582
Total liabilities	91,768	101,344	181,216	1,010,899	64,509	1,449,736
NET ASSETS						
Invested in capital assets, net of related debt	2,003,596	1,206,770	-	37,580	-	3,247,946
Restricted for specific purposes	-	6,600	862	59,116	31,828	98,406
Unrestricted	1,105,072	679,913	786,487	347,372	2,427,305	5,346,149
Total net assets	\$ 3,108,668	\$ 1,893,283	\$ 787,349	\$ 444,068	\$ 2,459,133	\$ 8,692,501

City of Pittsburg
Combining Statement of Revenues, Expenses and Changes in Net Assets
All Internal Service Funds
For the year ended June 30, 2007

	Fleet Maintenance	Building Maintenance	Insurance	Information/ Communication Services	Fringe Benefits	Total
OPERATING REVENUES:						
Charges for services	\$ 1,537,701	\$ 1,406,222	\$ 959,850	\$ 816,000	\$ 2,180,039	\$ 6,899,812
Other operating revenues	1,943	69,612	51,467	-	9,270	132,292
Total operating revenues	1,539,644	1,475,834	1,011,317	816,000	2,189,309	7,032,104
OPERATING EXPENSES:						
Salaries and wages	215,187	208,771	-	88,722	189,494	702,174
Department supplies	626,433	121,563	-	135,931	-	883,927
Rentals	22,321	-	-	223	-	22,544
Utilities	6,807	290,785	-	-	-	297,592
Maintenance and operations	151,294	567,860	-	566,386	-	1,285,540
Depreciation	467,014	204,405	-	16,949	-	688,368
Insurance premiums	-	-	552,283	-	-	552,283
Insurance deductible	-	-	100,070	-	-	100,070
Fringe benefits	120,136	143,283	-	41,122	2,104,501	2,409,042
Other operating expenses	-	-	-	-	61,957	61,957
Total operating expenses	1,609,192	1,536,667	652,353	849,333	2,355,952	7,003,497
OPERATING INCOME (LOSS)	(69,548)	(60,833)	358,964	(33,333)	(166,643)	28,607
NONOPERATING REVENUES:						
Gain (loss) on sale of assets	11,811	(16,801)	-	(7,360)	-	(12,350)
Interest expense	-	-	-	(10,422)	-	(10,422)
Investment income	-	-	34,831	-	87,845	122,676
Total nonoperating revenues	11,811	(16,801)	34,831	(17,782)	87,845	99,904
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(57,737)	(77,634)	393,795	(51,115)	(78,798)	128,511
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	980,000	980,000
Transfers out	-	-	(100,000)	-	(150,000)	(250,000)
Total other financing sources (uses)	-	-	(100,000)	-	830,000	730,000
Net income (loss)	(57,737)	(77,634)	293,795	(51,115)	751,202	858,511
NET ASSETS:						
Beginning of year	3,166,405	1,970,917	493,554	495,183	1,707,931	7,833,990
End of year	\$ 3,108,668	\$ 1,893,283	\$ 787,349	\$ 444,068	\$ 2,459,133	\$ 8,692,501

City of Pittsburg
Combining Statement of Cash Flows
All Internal Service Funds
For the year ended June 30, 2007

	Fleet Maintenance	Building Maintenance	Insurance	Information/ Communication Services	Fringe Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers/other funds	\$ 1,485,697	\$ 1,406,222	\$ 973,767	\$ 816,000	\$ 2,152,135	\$ 6,833,821
Cash payments to employees for services	(331,812)	(346,413)	(668,679)	(134,321)	(2,275,572)	(3,756,797)
Cash payments to suppliers for goods and services	(866,409)	(908,234)	-	(926,291)	4,659	(2,696,275)
Other operating revenues (expenses)	1,943	69,612	51,467	-	(52,687)	70,335
Net cash provided (used) by operating activities	289,419	221,187	356,555	(244,612)	(171,465)	451,084
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Transfers in	-	-	-	-	980,000	980,000
Transfers out	-	-	(100,000)	-	(150,000)	(250,000)
Net cash provided (used) by noncapital financing activities	-	-	(100,000)	-	830,000	730,000
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Acquisition of capital assets	(367,169)	(63,567)	-	(666,292)	-	(1,097,028)
Proceeds from issuance of capital leases	-	-	-	913,518	-	913,518
Proceeds from sale of assets	67,288	-	-	-	-	67,288
Interest expense	-	-	-	(10,511)	-	(10,511)
Net cash provided (used) by capital financing activities	(299,881)	(63,567)	-	236,715	-	(126,733)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest revenue	-	-	34,831	-	87,845	122,676
Net cash provided (used) by investing activities	-	-	34,831	-	87,845	122,676
Net increase (decrease) in cash and cash equivalents	(10,462)	157,620	291,386	(7,897)	746,380	1,177,027
CASH AND CASH EQUIVALENTS:						
Beginning of year	1,155,271	623,637	665,397	452,650	1,713,032	4,609,987
End of year	\$ 1,144,809	\$ 781,257	\$ 956,783	\$ 444,753	\$ 2,459,412	\$ 5,787,014
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ (69,548)	\$ (60,833)	\$ 358,964	\$ (33,333)	\$ (166,643)	\$ 28,607
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	467,014	204,405	-	16,949	-	688,368
Changes in operating assets and liabilities:						
Accounts receivable	(52,004)	-	13,917	-	(27,904)	(65,991)
Loans receivable	-	-	-	(5,503)	-	(5,503)
Due from other funds	-	-	-	-	-	-
Inventory	41,552	56,070	-	-	-	97,622
Prepaid items	-	-	30	(275,691)	16,447	(259,214)
Accounts payable	(101,106)	15,904	8,144	51,940	4,659	(20,459)
Salaries and wages payable	438	(2,066)	-	13	1,976	361
Due to other funds	-	-	-	-	-	-
Compensated absences	3,073	7,707	-	1,013	-	11,793
Insurance claims payable	-	-	(24,500)	-	-	(24,500)
Total adjustments	358,967	282,020	(2,409)	(211,279)	(4,822)	422,477
Net cash provided (used) by operating activities	\$ 289,419	\$ 221,187	\$ 356,555	\$ (244,612)	\$ (171,465)	\$ 451,084

FIDUCIARY FUND FINANCIAL STATEMENTS

Agency Funds:

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

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

Other Impact Fees Agency Fund accounts for the collection of developer fees on behalf of the Contra Costa Fire Protection District (CCFPD), Contra Costa Water District (CCWD) and the East Contra Costa Regional Fee and Finance Authority (ECCRFF).

Vista Del Mar CFD Bond 2005-2 accounts for funds used to construct and acquire certain public improvements, consisting of roadway, water and other infrastructure improvements necessary for the development of property within the district, as well as park improvements.

City of Pittsburg
Combining Statement of Changes in Fiduciary Net Assets
Agency Funds
For the year ended June 30, 2007

	Beginning Balance July 1, 2006	Additions	Deletions	Ending Balance June 30, 2007
<u>Assessment Districts Fund</u>				
Assets:				
Cash and investments	\$ 2,214,663	\$ 2,335,694	\$ (2,178,770)	\$ 2,371,587
Cash and investments held by fiscal agent	2,604,044	1,632,742	(1,562,270)	2,674,516
Assessment receivable	23,610,133	710,000	(22,031,566)	2,288,567
Interest receivable	26,197	49,754	(26,197)	49,754
Total assets	\$ 28,455,037	\$ 4,728,190	\$ (25,798,803)	\$ 7,384,424
Liabilities:				
Accounts payable	\$ 1,933	\$ 105,117	\$ (59,138)	\$ 47,912
Deferred assessment	2,273,856	27,113	(12,402)	2,288,567
Due to bondholders	26,179,248	750,000	(21,881,303)	5,047,945
Total liabilities	\$ 28,455,037	\$ 882,230	\$ (21,952,843)	\$ 7,384,424
<u>Environmental Impact Fund</u>				
Assets:				
Cash and investments	\$ 153,740	\$ 39,001	\$ (104,279)	\$ 88,462
Total assets	\$ 153,740	\$ 39,001	\$ (104,279)	\$ 88,462
Liabilities:				
Accounts payable	\$ 33,922	\$ 136,910	\$ (104,279)	\$ 66,553
Due to other parties	119,818	39,001	(136,910)	21,909
Total liabilities	\$ 153,740	\$ 175,911	\$ (241,189)	\$ 88,462
<u>Other Impact Fees Fund</u>				
Assets:				
Cash and investments	\$ 1,372,809	\$ 6,255,996	\$ (6,839,830)	\$ 788,975
Total assets	\$ 1,372,809	\$ 6,255,996	\$ (6,839,830)	\$ 788,975
Liabilities:				
Accounts payable	\$ 1,362,467	\$ 6,693,937	\$ (7,269,002)	\$ 787,402
Due to other parties	10,342	78,109	(86,878)	1,573
Total liabilities	\$ 1,372,809	\$ 6,772,046	\$ (7,355,880)	\$ 788,975
<u>Vista Del Mar CFD Bond 2005</u>				
Assets:				
Cash and investments held by fiscal agent	\$ 9,155,461	\$ 1,132,170	\$ (3,489,436)	\$ 6,798,195
Accounts receivable	-	5,000	-	5,000
Interest receivable	32,508	28,059	(32,508)	28,059
Total assets	\$ 9,187,969	\$ 1,165,229	\$ (3,521,944)	\$ 6,831,254
Liabilities:				
Accounts payable	\$ 2,871,101	\$ 12,161	\$ (2,880,626)	\$ 2,636
Due to other parties	5,496,978	506,750	-	6,003,728
Due to bondholders	819,890	38,095	(33,095)	824,890
Total liabilities	\$ 9,187,969	\$ 557,006	\$ (2,913,721)	\$ 6,831,254
<u>Total Agency Funds</u>				
Assets:				
Cash and investments	\$ 3,741,212	\$ 8,630,691	\$ (9,122,879)	\$ 3,249,024
Cash and investments held by fiscal agent	11,759,505	2,764,912	(5,051,706)	9,472,711
Assessment receivable	23,610,133	715,000	(22,031,566)	2,293,567
Interest receivable	58,705	77,813	(58,705)	77,813
Total assets	\$ 39,169,555	\$ 12,188,416	\$ (36,264,856)	\$ 15,093,115
Liabilities:				
Accounts payable	\$ 4,269,423	\$ 6,948,125	\$ (10,313,045)	\$ 904,503
Deferred assessment	2,273,856	27,113	(12,402)	2,288,567
Due to other parties	5,627,138	623,860	(223,788)	6,027,210
Due to bondholders	26,999,138	788,095	(21,914,398)	5,872,835
Total liabilities	\$ 39,169,555	\$ 8,387,193	\$ (32,463,633)	\$ 15,093,115

STATISTICAL SECTION

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

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

The major points of emphasis are:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

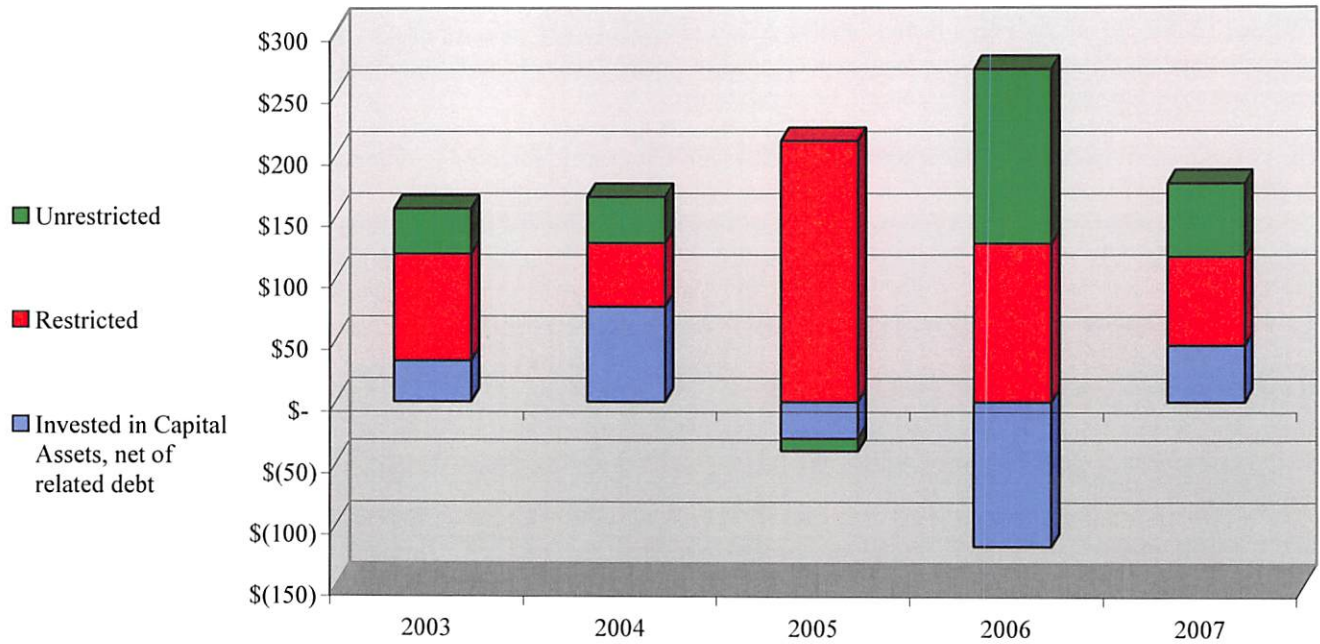
These schedules offer demographic and economic indications to help the CAFR reader understand the environment within which the City of Pittsburg's financial activities occur.

Operating Information

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

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

CITY OF PITTSBURG
Net Assets by Component
Last Five Fiscal Years
(Accrual Basis of Accounting)



	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in Capital Assets, Net of related debt	\$ (26,238,165)	\$ 20,196,804 *	\$ (87,277,519) *	\$ (153,333,826)	\$ 3,247,946
Restricted	83,593,162	48,370,563	207,720,167	124,840,230	58,131,686
Unrestricted	36,726,956	35,538,694	(21,780,919)	99,416,697	28,994,097
Total governmental activities net assets	<u>\$ 94,081,953</u>	<u>\$ 104,106,061</u>	<u>\$ 98,661,729</u>	<u>\$ 70,923,101</u>	<u>\$ 90,373,729</u>
Business-type activities					
Invested in Capital Assets, Net of related debt	\$ 59,477,425	\$ 56,818,181	\$ 57,789,865	\$ 36,566,114	\$ 42,643,385
Restricted	3,200,137	3,248,963	3,602,121	3,602,121	13,474,928
Unrestricted	(201,098)	1,932,189	11,652,926	41,341,654	30,681,028
Total business-type activities net assets	<u>\$ 62,476,464</u>	<u>\$ 61,999,333</u>	<u>\$ 73,044,912</u>	<u>\$ 81,509,889</u>	<u>\$ 86,799,341</u>
Primary government					
Invested in capital assets, net of related debt	\$ 33,239,260	\$ 77,014,985	\$ (29,487,654)	\$ (116,767,712)	\$ 45,891,331
Restricted	86,793,299	51,619,526	211,322,288	128,442,351	71,606,614
Unrestricted	36,525,858	37,470,883	(10,127,993)	140,758,351	59,675,125
Total primary government net assets	<u>\$ 156,558,417</u>	<u>\$ 166,105,394</u>	<u>\$ 171,706,641</u>	<u>\$ 152,432,990</u>	<u>\$ 177,173,070</u>

* Calculated NET Debt for Prior Years

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

	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
Expenses					
Governmental Activities:					
General Government	\$ 16,110,457	\$ 14,572,665	\$ 18,599,651	\$ 60,157,154	\$ 14,254,413
Public Safety	15,028,840	14,875,512	14,929,141	15,997,395	16,949,031
Public Works	11,347,272	10,773,507	11,881,765	17,075,898	17,949,516
Community Development	24,172,724	17,704,319	18,278,033	16,451,856	25,815,463
Culture and Recreation	1,181,584	1,482,370	1,574,661	1,772,570	1,892,674
Interest on Long Term Debt	12,092,327	10,863,858	18,645,181	15,117,640	20,495,286
Total Governmental Activities Expenses	79,933,204	70,272,231	83,908,432	126,572,513	97,356,383
Business-Type Activities:					
Water	11,405,136	10,877,126	11,135,859	13,136,590	13,372,173
Wastewater	1,759,995	2,617,064	1,671,204	1,830,382	1,929,214
Marina	1,609,664	1,746,368	1,769,750	1,629,567	2,378,869
Other-Non-Major Enterprise Funds	8,226,911	5,108,785	5,743,737	6,466,498	6,663,142
Total Business-Type Activities Expenses	23,001,706	20,349,343	20,320,550	23,063,037	24,343,398
Total Primary Government Expenses	\$ 102,934,910	\$ 90,621,574	\$ 104,228,982	\$ 149,635,550	\$ 121,699,781
Program Revenues					
Governmental Activities:					
Charges for Services:					
General Government			\$ 7,099	\$ 786,511	\$ 8,362,348
Public Safety	16,590	2,728,211	271,996	198,240	633,513
Public Works	1,575,153	2,016,472	4,479,760	4,554,972	4,077,620
Community Development	1,988,806	554,698	2,149,874	4,106,077	90,302
Culture and Recreation	357,723	538,552	415,056	509,709	533,114
Operating Grants and Contributions	13,092,118	10,101,536	5,166,636	3,923,284	19,357,391
Capital Grants and Contributions	4,482,654	2,691,559	4,233,864	3,307,936	948,905
Total Governmental Activities Program Revenues	21,513,044	18,631,028	16,724,285	17,386,729	34,003,193
Business-Type Activities:					
Charges for Services:					
Water	11,184,523	11,323,819	11,720,046	15,614,242	15,974,805
Wastewater	2,652,079	2,615,766	2,602,071	3,668,052	3,864,420
Marina	1,063,773	1,182,012	1,299,827	1,318,081	1,653,350
Other-Non-Major Enterprise Funds	5,302,669	4,504,703	5,087,677	5,702,392	6,242,843
Operating Grants and Contributions					
Capital Grants and Contributions			4,734,916	3,619,190	197,903
Total Business-Type Activities Program Revenue	20,203,044	19,626,300	25,444,537	29,921,957	27,933,321
Total Primary Government Program Revenues	\$ 41,716,088	\$ 38,257,328	\$ 42,168,822	\$ 47,308,686	\$ 61,936,514
Net (Expense)/Revenue					
Governmental Activities	\$ (58,420,160)	\$ (51,641,203)	\$ (67,184,147)	\$ (109,185,784)	\$ (63,353,190)
Business-Type Activities	(2,798,662)	(723,043)	5,123,987	6,858,920	3,589,923
Total Primary Government Net Expense	\$ (61,218,822)	\$ (52,364,246)	\$ (62,060,160)	\$ (102,326,864)	\$ (59,763,267)

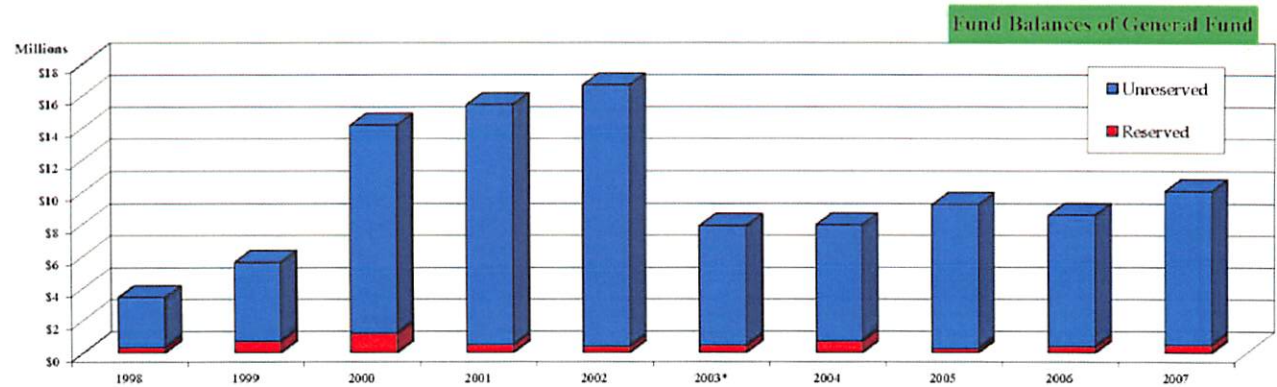
* PRE-GASB 34 Reporting

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

	Fiscal Year Ended June 30,				
	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Assets					
Governmental Activities:					
Taxes:					
Property Taxes	\$ 31,866,248	\$ 38,100,202	\$ 38,110,361	\$ 43,852,448	\$ 50,917,360
Sales Taxes	8,379,413	6,605,075	7,665,033	8,490,042	7,953,283
Motor Vehicle In-Lieu	3,417,248	2,707,765	677,815	4,376,374	6,042,275
Transient Occupancy Tax	157,655	125,541	144,920	152,204	149,393
Inter Governmental Revenues	20,570,045	23,541,748	20,523,145	21,371,198 *	-
Nonregulatory Franchise and Business	1,994,682	2,064,216	2,053,747	2,181,141	2,246,603
Interest Earnings	9,619,312	2,248,357	343,068	7,594,655	11,146,109
Other	(562,362)	4,289,084	37,700,721	11,393,786	2,134,499
Transfers	54,976,912	37,091,967	43,733,222	47,719,563	563,960
Total Government Activities	130,419,152	116,773,955	150,952,032	147,131,412	81,153,482
Business-Type Activities:					
Interest Earnings	539,919	312,016	381,267	1,047,319	2,263,490
Transfers	587,904	2,321,000	10,231,255	2,076,052	(563,960)
Total Business-Type Activities	1,127,823	2,633,016	10,612,522	3,123,371	1,699,530
Total Primary Government	\$ 131,546,975	\$ 119,406,971	\$ 161,564,554	\$ 150,254,783	\$ 82,853,012
Change in Net Assets					
Governmental Activities	\$ 71,998,992	\$ 65,132,752	\$ 83,767,885	\$ 37,945,628	\$ 17,800,292
Business-Type Activities	(1,670,839)	1,909,973	15,736,509	9,982,291	5,289,453
Total Primary Government	\$ 70,328,153	\$ 67,042,725	\$ 99,504,394	\$ 47,927,919	\$ 23,089,745

* Reclassified into Program Revenue & Other Taxes

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



	Fiscal Year Ended June 30,									
	1998	1999	2000	2001	2002	2003*	2004	2005	2006	2007
General Fund										
Reserved	\$ 338,021	\$ 720,434	\$ 1,202,411	\$ 482,218	\$ 382,331	\$ 426,978	\$ 722,510	\$ 245,280	\$ 372,186	\$ 492,681
Unreserved	3,068,711	4,900,111	12,944,439	14,950,790	16,264,525	7,456,583	7,235,268	8,952,718	8,183,807	9,566,686
Total General Fund	<u>\$ 3,406,762</u>	<u>\$ 5,620,545</u>	<u>\$ 14,146,850</u>	<u>\$ 15,433,008</u>	<u>\$ 16,646,856</u>	<u>\$ 7,883,561</u>	<u>\$ 7,957,778</u>	<u>\$ 9,197,998</u>	<u>\$ 8,555,993</u>	<u>\$ 10,059,367</u>
All Other Governmental Funds										
Reserved	\$ 43,075,388	\$ 26,650,557	\$ 30,361,438	\$ 23,287,001	\$ 33,890,596	\$ 34,513,856	\$ 62,362,398	\$ 150,732,011	\$ 138,881,219	\$ 236,888,018
Unreserved, designated						63,778,404	24,060,758	42,695,263	29,455,358	41,043,642
Unreserved, reported in:										
Special Revenue Funds	1,525,352	253,136	19,610,738	4,999,526	3,476,844	3,524,346	7,287,439	2,162,348	9,204,969	2,526,959
Capital Project Funds	(422,392)	(403,070)	(1,349,903)	20,774,255	16,314,171	4,964,337	6,393,824	931,032	10,007,934	-
Total all other governmental funds	<u>\$ 44,178,348</u>	<u>\$ 26,500,623</u>	<u>\$ 48,622,273</u>	<u>\$ 49,060,782</u>	<u>\$ 53,681,611</u>	<u>\$ 106,780,943</u>	<u>\$ 100,104,419</u>	<u>\$ 196,520,654</u>	<u>\$ 187,549,480</u>	<u>\$ 280,458,619</u>

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

(1) Restated fund balances

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

(3) For Fiscal Year 2006-07, the Capital Project Fund Balances are reclassified into the Reserved Fund Balances to identify their specific purpose requirement.

(1)

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

	Fiscal Year Ended June 30,				
	1998	1999	2000	2001	2002
Revenues					
Taxes	\$27,709	\$29,156	\$32,269	\$36,209	\$45,388
Licenses, permits and fees	1,683	1,400	2,036	3,374	1,361
Fines and forfeitures	48	99	194	169	165
Use of money and property	3,119	2,406	3,380	4,536	5,458
Intergovernmental revenues	8,895	8,926	9,605	11,167	12,884
Charges for services	2,419	2,805	2,566	3,087	3,062
Other	964	2,466	3,152	2,876	1,409
Total Revenues	44,837	47,258	53,202	61,418	69,727
Expenditures					
Current:					
General government	6,616	10,417	9,423	14,236	11,555
Public safety	7,801	8,920	9,535	10,769	12,057
Public works	4,843	4,490	4,593	5,313	5,384
Community development	9,592	9,829	9,585	10,737	13,937
Culture and recreation	659	751	1,051	1,314	1,408
Capital outlay	11,986	15,690	9,113	11,431	12,738
Debt service:					
Principal repayment	3,364	15,530	4,025	4,215	4,505
Interest and fiscal charges	11,013	10,759	10,171	10,758	12,159
Total Expenditures	55,874	76,386	57,496	68,773	73,743
Excess (deficiency) of revenues over (under) expenditures	(11,037)	(29,128)	(4,294)	(7,355)	(4,016)
Other Financing Sources (Uses)					
Transfers in	22,760	56,389	55,138	38,104	32,102
Transfers (out)	(20,762)	(56,025)	(48,802)	(35,185)	(31,795)
Capital Contributions					
Refunding tax allocation bonds				(60,913)	
Payment to escrow Account					
Tax allocation bonds issued		14,700	30,106	62,730	7,500
Special assessment bonds issued					
Bond Issuance Costs		(676)	(1,547)		
Payments to refunded bond escrow					
Sale of capital assets	64	2,012	47	15	1,274
Total other financing sources (uses)	2,062	16,400	34,942	4,751	9,081
Net Change in fund balances	(\$8,975)	(\$12,728)	\$30,648	(\$2,604)	\$5,065
Debt service as a percentage of noncapital expenditures	(a)	(a)	(a)	(a)	(a)

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

Fiscal Year Ended June 30,

2003	2004	2005	2006	2007
\$42,240	\$47,650	\$49,003	\$55,803	\$65,549
4,506	2,402	4,632	2,016	8,620
395	283	295	170	249
9,619	2,248	4,733	7,594	10,899
20,570	23,542	20,523	21,896	21,277
3,339	4,322	5,666	3,692	5,584
4,437	1,540	1,843	4,992	1,626
85,106	81,987	86,695	96,163	113,804
15,259	14,882	20,419	60,290	19,986
14,672	14,585	14,346	15,900	16,572
5,682	5,635	10,530	7,472	10,998
23,858	18,074	25,996	18,724	24,232
1,181	1,522	1,574	1,773	1,893
10,384	19,949	13,750	23,649	47,903
4,510	4,240	4,100	4,790	4,960
11,806	9,454	13,577	15,525	18,221
87,352	88,341	104,292	148,123	144,765
(2,246)	(6,354)	(17,597)	(51,960)	(30,961)
90,901	37,092	43,733	47,720	75,014
(93,154)	(38,556)	(52,248)	(51,305)	(74,999)
(36,495)		(21,166)	3,208	(180)
88,375		146,605	39,566	(44,218)
		(3,936)		169,820
			(248)	(4,171)
1,004	1,215	2,264	3,193	4,109
50,631	(249)	115,252	42,134	125,375
\$48,385	(\$6,603)	\$97,655	(\$9,826)	\$94,414

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

23.9%

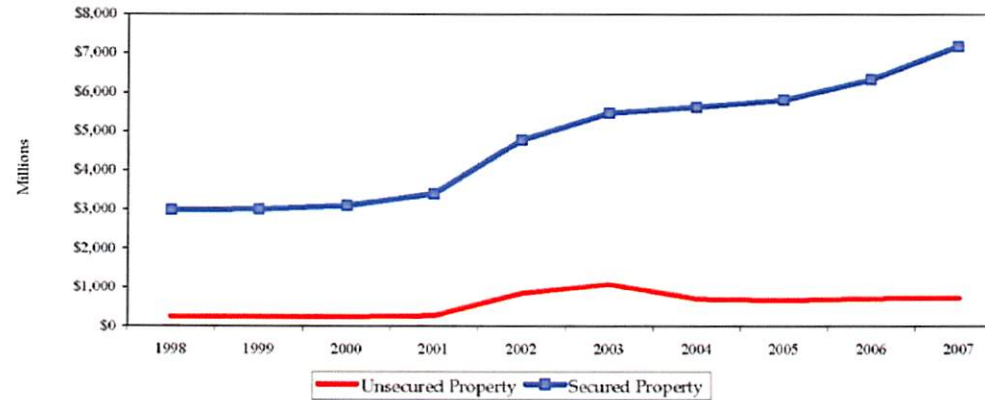
16.3%

19.5%

20.0%

21.2%

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



Fiscal Year	Total Before Exemptions				HOPTA (1)	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Land	Improvements	Person Property	GRAND Total					
1998	\$ 618,410,249	\$ 2,025,801,710	\$ 95,397,806	\$ 2,739,609,765	\$ 62,296,434	\$ 248,212,044	\$ 2,640,138,276	\$ 2,640,138,276	1%
1999	633,527,833	1,914,668,740	208,395,497	2,756,592,070	62,689,388	247,012,088	2,649,701,475	2,649,701,475	1%
2000	671,396,662	2,091,658,596	90,841,124	2,853,896,382	63,422,066	242,193,779	2,735,730,231	2,735,730,231	1%
2001	719,493,211	2,316,291,798	96,055,194	3,131,840,203	64,914,955	273,889,366	3,021,659,292	3,021,659,292	1%
2002	762,338,829	3,065,067,577	104,985,233	3,932,391,639	67,034,225	848,421,348	3,810,523,428	3,810,523,428	1%
2003	863,912,493	3,404,046,164	123,237,922	4,391,226,579	68,588,456	1,085,723,391	4,262,656,324	4,262,656,324	1%
2004	1,065,703,737	3,737,733,209	120,569,117	4,924,006,063	69,854,212	703,793,132	4,787,689,809	4,787,689,809	1%
2005	1,232,755,118	3,794,398,115	107,600,340	5,134,753,573	69,378,527	670,107,833	4,996,083,733	4,996,083,733	1%
2006	1,435,121,959	4,078,052,994	101,971,604	5,615,146,557	68,931,232	716,256,830	5,480,070,846	5,480,070,846	1%
2007	1,763,752,092	4,571,066,917	118,060,203	6,452,879,212	67,070,432	730,045,843	6,274,310,595	6,274,310,595	1%

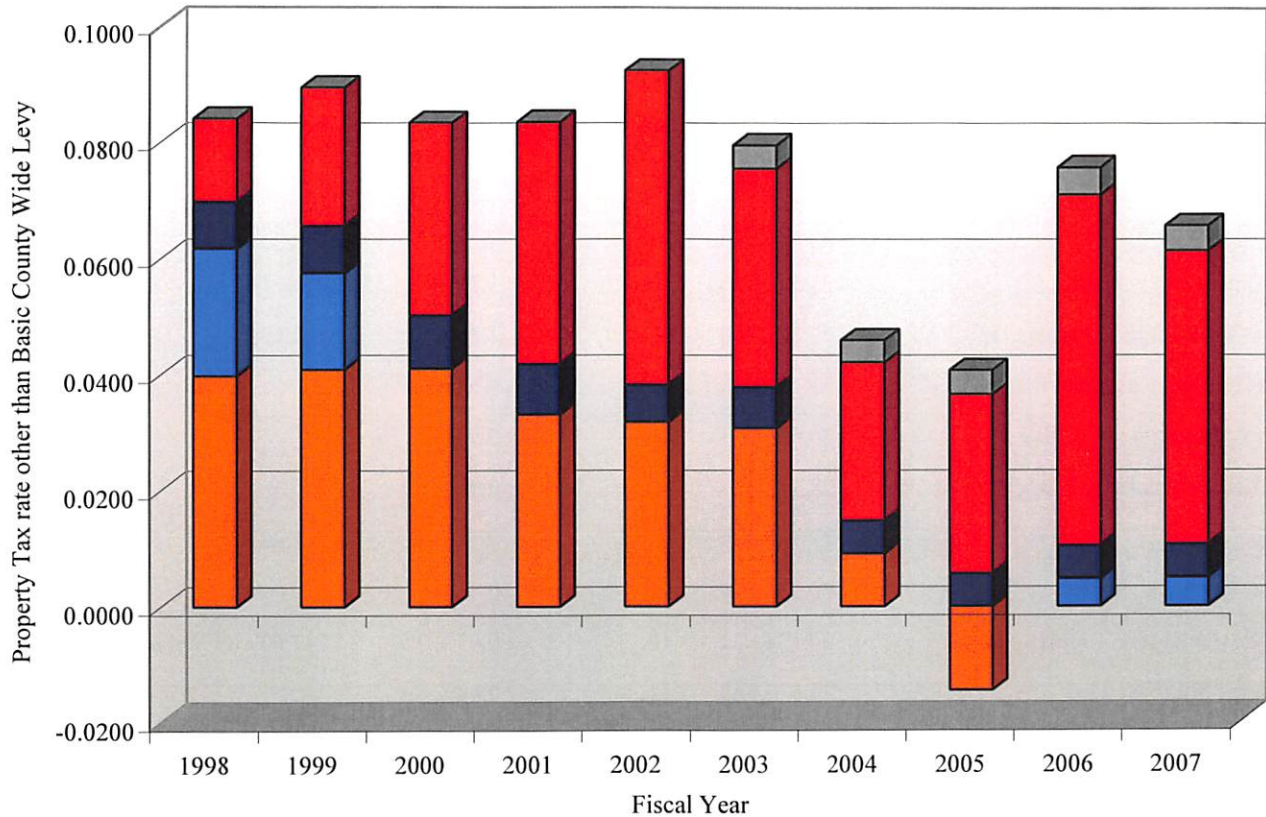
Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

i) The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local over-rides. These values are considered to be full market values.

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

(1) Homeowners' Property Tax Relief

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



■ Los Medanos Hospital ■ BART
■ East Bay Regional Park District ■ Pittsburg Unified School District
■ Community College

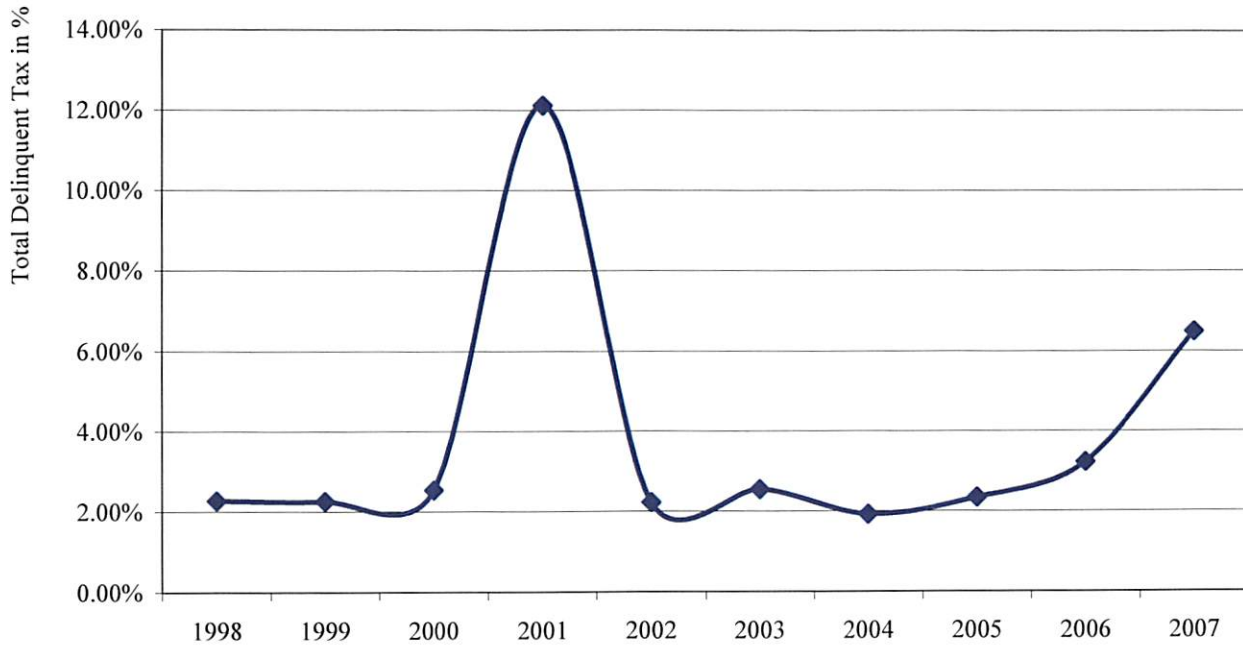
Fiscal Year	Basic County Wide Levy	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
1998	1.0000	0.0398	0.0220	0.0080	0.0143	-	1.0841
1999	1.0000	0.0409	0.0167	0.0081	0.0238	-	1.0895
2000	1.0000	0.0411	-	0.0092	0.0331	-	1.0834
2001	1.0000	0.0331	-	0.0088	0.0417	-	1.0836
2002	1.0000	0.0318	-	0.0065	0.0542	-	1.0925
2003	1.0000	0.0307	-	0.0072	0.0377	0.0040	1.0796
2004	1.0000	0.0091	-	0.0057	0.0274	0.0038	1.0460
2005	1.0000	-0.0144	-	0.0057	0.0309	0.0042	1.0264
2006	1.0000	0.0000	0.0048	0.0057	0.0606	0.0047	1.0758
2007	1.0000	0.0000	0.0050	0.0057	0.0508	0.0043	1.0658

Source: Contra Costa County Assessors Office & California Municipal Statistics

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

Taxpayer	2006-2007			1996-1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Delta Energy Center	\$438,200,000	1	7.81%			
USS - Posco Industries	389,812,488	2	6.95%	\$416,935,440	1	15.61%
Dow Chemical Company	105,353,656	3	1.88%	143,961,518	2	5.39%
Kirker Creek Limited Partnership	74,571,408	4	1.33%	22,191,500	8	0.83%
Sierra Pacific Apartments	51,486,948	5	0.92%			
Oakmont Properties II & III LP	29,655,175	6	0.53%			
Fund VIII Pr Pittsburg, LLC	28,116,234	7	0.50%			
National Energy Contractors	27,179,864	8	0.48%	36,074,007	5	1.35%
Seecon Financial	26,131,826	9	0.47%			
GWF Power System Limited Partner	25,154,632	10	0.45%	34,147,607	6	1.28%
KB Home South Bay Inc	24,527,543	11	0.44%			
Pittsburg Meridan Properties	23,355,225	12	0.42%			
Delaware North Park LLC	21,797,400	13	0.39%			
Sierra Pacific Properties	21,797,400	13	0.39%	48,903,032	3	1.83%
Albert D Seeno Construction Co.	18,808,083	15	0.34%	15,150,263	10	0.57%
Franklin Medanos Association	17,846,789	16	0.32%			
Steadfast Marina Heights	17,200,000	17	0.31%			
Ronald P and Maureen Ashley	16,629,494	18	0.30%			
Signode Corporation	14,908,763	19	0.27%			
Pittsburg Partners LLC	14,752,327	20	0.26%			
Century Plaza Corporation				41,825,611	4	1.57%
Meadow Creek Estates				34,147,607	7	1.28%
Union Carbide Industries Gases, Inc	14,451,832	21	0.26%	19,356,728	9	0.72%
Subtotal	<u>\$1,401,737,087</u>		<u>24.98%</u>	<u>\$812,693,313</u>		<u>30.42%</u>
Total Net Assessed Valuation:						
Fiscal Year 2006-2007	\$5,611,221,952					
Fiscal Year 1996-1997	\$2,671,740,767					

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



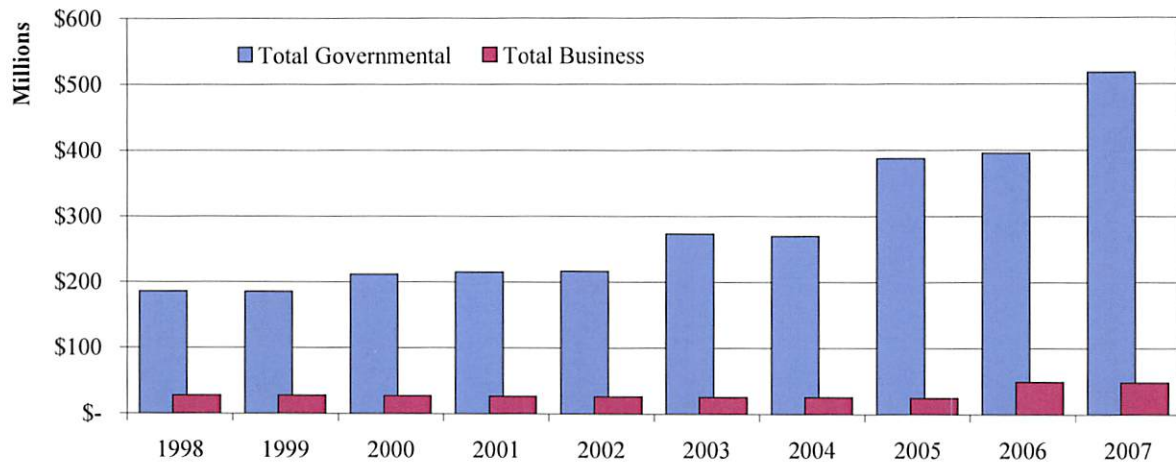
Fiscal Year	Total Tax Levy (a)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Delinquent @ June 30 (County)
1998	\$ 34,203,594	\$ 33,427,464	97.7309%	\$ 776,130	\$ 34,203,594	2.27%
1999	34,597,114	33,816,560	97.7439%	780,554	34,597,114	2.26%
2000	35,677,382	34,774,682	97.4698%	902,700	35,677,382	2.53%
2001	43,095,927	37,873,416	87.8817%	5,222,511	43,095,927	12.12%
2002	41,278,061	40,363,109	97.7834%	914,952	41,278,061	2.22%
2003	43,884,508	42,770,506	97.4615%	1,114,002	43,884,508	2.54%
2004	51,916,285	50,918,662	98.0784%	997,623	51,916,285	1.92%
2005	53,809,800	52,551,716	97.6620%	1,258,084	53,809,800	2.34%
2006	61,984,118	59,988,331	96.7802%	1,995,787	61,984,118	3.22%
2007	71,221,786	66,597,664	93.5074%	4,624,122	71,221,786	6.49%

Source: City of Pittsburg Records

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

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

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



Governmental Activities

Fiscal Year	Tax	Pass	Special	Landfill Containment	Total
	Allocation Bonds	Through Obligations	Assessment Debt		
1998	\$ 167,975,000	\$ 606,497	\$ 17,450,000	N/A	\$ 186,031,497
1999	165,145,000	803,741	19,450,000	N/A	185,398,741
2000	192,151,357	997,943	18,525,000	N/A	211,674,300
2001	188,891,357	1,247,280	25,070,000	N/A	215,208,637
2002	186,921,357	2,434,946	26,805,000	N/A	216,161,303
2003	241,812,819	3,199,939	27,950,000	N/A	272,962,758
2004	237,124,796	5,444,924	27,415,000	N/A	269,984,720
2005	352,556,357	8,206,902	26,795,000	N/A	387,558,259
2006	347,766,357	9,162,781	38,265,000	N/A	395,194,138
2007	472,741,357	7,232,732	37,595,000	N/A	517,569,089

Business-Type Activities

Fiscal Year	Water	Sewer	Total	Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Revenue Bonds	Revenue Bonds				
1998	\$ -	\$ 27,785,000	\$ 27,785,000	\$ 213,816,497	10.41%	4,072
1999	14,655,000	12,850,000	27,505,000	212,903,741	9.39%	3,981
2000	14,655,000	12,550,000	27,205,000	238,879,300	9.09%	4,393
2001	14,655,000	12,230,000	26,885,000	242,093,637	8.75%	4,176
2002	14,370,000	11,895,000	26,265,000	242,426,303	8.74%	4,051
2003	14,070,000	11,545,000	25,615,000	298,577,758	10.48%	4,889
2004	13,760,000	11,845,000	25,605,000	295,589,720	9.76%	4,808
2005	13,430,000	11,335,000	24,765,000	412,323,259	12.09%	6,586
2006	38,475,000	10,815,000	49,290,000	444,484,138	12.72%	7,106
2007	38,025,000	10,285,000	48,310,000	565,879,089	15.36%	8,982

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

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

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

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

Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value of Property	Per Capita
	Assessment Bonds	Total		
1998	\$ 167,975,000	\$ 167,975,000	6.36%	3,198.98
1999	165,145,000	165,145,000	6.23%	3,087.98
2000	192,151,357	192,151,357	7.02%	3,533.30
2001	188,891,357	188,891,357	6.25%	3,258.10
2002	186,921,357	186,921,357	4.91%	3,123.53
2003	241,812,819	241,812,819	5.67%	3,959.80
2004	237,124,796	237,124,796	4.95%	3,856.88
2005	352,556,357	352,556,357	7.06%	5,631.44
2006	347,766,357	347,766,357	6.35%	5,560.08
2007	472,741,357	472,741,357	7.53%	7,503.35

CITY OF PITTSBURG
Computation of Direct and Overlapping Debt
June 30, 2007

2006-07 Assessed Valuation \$ 2,101,537,847
(After deducting \$4,239,843,180 Redevelopment Incremental Valuation)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	Total Debt Outstanding 6/30/2007	Percentage Applicable To City of Pittsburg	Amount Applicable To City of Pittsburg
Bay Area Rapid Transit District	\$ 87,185,000	0.533%	\$ 464,696
Contra Costa Community College District	112,900,000	1.654%	1,867,366
Mount Diablo Unified School District	222,500,000	1.054%	2,345,150
Mount Diablo Unified School District Communities Facilities Dist No. 1	70,205,000	1.047%	735,046
Pittsburg Unified School District	54,935,000	92.797%	50,978,032
City of Pittsburg Community Facilities District No. 2005-2	12,115,000	100%	12,115,000
City of Pittsburg 1915 Act Bonds	25,480,000	100%	25,480,000
East Bay Regional Park District	166,295,000	0.775%	1,288,786
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	<u>\$ 751,615,000</u>		95,274,076

OVERLAPPING GENERAL FUND DEBT:

Contra Costa County General Fund Obligations	381,735,000	1.650%	6,298,628
Contra Costa County Pension Obligations	515,710,000	1.650%	8,509,215
Contra Costa County Board of Education Certificates of Participation	900,000	1.650%	14,850
Contra Costa Community College District Certificates of Participation	1,165,000	1.654%	19,269
Antioch Unified School District Certificates of Participation	25,177,390	0.634%	159,625
Mount Diablo Unified School District Certificates of Participation	6,100,000	1.054%	64,294
Pittsburg Unified School District Certificates of Participation	12,060,000	92.797%	11,191,318
City of Pittsburg Pension Obligation Bonds	39,566,056	100%	39,566,056
Contra Costa Fire Protection District Pension Obligations	128,280,000	3.606%	4,625,777
TOTAL OVERLAPPING GENERAL FUND DEBT	<u>\$ 1,110,693,446</u>		<u>\$ 70,449,032</u>

GROSS COMBINED TOTAL DEBT **(1) \$ 165,723,108**

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

RATIOS TO 2006-07 ASSESSED VALUATION:

Total Overlapping and Tax Assessment Debt	1.50%
---	-------

RATIOS TO ADJUSTED ASSESSED VALUATION:

Combined Direct Debt (\$39,566,056)	1.88%
Combined Total Debt	7.89%

Source: California Municipal Statistics, Inc.

CITY OF PITTSBURG
Computation of Legal Bonded Debt Margin
June 30, 2007

ASSESSED VALUATION:

Secured property assessed value, net of
exempt real property \$ 2,101,537,847 (1)
(1) Net of \$4,239,843,180 Redevelopment Incremental Valuation

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a) \$ 78,807,669

AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt \$ -

Less Tax Allocation Bonds and Sales Tax Revenue
Bonds, Certificate of Participation not subject to limit -

Amount of debt subject to limit -

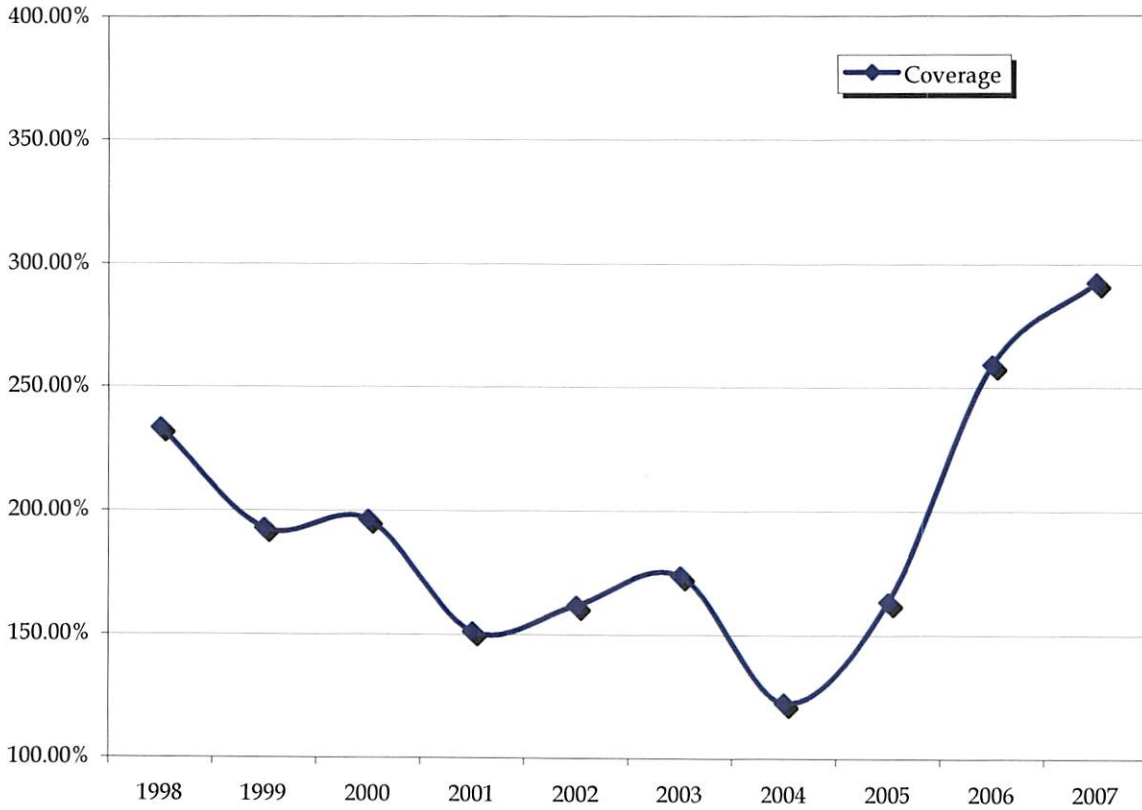
LEGAL BONDED DEBT MARGIN \$ 78,807,669

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
1998	\$ 58,276,041	0	\$ 58,276,041	0.00%
1999	56,556,030	0	56,556,030	0.00%
2000	56,647,684	0	56,647,684	0.00%
2001	60,557,599	0	60,557,599	0.00%
2002	65,207,274	0	65,207,274	0.00%
2003	67,358,919	0	67,358,919	0.00%
2004	69,724,135	0	69,724,135	0.00%
2005	63,272,582	0	63,272,582	0.00%
2006	67,444,896	0	67,444,896	0.00%
2007	78,807,669	0	78,807,669	0.00%

NOTE:

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

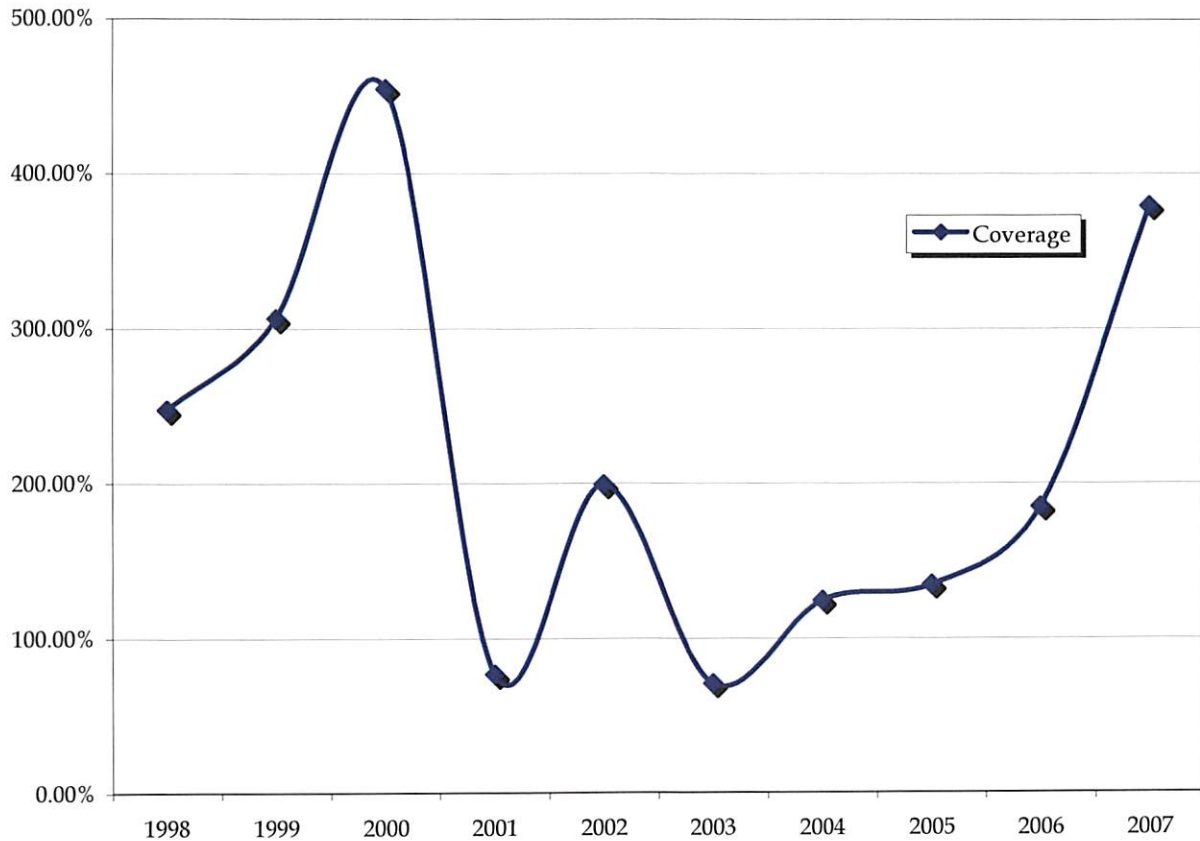
CITY OF PITTSBURG
Revenue Bond Coverage
Wastewater Revenue Bonds
Last Ten Fiscal Years



Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	\$ 2,624,424	\$ 362,985	\$ 2,261,439	\$ 270,000	\$ 698,837	\$ 968,837	233.42%
1999	2,564,140	701,174	1,862,966	280,000	685,924	965,924	192.87%
2000	2,665,739	755,609	1,910,130	300,000	672,352	972,352	196.44%
2001	2,208,318	729,230	1,479,088	320,000	658,213	978,213	151.20%
2002	2,372,712	800,563	1,572,149	335,000	636,930	971,930	161.76%
2003	2,829,931	1,134,392	1,695,539	350,000	625,603	975,603	173.79%
2004	2,753,990	1,346,758	1,407,232	475,000	674,157	1,149,157	122.46%
2005	2,767,970	1,254,647	1,513,323	510,000	416,557	926,557	163.33%
2006	3,929,540	1,568,969	2,360,571	520,000	391,035	911,035	259.11%
2007	4,203,414	1,546,244	2,657,170	530,000	378,578	908,578	292.45%

Notes: (1) Includes all Wastewater Operating Revenues, Non-operating Interest Revenue, Facility Reserve Fees and other Non-operating Revenue
(2) Includes all Wastewater Operating Expenses less Depreciation and Interest

CITY OF PITTSBURG
Revenue Bond Coverage
1997 and 2005* Water Revenue Bonds
Last Ten Fiscal Years

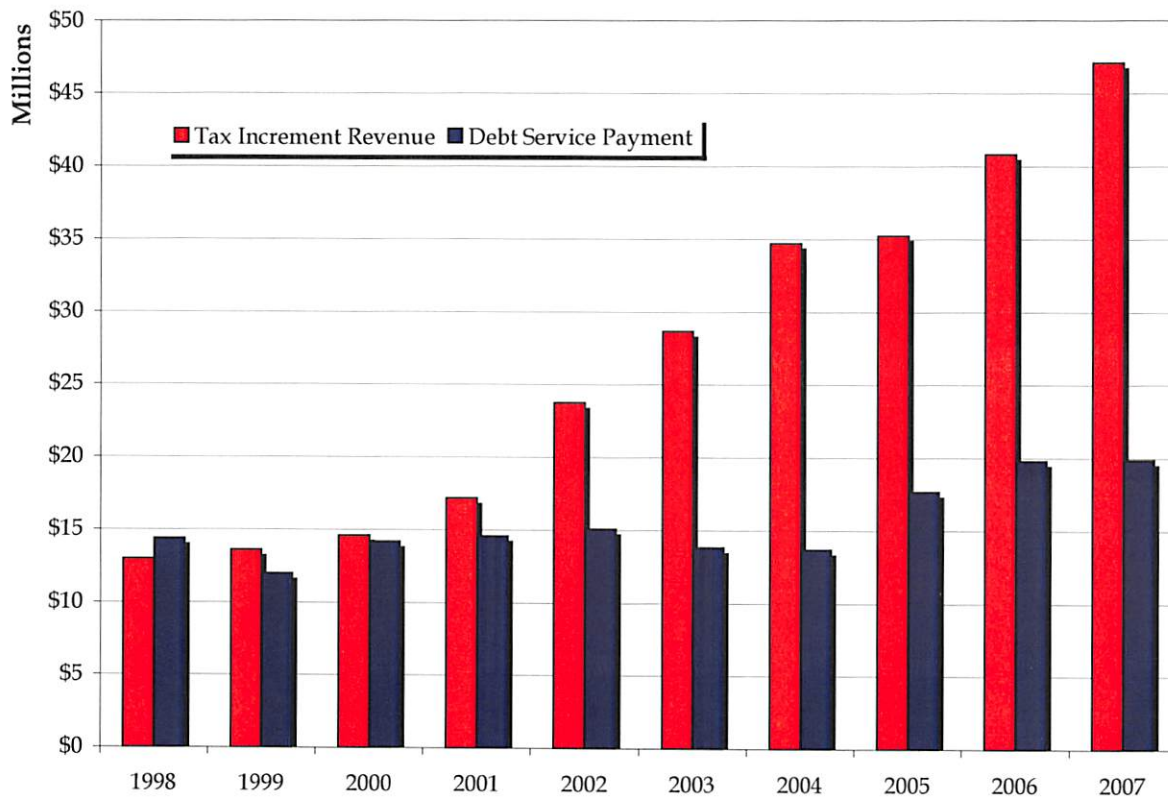


Fiscal Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1998	\$ 8,133,354	\$ 6,380,594	\$ 1,752,760	-	\$ 708,446	\$ 708,446	247.41%
1999	9,291,160	6,914,408	2,376,752	-	775,233	775,233	306.59%
2000	10,933,678	7,420,314	3,513,364	-	772,850	772,850	454.60%
2001	9,511,873	8,915,565	596,308	-	775,604	775,604	76.88%
2002	10,413,098	8,864,354	1,548,744	-	777,674	777,674	199.15%
2003	11,381,346	10,632,175	749,171	285,000	772,961	1,057,961	70.81%
2004	11,420,970	10,124,266	1,296,704	310,000	732,328	1,042,328	124.40%
2005	11,841,761	10,382,424	1,459,337	330,000	753,435	1,083,435	134.70%
2006	16,307,016 (3)	11,867,168	4,439,848	720,000	1,683,100	2,403,100	184.76%
2007	17,667,353 (3)	10,949,698	6,717,655	450,000	1,322,848	1,772,848	378.92%

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

Source: City of Pittsburg Annual Financial Statements

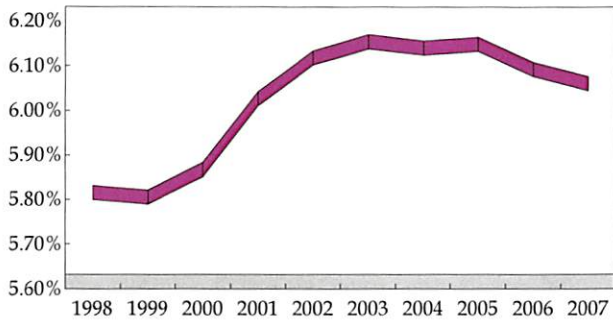
CITY OF PITTSBURG
Bonded Debt Pledged Revenue Coverage
Tax Allocation Bonds
Last Ten Fiscal Years



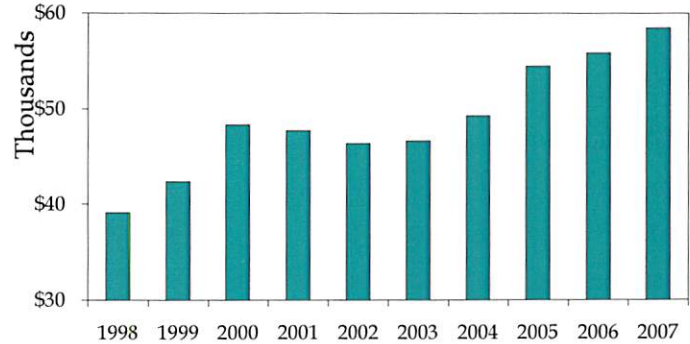
Fiscal Year	Tax Increment Revenue	Debt Service Requirements			Coverage
		Principal	Interest	Total	
1998	\$ 13,007,360	\$ 3,363,787	\$ 11,012,575	\$ 14,376,362	0.90
1999	13,615,797	2,830,000	9,169,459	11,999,459	1.13
2000	14,619,370	4,025,000	10,170,846	14,195,846	1.03
2001	17,187,171	4,215,000	10,378,601	14,593,601	1.18
2002	23,744,133	4,505,000	10,582,784	15,087,784	1.57
2003	28,663,760	4,510,000	9,330,885	13,840,885	2.07
2004	34,730,440	4,240,000	9,454,394	13,694,394	2.54
2005	35,255,101	4,100,000	13,576,709	17,676,709	1.99
2006	40,823,118	4,790,000	14,995,717	19,785,717	2.06
2007	47,087,969	4,960,000	14,888,380	19,848,380	2.37

Source: City of Pittsburgh Annual Financial Statements

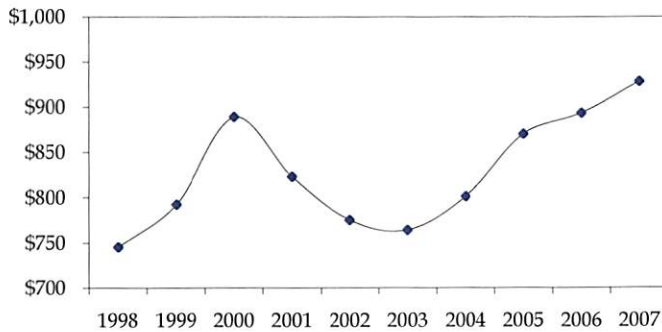
CITY OF PITTSBURG Demographic and Economic Statistics Last Ten Fiscal Years



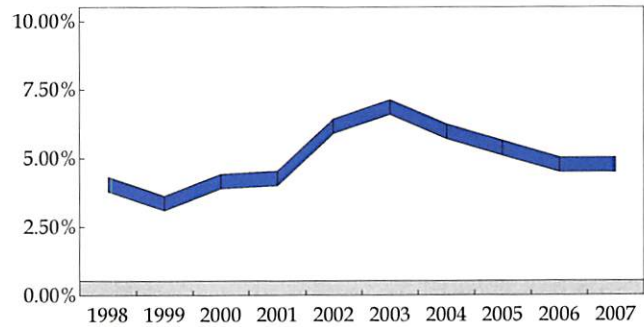
■ City Population as a % of County Population



■ Total Personal Income*



◆ Per Capita Personal Income



■ Unemployment Rate (%)

Fiscal Year	City Population	Total Personal Income*	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	Pittsburg Population % of County
1998	52,509	\$ 39,100	\$ 745	3.8%	905,433	5.80%
1999	53,480	42,376	792	3.1%	923,817	5.79%
2000	54,383	48,343	889	3.9%	929,445	5.85%
2001	57,976	47,731	823	4.0%	964,579	6.01%
2002	59,843	46,368	775	5.9%	980,870	6.10%
2003	61,067	46,652	764	6.6%	994,908	6.14%
2004	61,481	49,276	801	5.7%	1,003,909	6.12%
2005	62,605	54,472	870	5.1%	1,020,898	6.13%
2006	62,547	55,873	893	4.5%	1,029,377	6.08%
2007	63,004	58,479	928	4.5%	1,042,341	6.04%

Source: California State Department of Finance

*Revised Total Personal Income based on:

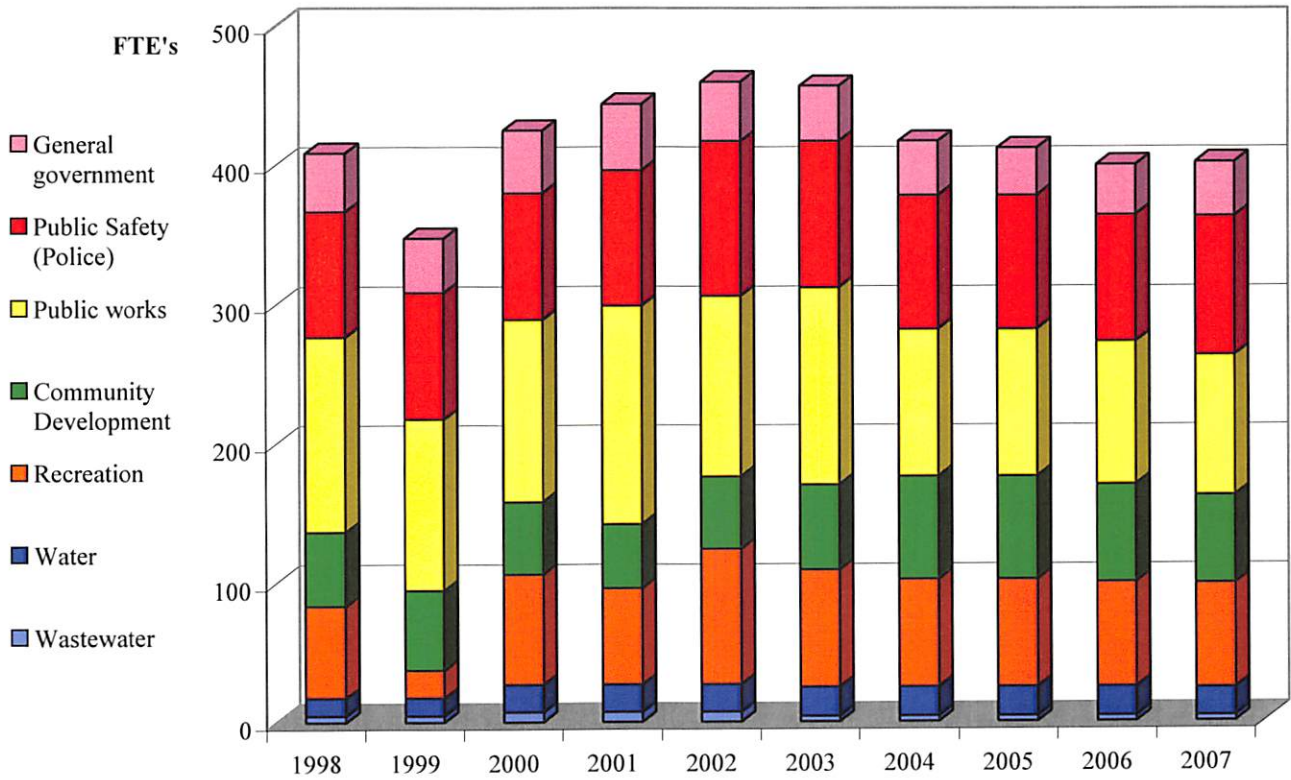
US Department of Commerce-Bureau of Economic Analysis for Contra Costa County
Contra Costa County Demographics

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

Employer	2006-2007			1997-1998		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
USS - Posco Industries	1,000	2	1.6%	990	1	1.9%
Pittsburg Unified School District	1,400	1	2.2%	962	2	1.9%
Tosco Corporation				800	3	1.6%
Shell Oil Companies				775	4	1.5%
Pacific Gas & Electric				600	5	1.2%
Dow Chemical Company	380	4	0.6%	550	6	1.1%
A. D Seeno Construction				250	7	0.5%
Wal-Mart	220	5	0.4%	250	8	0.5%
Lost Medanos Community College	640	3	1.0%	190	9	0.4%
Dexter Aerospace (Bay Point)				170	10	0.3%
Bio Zone	200	6	0.3%			
Home Depot	180	7	0.3%			
Target	170	8	0.3%			
Loctite Aerospace	160	9	0.3%			
Safeway	150	10	0.2%			
Subtotal	4,500		7.1%	5,537		10.9%
Total City Day Population	63,004			50,832		

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

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



Function	Adopted for Fiscal Year Ended June 30,									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	42	39	45	48	43	40	39	34	36	39
Public Safety (Police)	90	91	91	97	111	105	96	96	91	100
Public works	140	123	131	157	130	142	106	106	103	101
Community Development	53	57	52	46	52	61	74	74	70	63
Recreation	66	20	79	69	97	84	77	77	75	75
Water	13	13	20	20	20	21	21	21	21	20
Wastewater	4.5	4.5	7	7	7	4	4	4	4	4
Total	409	348	425	444	460	457	417	412	400	402

Source: City of Pittsburgh

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

Function/Program	Fiscal Year		
	1998	1999	2000
Public safety:			
Police:			
Police calls for Service	7,237 (1)	58,590	50,390
Law violations:			
Part I and Part II crimes	8,247	8,165	8,600
Physical arrests (adult and juvenile)	3,282	3,757	3,987
Traffic violations (VC14601 & VC12500)	281	128	278
(1) 1998 Total Calls Period October to December			
(2) Do not include Dec 2006 DOJ Monthly Report			
Traffic Violations reported to 12/18/06			
 (Fire Protection is Contra Costa County)			
 Public works			
Streets Repaired (square feet)	n/a	n/a	18,883
 Leisure Services:			
Community Services:			
Recreation Class Participants	n/a	n/a	n/a
Swim Participants	n/a	n/a	n/a
Softball Participants	n/a	n/a	n/a
Small World Park Gate Attendance	n/a	n/a	n/a
Senior Center Nutrition/Exercise Class (1)	n/a	n/a	n/a
(1) Senior Center Opened March 2004			
January 2006 Senior Center flooded Closed 7.5 weeks			
 Water			
Number of Meters Served	13,476	13,505	13,633
Water Main Breaks	n/a	n/a	89
Average Daily Consumption (millions of gallons)	8.538	8.834	8.365
 Wastewater			
* Miles of Sewer Line (Excluding line operated by			
Delta Diablo District 7-A)	139.42	140.52	143.53
Average daily treatment (thousands of gallons)	n/a	n/a	n/a
 Solid Waste			
Refuse Landfilled (tons per year)	50,234	44,750	47,152
Recyclables Processed (tons per year)	12,230	29,645	33,531

*Every year, as Departments are more proficient at compiling data, departmental measures may be corrected

Source: City of Pittsburg Divisions & Prior Year CAFRs

Note: n/a denotes information not available.

Fiscal Year						
2001	2002	2003	2004	2005	2006	2007
65,043	74,438	68,050	64,659	67,778	67,591	71,643
9,581	10,678	9,597	8,076	8,244	8,308	8,923
4,166	5,014	4,892	3,411	3,401	3,688	4,042
262	660	1,112	871	568 (2)	636	901
30,468	149,813	96,023	62,472	78,411	42,509	18,105
n/a	559	822	317	509	517	564
8,535	11,697	8,345	8,503	8,837	8,737	9,135
n/a	n/a	649	210	145	320	429
n/a	n/a	24,105	21,238	19,227	18,600	18,660
n/a	n/a	0	7,769	22,690	21,423	18,777
14,048	15,023	15,425	15,587	15,894	16,291	15,731
108	n/a	n/a	n/a	65	61	102
9,345	9,261	9,487	9,769	9,155	9,508	10,320
145.52	148.02	150.22	155.72	155.72	157.72	159.12
n/a	n/a	n/a	n/a	n/a	27	34
66,812	66,936	76,595	70,535	85,034	90,500	n/a
31,929	27,666	27,709	31,946	33,037	35,000	n/a

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

Function/Program	Fiscal Year				
	1998	1999	2000	2001	2002
Public safety:					
Police stations	1	1	1	1	1
Police patrol units (Includes Unmarked)	11	22	24	27	34
Public works					
Miles of streets (Center Line)	139.6	140.1	141.8	144.6	144.8
Street lights (Total)	3,432	3,371	3,394	3,428	3,503
Traffic Signals	35	36	38	42	46
Culture and recreation:					
Community services:					
City Parks	8	10	10	11	14
City parks acreage	92	106	106	114	114
Roadway landscaping acreage	11.3	11.3	11.6	11.6	12.5
Regional park acreage	42.4	42.4	42.4	42.5	46.1
Regional park facilities:					
Golf courses (18 holes)	1	1	1	1	1
Marina Fuel Station	1	1	1	1	1
Community Civic Center	1	1	1	1	1
Senior centers	1	1	1	1	1
Swimming pools	1	1	1	1	1
Tennis courts	1	1	1	1	1
Library: (N/A Contra Costa County)					
City Libraries					
Water					
* Storage capacity (millions of gallons)	15.9	15.9	15.9	16.9	16.9
Wastewater					
* Miles of sanitary sewers	139	141	144	146	148

* Staff has corrected prior year numbers to reflect more accurate data

(2) Information now reported from the City's GIS system and is more accurate.

Source: City of Pittsburg Staff & Prior Year CAFRs

Note: n/a denotes information is not available.

Fiscal Year

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