

Comprehensive Annual Financial Report

Fiscal Year
Ended
June 30, 2016



City of
Pittsburg,
California



City of Pittsburg California

Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016



Prepared by the Finance Department

Karen Chang
Division Manager, Financial Reporting

Brad Farmer
Director of Finance



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

City of Pittsburg
Basic Financial Statements
For the Year Ended June 30, 2016
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CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016



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

December 1, 2016

Honorable Mayor
Members of the City Council
And Citizens of Pittsburg

We are pleased to present the City of Pittsburg (City) Comprehensive Annual Financial Report (CAFR) for the year ending June 30, 2016. The information in this CAFR is prepared in accordance with “Generally Accepted Accounting Principles” (GAAP) and includes an unqualified opinion on the report by the City’s independent certified public accountants. Although we rely on the standards and expertise of these external authorities, the responsibility for the accuracy and fairness of this report, inclusive of all disclosures that are necessary to enable the reader to understand the City’s operations rests with the City.

For those readers interested in a more detailed review of the City’s financial statements, a narrative section called the Management’s Discussion and Analysis (MDA) has been included as part of the Financial Section. The MDA reports on the financial highlights of the City and provides additional analysis on the variances and trends reported as part of the financial statements. The MDA also discloses significant items affecting the financial condition of the City and is designed to be read in conjunction with this letter of transmittal.

City Profile

The City was incorporated in 1903 and is located along the Sacramento-San Joaquin River Delta, situated on the north side of Mount Diablo. Pittsburg is located in the northeast part of Contra Costa County.

While the City is a general law City, it operates utilizing the Council-Manager form of government. The five Council members are elected at large for staggered four-year terms to govern the City. Also elected to four-year terms are the City Treasurer and City Clerk. The City Council is responsible for establishing policies, adopting an annual budget, appointing commissions and committees, and hiring the City Manager and City Attorney. The City Manager is responsible for implementing the Council’s policies, overseeing the day-to-day operations of the City and appointing the directors of the City’s departments.

The City provides a full range of municipal services, including police, water and sewer, streets, cultural and recreational facilities, golf course, public works and parks, economic development, planning, zoning, building inspection, code enforcement, housing assistance, marina operations, energy distribution, engineering, and general administration. The Contra Costa County Fire Protection District provides fire protection services for the City.

Reporting Entities

The financial statements included in this CAFR present the City (the primary government) with all the City funds, Housing Authority, and the Pittsburg Power Company (Pittsburg Power) as component units. These three component units are separate legal entities; however, the members of the City Council also serve as members of the Housing Authority Board, the Successor Agency Board, the Southwest Pittsburg Geologic Hazard Abatement District II (“GHAD II”) Board, and the Pittsburg Power Company Board. Therefore, the financial information for the Housing Authority, Successor Agency, GHAD II, and Pittsburg Power Company are blended with the City’s financial information.

Economic Conditions and Outlook

The City continues to see moderate signs of recovery from the great recession. Pittsburg’s population has grown to approximately 69,424. Unemployment rates have continued to drop from the peak of the recession 17.4% to 5.8% in 2016. During this past year the City continued to see increases in revenue from property, sales and other taxes. Both Franchise and Motor Vehicle In-Lieu fees also increased while the City saw decreased revenues from Gas Taxes due to low petroleum costs. The City’s construction sector continues to see positive movement due to the addition of single family housing units.

During the current year the City continued to see increases in sales tax and received the final “triple flip” payment. The “triple flip” was a mechanism adopted in 2004 to help fund California’s economic recovery and balance the State’s deficit.

While revenues continue to improve, the City is also aware of the increasing costs of delivering services to the residents and our business community. Staff continues to optimize the available resources by controlling costs and improving efficiencies where possible. To ensure funding for critical services, the City Council placed Measure M on the ballot in June 2016. Measure M extends the one-half percent sales tax previously approved by voters under Measure P. Measure M was approved with an 81% voter approval and will sunset in June 2035.

As part of the cost controlling efforts, staff refinanced six existing bonds previously issued by the former Redevelopment Agency. The bonds refinanced were originally used to make improvements to infrastructure and assist with the transformation of the downtown areas. By refinancing these bonds, the Successor Agency to the former Redevelopment Agency was able to reduce the risks associated with variable rate bonds, shorten the duration of repayments by seven years and created a net present value savings in excess of \$40 million over the previously issued bonds. The refinancing will enable all pass through entities, including the City, to once again start receiving incremental tax payments in FY 2016-17.

The City's Economic Development department continues to offer programs and incentives to attract new businesses, assist existing businesses, and collaborate with non-profit organizations to train and enable residents to find employment. The East County One-Stop Career Center and Future Build are two non-profit entities the City works with to provide businesses and residents with employment and training opportunities locally.

General Fund Condition and Long-term Plans

To assist the City management and City Council plan the City's General Fund budget and use of the Budget Stabilization Fund, the City developed a 7-year General Fund Forecast and Balancing Plan ("7-Year Plan"). Periodically, the 7-year Plan is updated based on current revenue and expenditure information. Based on the 7-year Plan, the City is projected to have a structurally balanced General Fund budget by FY 2018-2019.

While the 7-Year Plan has been a great tool for City management and City Council to develop a structurally balanced budget per the City's Fiscal Sustainability Ordinance, the City has also established a longer-range 20-Year forecast for the City's General Fund. This plan incorporates anticipated fluctuations of revenues and expenditures over a longer term, thus allowing the City to manage its affairs in a prudent fiscal manner, while providing services to residents and businesses that are necessary for a growing community.

These plans, in combination with the actual revenues and expenses, have resulted in the City utilizing less than 15% of the originally projected use of the Budget Stabilization Fund.

Fiscal Sustainability Ordinance

In January 2013, the City passed a Fiscal Sustainability Ordinance to ensure the City protects its revenues and to ensure proper fiscal responsibility. As part of the Ordinance, reserve levels and funding mechanics were mandated to provide for emergencies and ensure proper fiscal reserve levels were maintained. Within the Ordinance, reserve levels were set at 30% of annual operating expenses for the City's General Fund, Internal Service Funds and Enterprise Funds. The reserve level was placed at a percentage operating expenses rather than a static number to ensure adequate reserve levels are maintained over time. The City also established a Budget Stabilization Fund to provide a minimum of \$2 million or 5% of the City's annual General Fund operating expenses but no more than \$7.5 million or 25% of the annual City's General Fund operating expenses, whichever is greater. Once the Budget Stabilization Fund is fully funded, excess funds are mandated to be allocated 75% toward the Infrastructure Repair and Replacement Fund and 25% toward the Other Post-employment Benefits (OPEB) Fund. Currently there is approximately \$7.9 million in the Budget Stabilization Fund.

Major Initiatives

Capital projects completed in Fiscal Year 2015-16 include the following:

- Buchanan Road Sidewalk Replacement Phase I (Highlands School to Santa Ana Drive)
- Buchanan Road Sidewalk Replacement Phase II (Santa Anna Drive to Suzanne Drive)
- Traffic Signal at San Marco Blvd/Santa Teresa Dr.
- Intelligent Transportation System (ITS) Traffic Signal Control Upgrade
- Water Master Plan Updates
- Western Loop (16" Loftus, Schooner to Viking & 8" Hanlon)
- Loveridge Road Waterline (2nd Phase)
- Water Treatment Plan Sludge Handling Facility, Phase IA
- 2013/14 Water Main/Service/Valve Replacement Program (2nd Phase)
- Kirker Creek Slide Repair
- DeAnza Park Rehabilitation
- John Henry Johnson Park Improvements

FY 2016-17 Major Initiatives:

Capital Projects – The City has made great strides in redeveloping the downtown areas and infrastructure throughout the City. In FY 16-17, the City will continue these efforts with upgrades to the Sewer Replacement/Rehabilitation Program, South East Waterline Project, Multimodal Transportation Facility at the BART Pittsburg Center Station, continued renovation of the Water Treatment Plant and related facilities, and pavement improvement projects.

BART Extension and Pittsburg Center Station – One of the most significant projects that started in September 2013 and continues is the new BART Pittsburg Center Station located in central Pittsburg. This station is planned to open in FY 2017-18 and the City foresees additional transit-oriented development, higher density mixed-use housing and commercial development near the station.

OTHER INFORMATION

The City is responsible for establishing and maintaining internal control structures designed to ensure that the assets be protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structures are 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 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. In addition, the results of the City's single audit for the fiscal year ended June 30, 2015 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

Budgetary Controls

The City maintains budgetary controls to safeguard City assets and ensures compliance with legal provisions embodied in the annual appropriated budget as approved by the City Council. 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 an encumbrance accounting system as a technique to 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. The City has received the "Government Finance Officers Association's Distinguished Budget Presentation" award for its budget document.

Appropriations Limit

Proposition 4, the "Gann" initiative, was passed by California voters in 1978 and is intended to limit governmental General Fund appropriations. The appropriation limit is calculated each year based upon fiscal year 1978-79 appropriations, modified by the composite consumer price index, and population changes, which have occurred in subsequent years. The City's General Fund appropriation limit for fiscal year 2015-16 amounted to \$134,869,783. The City's FY 2015-16 General Fund budget was \$39.9 million, which is below the appropriation limit.

Cash Management

The City holds temporarily idle cash in the Local Agency Investment Fund (LAIF) as administered by the Treasurer of the State of California. LAIF invests in obligations of the United States Treasury, Federal Agency Coupons and Discount Notes, Medium Term Notes, and Certificates of Deposit. These investments, as permitted under an investment policy, adopted by the City Council 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, 2016 was 0.55%, an increase of .27% compared to the same period of last fiscal year 0.28% (June 30, 2015). Total LAIF interest earnings were \$46,915 for the fiscal year 2015-16 an increase of \$18,211 from the fiscal year 2014-15.

Risk Management

The City is self-insured for the first \$25,000 of each loss and maintains excess liability insurance through the Management Pooling Authority (MPA). The City is self-insured for liability occurrences over \$29 million per occurrence. The City also maintains statutory excess workers' compensation insurance through the Municipal Pooling Authority (MPA).

Independent Audit

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

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pittsburg for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015. In order to receive the "Certificate of Achievement" award, a government agency must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Acknowledgements


The preparation of this report is the result of the concerted effort and dedication of all the employees of the Pittsburg Finance Department. However, we would like to acknowledge Karen Chang and the extra effort she invested in completing this year's Audited Financial Statements.

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

Respectfully submitted,

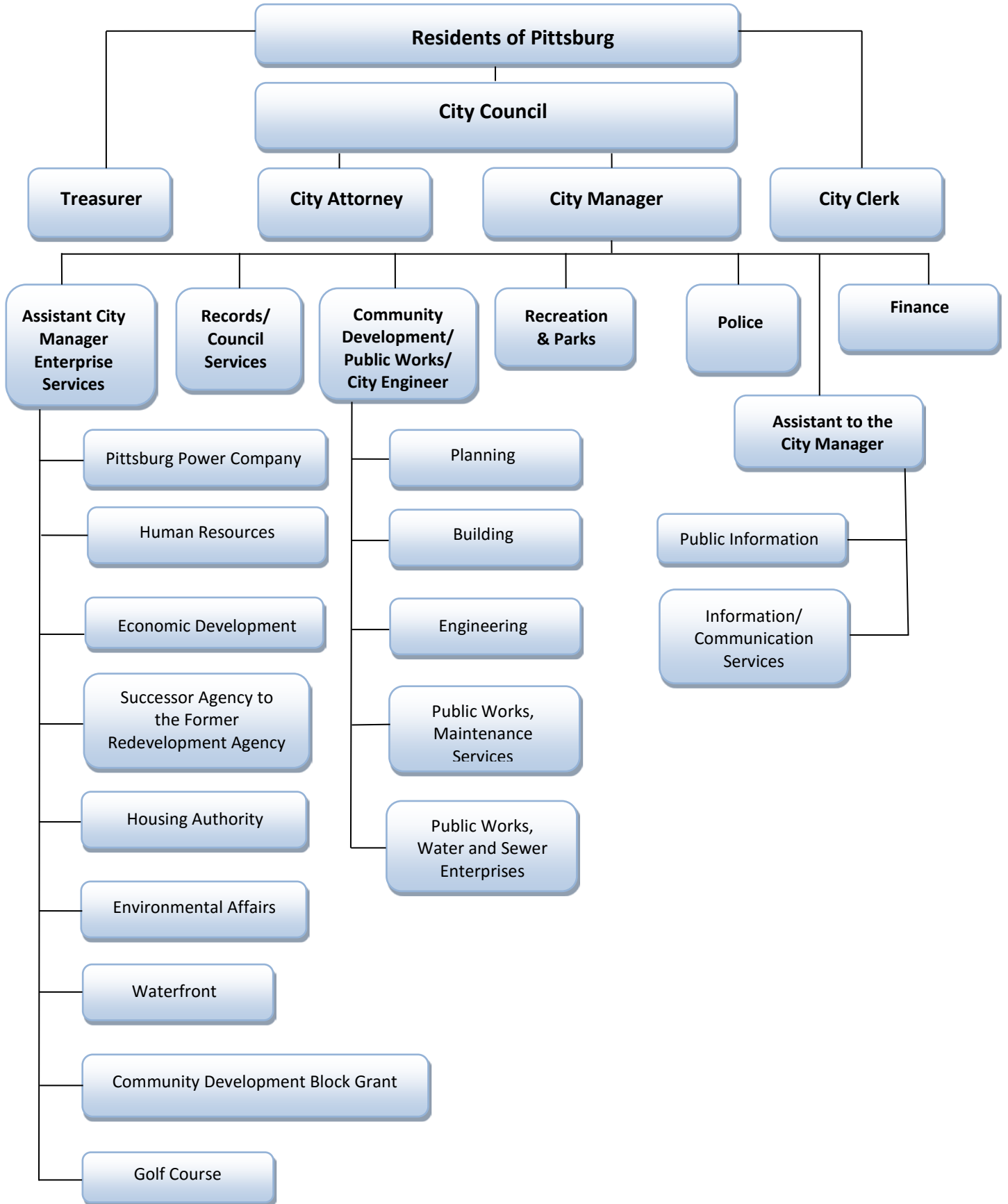


Joe Sbranti
City Manager



Brad Farmer
Director of Finance

➤ CITY GOVERNMENT ORGANIZATION



**City of Pittsburg
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2016**

City Council

Ben Johnson, Mayor
Will Casey, Vice Mayor
Merl Craft, Council Member
Salvatore Evola, Council Member
Pete Longmire, Council Member

Other Elected Officials

Nancy L. Parent, City Treasurer
Alice E. Evenson, City Clerk

City Attorney

Ruthann G. Ziegler, Esquire, City Attorney

Management Staff

Joe Sbranti, City Manager
Garrett Evans, Assistant City Manager
Brian Addington, Chief of Police
Don Buchanan, Director of Recreation and Maintenance Services
Alice E. Evenson, Director of Records and Council Services
Brad Farmer, Director of Finance
Sharon Jackson, Manager of Housing Authority
Hilario Mata, Assistant Director of Public Works
Fritz McKinley, Director of Community Development/City Engineer
Walter C. Pease, Director of Water and Sewer System Enterprises
Van dePiero, Harbormaster



Government Finance Officers Association

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

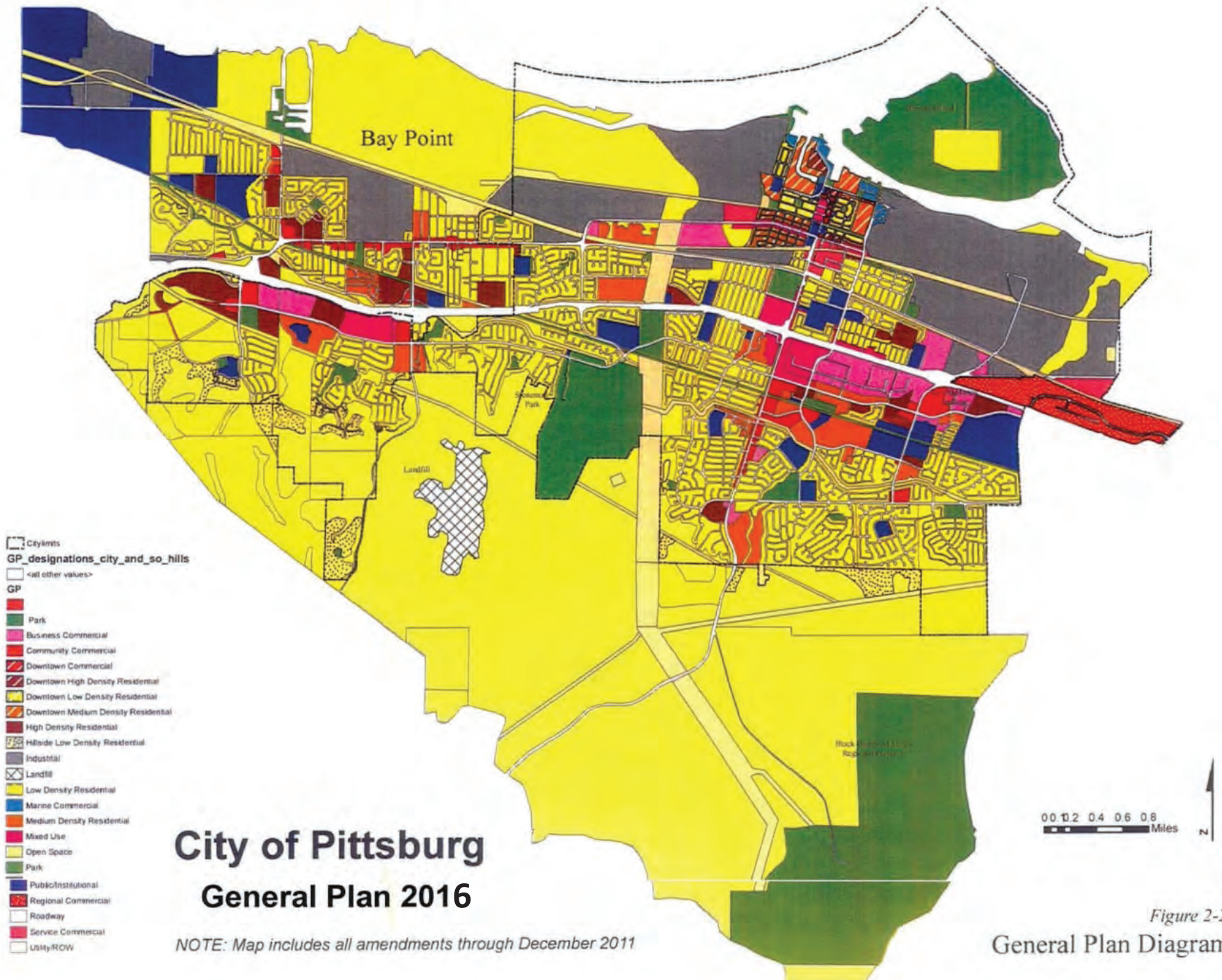
Presented to

**City of Pittsburg
California**

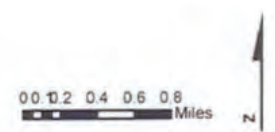
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO



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





INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pittsburg as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Management adopted the provisions of the Governmental Accounting Standards Board Statement No. 72 – *Fair Value Measurement and Application*, which became effective during the year ended June 30, 2016 as discussed in Note 1 and 3 to the financial statements.

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

Other Matters

Required Supplementary Information

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

Other Information

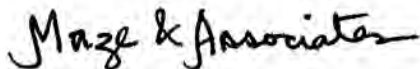
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2016 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



Pleasant Hill, California
November 29, 2016

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

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, 2016. The accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures in this report, are the responsibility of the City. The report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standard Board (GASB). We encourage readers to consider the information presented here in conjunction with additional information which can be found in the introductory section of this report and within the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets & deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the Fiscal Year 2015-2016 by \$374.6 million (M) (*net position*).

The City's total net position of \$374.6M decreased from the prior fiscal year 2014-2015 by \$(9.1)M. The decrease was due to a net decrease in capital asset of \$(8.2)M mainly due to depreciation charge. The decrease was offset by a net increase \$0.9M in pension related liability, deferred inflows and outflows of resources per GASB 68 requirement.

As of June 30, 2016, the City's governmental fund balance saw an increase of \$0.9M resulting in a balance of \$43.1M compared to the prior fiscal year balance of \$42.2M. The difference is a combination of additional revenues received in pass through payments from the Successor Agency, additional Sales Tax due to the elimination and final payment of the "triple flip" arrangement, increases in developer fees and Franchise Taxes offset by costs incurred in personnel costs, contractual and capital outlay expenditures.

The City's net position from business type activities (enterprise funds) increased by appropriately \$4.6M from \$125.2M to \$129.8M primarily because of net increase in capital assets of \$6.4M less \$1.8M net increase in pension related liability, deferred inflows and outflows of resources per GASB 68 requirement.

- As of June 30, 2016, the fund balance (total assets minus total liabilities) for the General Fund, which includes the Budget Stabilization and Economic Development funds, was \$19.3M, of which \$2.6M is designated as "Nonspendable" for items that are not in a spendable form such as deposits, interfund advances, and inventory; \$0.7M is designated as "Assigned" for economic development activities and encumbrances, which is intended to use for specific purposes designated by the City Council. This leaves a total unassigned balance of \$16.0M, of which \$8.1M is the General Fund operating reserve available to cover expenses in the event of an emergency and \$7.9M is in the Budget Stabilization Fund that can be used to balance future budgets, subject to the limits of the Fiscal Sustainability Ordinance. The General Fund Cash and Investments balance of \$16.1M consisted of \$7.8M in General Fund, \$7.9M in Budget Stabilization Fund, and \$0.4M in the Economic Development Fund.
- There are three major funds in the Governmental Funds section of the Comprehensive Annual Financial Report: 1) the General Fund, 2) Housing Authority (Section 8) and 3) Successor Agency Housing.
- There are five major enterprise funds in the Proprietary Funds section of the Comprehensive Annual Financial Report: (1) Water Utility, (2) Sewer Utility, (3) Marina, and (4) Pittsburg Power Company (including Island Energy) and (5) Waterfront Operations.

City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2016

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

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

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

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, Pittsburgh Power Company (includes Island Energy operation), and Waterfront Operation.

The Government-Wide Financial Statements include not only the City itself but the Housing Authority, and Housing Successor Agency. 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 Pittsburgh, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and City's fiduciary funds.

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

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

The City maintains 41 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for three funds that are considered to be major funds. These funds consist of the General Fund, Housing Authority (Section 8), and the Successor Agency Housing Fund. Data from the other 38 governmental funds, which are combined into a single, aggregated presentation under Other Governmental Funds, are considered as non-major funds.

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

Proprietary Funds: The City maintains two different types of proprietary funds; Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report the same functions presented as “business-type activities” in the Government-Wide Financial Statements. The Enterprise Funds are used to account for the Water, Sewer, Marina, Pittsburg Power Company (including Island Energy) operations, and the Waterfront 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 maintaining its fleet of vehicles, building maintenance, information and communication systems, risk management/insurance, and employee fringe benefits activities. Because these services predominantly benefit governmental rather than business-type functions, they have been included within “governmental activities” in the government-wide financial statements.

Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Water Fund, the Sewer Fund, the Marina Fund, Pittsburg Power Company (including Island Energy), and the Waterfront Operations, all of which are considered to be major funds. 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 which is used for Proprietary Funds. The Assessment District Bonds Fund, the Environmental Impact Fee Fund and the Other Impact Fees Fund are held as Fiduciary Funds by the City. With the dissolution of Redevelopment Agency per ABX 1484, the activities of the Successor Agency to the Former Redevelopment Agency are reported as Private Purpose Trust Fund in the Fiduciary Fund section. This year, we have included the Miscellaneous Employee Retirement System activities in the Fiduciary Statement.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

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. This year, the City implemented the GASB 72, fair value measurement on investment, which is a disclosure requirement and have no financial impact to our financial statements. For additional description of the GASB 72, please refer to Note 1 and for information on the disclosure, please refer to Cash and Investment section in Note 2.

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

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, combined net position (government and business-type activities) totaled \$374.6M at the close of the Fiscal Year ending June 30, 2016, which is \$(9.1)M less than the Fiscal Year ending June 30, 2015.

The Government-Wide Financial Statements provide long-term and short-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The following table reflects the Summary of Net Position for the Fiscal Year ended June 30, 2016 with the comparative data for the Fiscal Year ended June 30, 2015 as restated.

City of Pittsburg
Summary of Net Position
As of June 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Current Assets	\$ 92,526,650	\$ 92,202,117	\$ 54,519,165	\$ 54,390,686	\$ 147,045,815	\$ 146,592,803
Non-Current Assets	268,651,593	256,222,682	131,648,062	136,085,995	400,299,655	392,308,677
Total Assets	<u>361,178,243</u>	<u>348,424,799</u>	<u>186,167,227</u>	<u>190,476,681</u>	<u>547,345,470</u>	<u>538,901,480</u>
Deferred Outflow of Resources	<u>4,832,124</u>	<u>9,387,226</u>	<u>5,825,709</u>	<u>7,820,995</u>	<u>10,657,833</u>	<u>17,208,221</u>
Current Liabilities	11,670,778	10,606,118	7,970,852	8,012,332	19,641,630	18,618,450
Non-Current Liabilities	88,153,711	92,580,004	57,886,337	58,966,610	146,040,048	151,546,614
Total Liabilities	<u>99,824,489</u>	<u>103,186,122</u>	<u>65,857,189</u>	<u>66,978,942</u>	<u>165,681,678</u>	<u>170,165,064</u>
Deferred Inflows of Resources	7,696,094	9,759,965	940,276	1,564,521	8,636,370	11,324,486
Net Investments in Capital Assets	268,580,073	255,982,568	84,084,664	90,569,824	352,664,737	346,552,392
Restricted	27,662,593	27,990,550	39,342,518	45,659,407	67,005,111	73,649,957
Unrestricted	<u>(37,752,882)</u>	<u>(39,107,180)</u>	<u>1,768,289</u>	<u>(6,475,018)</u>	<u>(35,984,593)</u>	<u>(45,582,198)</u>
Total Net Position as Restated (Note 9E)	<u>\$ 258,489,784</u>	<u>\$ 244,865,938</u>	<u>\$ 125,195,471</u>	<u>\$ 129,754,213</u>	<u>\$ 383,685,255</u>	<u>\$ 374,620,151</u>

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

The Statement of Net Position contains more detailed information on Current Assets, Non-Current Assets, Deferred outflows of Resources, Current Liabilities, Non-current Liabilities and Deferred inflows of Resources.

At the end of the Fiscal Year 2015-2016 the total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$374.6M.

Changes in Net Position – In Fiscal Year 2015-2016, the City's total Governmental expenditures of \$83.3M exceeds its revenues and transfers of \$69.7M by \$13.6M. The City's expenses cover a range of services. Of the Governmental Activities, the largest expenses were in Public Safety (\$26.7M), Community Development and Services (\$23.8M), and Public Works (\$19.2M). These expenses include capital outlays, which are now reflected in the City's capital assets. Further analysis is provided within the governmental and business-type sections on the

City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2016

following pages. For additional information on the Capital Assets, please refer to Note 6 – Capital Assets disclosure.

Governmental Activities – Governmental Activities reflect a decrease of \$(13.6)M in net position, and Business Activities reflect an increase of \$4.6M in net position for the Fiscal Year 2015-16. 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, along with comparative data from the Fiscal Year 2014-2015.

City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2016

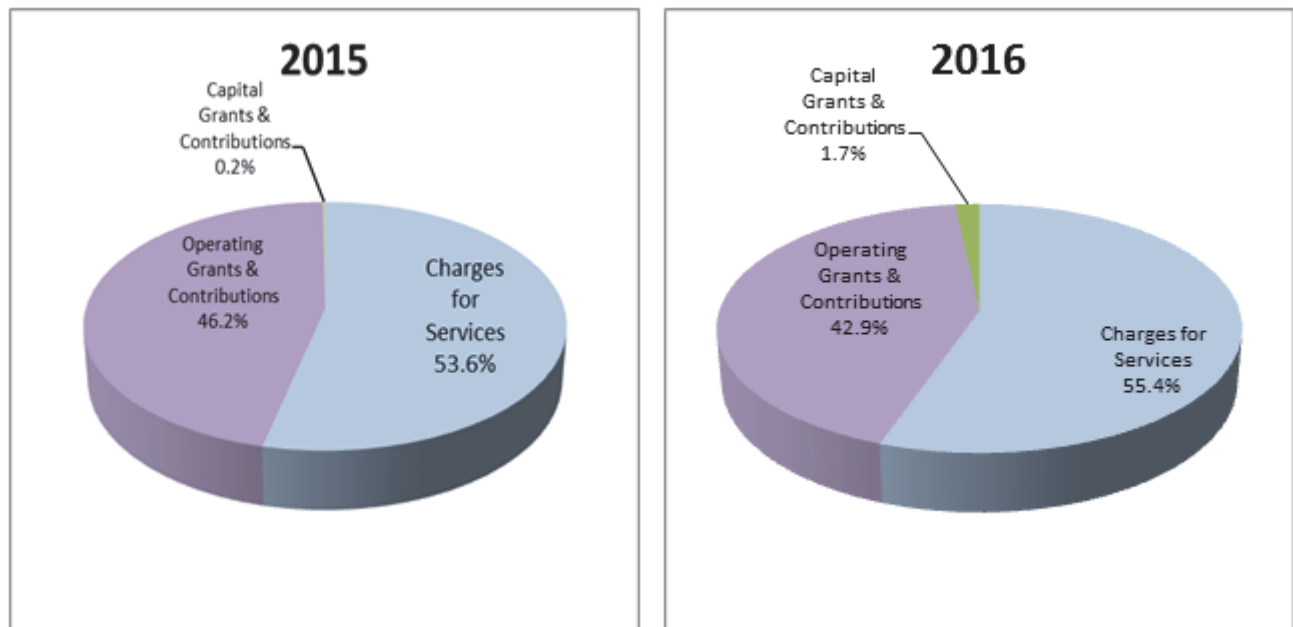
Statement of Changes in Net position
Fiscal Year Ended June 30, 2016
With comparative data for fiscal year ended June 30, 2015

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Revenues:						
<i>Program Revenues:</i>						
Charges for Services	\$ 14,744,645	\$ 17,614,456	\$ 33,956,795	\$ 35,326,234	\$ 48,701,440	\$ 52,940,690
Operating Grants and Contributions	12,699,542	13,641,846	-	270,931	12,699,542	13,912,777
Capital Grants and Contributions	48,709	545,127	2,145,271	1,780,581	2,193,980	2,325,708
Sub-Total	27,492,896	31,801,429	36,102,066	37,377,746	63,594,962	69,179,175
<i>General Revenues:</i>						
Property Taxes	3,204,965	3,300,776	-	-	3,204,965	3,300,776
Sales Taxes	11,745,524	13,112,880	-	-	11,745,524	13,112,880
Franchise Fees	4,327,160	4,638,074	-	-	4,327,160	4,638,074
Motor Vehicle in lieu fees	4,169,031	4,422,099	-	-	4,169,031	4,422,099
Gas Taxes	1,853,567	1,401,377	-	-	1,853,567	1,401,377
Other Taxes	7,347,881	7,917,168	-	-	7,347,881	7,917,168
Investment Earnings - Unrestricted	539,473	743,082	440,462	665,412	979,935	1,408,494
Gain on Sale of Assets	-	-	63,754	-	63,754	-
Sub-Total	33,187,601	35,535,456	504,216	665,412	33,691,817	36,200,868
Total Revenues	60,680,497	67,336,885	36,606,282	38,043,158	97,286,779	105,380,043
Expenses:						
General Government	6,088,705	3,897,771	-	-	6,088,705	3,897,771
City Council	80,833	70,516	-	-	80,833	70,516
City Manager and City Clerk	641,990	777,722	-	-	641,990	777,722
City Attorney	544,195	321,554	-	-	544,195	321,554
Human Resources	909,284	969,397	-	-	909,284	969,397
Finance and Services	2,829,332	3,064,750	-	-	2,829,332	3,064,750
Community Development & Services	21,998,387	23,752,847	-	-	21,998,387	23,752,847
Public Safety	24,833,843	26,746,601	-	-	24,833,843	26,746,601
Public Works	18,213,277	19,237,901	-	-	18,213,277	19,237,901
Interest on Long-Term Debt	4,074,415	4,476,644	-	-	4,074,415	4,476,644
Water Utility	-	-	17,477,524	18,552,726	17,477,524	18,552,726
Sewer Utility	-	-	2,264,022	2,583,101	2,264,022	2,583,101
Marina	-	-	2,352,274	2,424,083	2,352,274	2,424,083
Pittsburg Power	-	-	6,670,282	6,597,065	6,670,282	6,597,065
Waterfront Operations	-	-	750,765	972,469	750,765	972,469
Total Expenses	80,214,261	83,315,703	29,514,867	31,129,444	109,729,128	114,445,147
Increase (Decrease) in Net Position before Transfers	(19,533,764)	(15,978,818)	7,091,415	6,913,714	(12,442,349)	(9,065,104)
Transfers	2,677,386	2,354,972	(2,677,386)	(2,354,972)	-	-
Change in Net Position	(16,856,378)	(13,623,846)	4,414,029	4,558,742	(12,442,349)	(9,065,104)
Net Position- Beginning of Year (As Restated)	315,739,741	258,489,784	124,646,855	125,195,471	440,386,596	383,685,255
Prior period adjustment due to implementation of GASB 68 and 71 (Note 9F)	(40,393,579)	-	(3,865,413)	-	(44,258,992)	-
Net Position- End of Year	\$ 258,489,784	\$ 244,865,938	\$ 125,195,471	\$ 129,754,213	\$ 383,685,255	\$ 374,620,151

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

Total Program Revenues from Governmental Activities were \$31.8M in Fiscal Year 2015-2016. Per GASB 34, program revenues are derived directly from the program 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, 55.4% of the Governmental Program Revenues came from Charges for Services (which includes licenses and permits, plan checking fees, developer fees and several other revenues), 42.9% from the Operating Grants and Contributions category (including restricted revenues such as Gas Tax, Measure C Tax, Asset Seizure fund and Federal/State Grants), and 1.7% from Capital Grants and Contributions. The charges for these services increased by \$2.87M primarily due to increases in fee revenues.

Government Revenues by Program Type

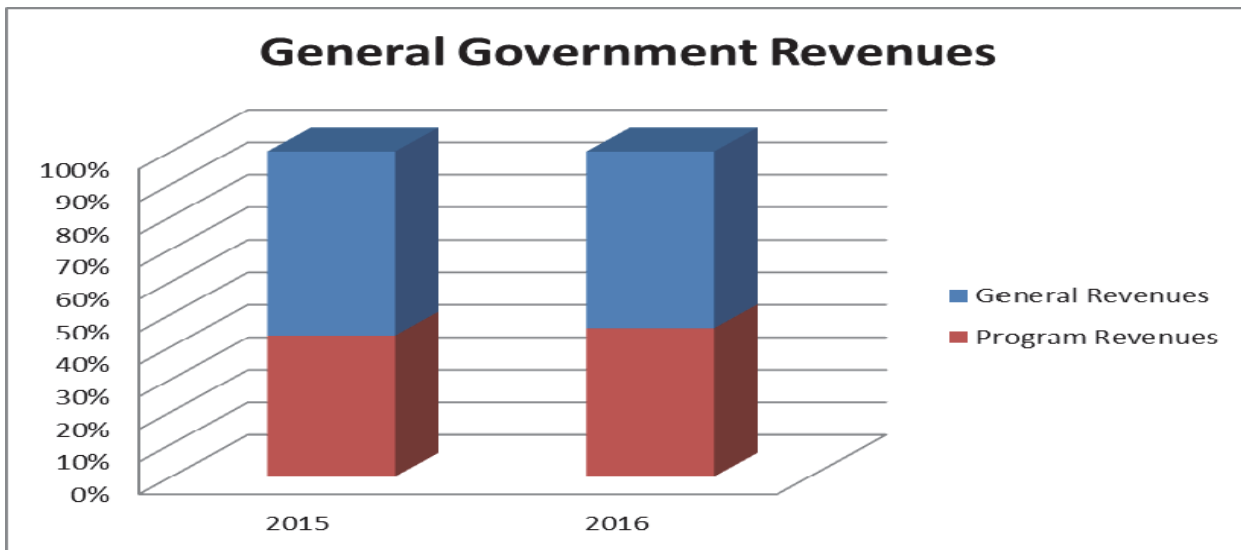


About 36% of General Government services in FY 2015-16 are funded by General Revenues. General Revenues are all other revenues not categorized as program revenues such as property taxes, sales taxes, intergovernmental and investment earnings. Interest on long-term debt is paid through general revenues. In addition, 91% of Public Safety services and 96% of Public Works services are supported through general revenues.

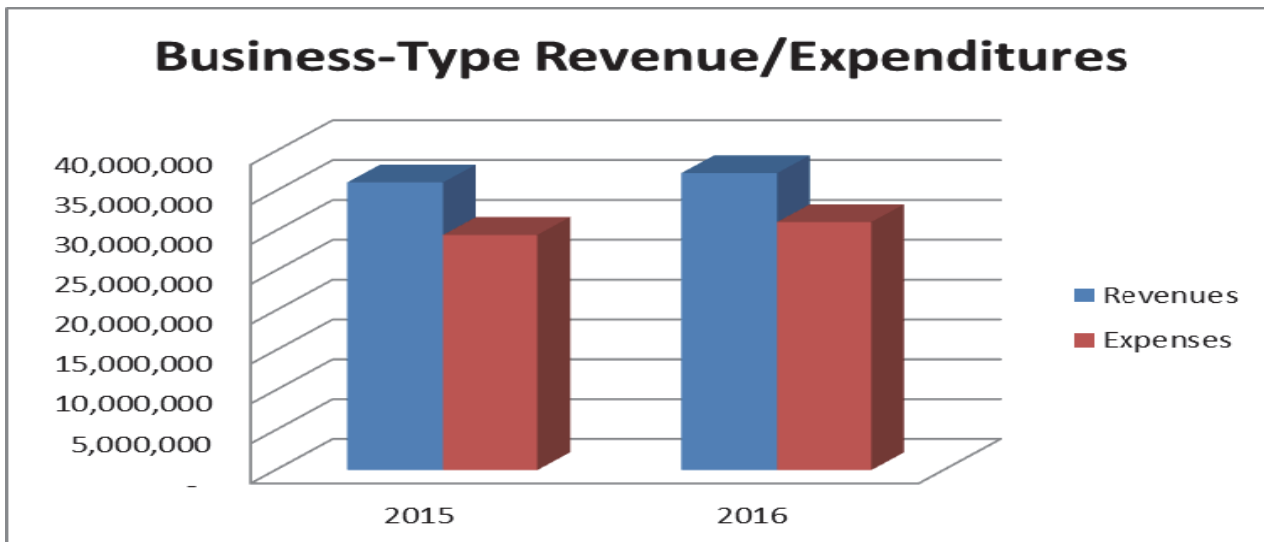
City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

General Revenues from Governmental Activities represented 54% of total City revenues, and Program revenues reflected 46% of total Governmental Activities revenues. Total General Revenues from Governmental Activities were \$37.9M in Fiscal Year 2015-2016. Sales Taxes comprised the largest percentage of General Revenues, 34.6% or \$13.1M, received during the fiscal year.

	2016		2015	
Program Revenues	\$ 31,801,429	46%	\$ 27,492,896	43%
General Revenues	<u>37,890,428</u>	54%	<u>35,864,987</u>	57%
	\$ 69,691,857		\$ 63,357,883	



Business-Type Activities – Netposition for Business-Type Activities were \$130M, a net increase of \$4.6M from the prior fiscal year. Total program revenues for Business-Type Activities were \$37.0M. Total expenses for Business-Type Activities were \$31.1M for the Fiscal Year 2015-2016.



City of Pittsburgh
Management's Discussion and Analysis
For the year ended June 30, 2016

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

At the end of the current fiscal year ending June 30, 2016, the City's Governmental Funds reported a combined ending fund balance of \$43.1M, a decrease of \$1.0M, in comparison to the prior fiscal year ended on June 30, 2015. Approximately 37% of this total amount or \$16.0M, constitutes unassigned General Fund balance, which is available for spending at the government's discretion and \$7.9M is designated to balance future budgets. The remainder of the fund balance is designated as "Nonspendable" (\$2.9M) to indicate that it is not available for new spending because it is not in a spendable form, or designated as "Assigned" due to being committed to liquidate contracts (encumbrances) and various departmental reservations (\$0.7M). However, the "Assigned" balance is an internal designation and can be altered to become unassigned, if needed. For a detail breakdown of fund balances and designation, please refer to Note 9 Fund Balance.

The Housing Authority (Section 8), which was reported as a Special Revenue Fund, had a decrease in fund balance of \$(394)K. This is due to decreases in program funding received from Housing Urban Department (HUD) to deplete the excess reserve.

General Fund Budgetary Highlights – The final amended budget totaled \$39.6M, including \$790K for prior fiscal year budget carry forward totals and new appropriation amendments to the originally adopted budget, these amendments are briefly summarized below.

Per Resolutions 15-13109 the City Council adopted the approval of the following additional appropriations and project carry-forwards:

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

Budget Carry Forwards

\$6,937	Advertising	City Manager
25,000	Special Department Supplies	City Clerk
6,329	Contractual & Professional Services	Human Resources
4,000	Safety	Human Resources
14,806	Financial Management System	Finance/Utility Billing
100,000	Staff Cost	Engineering
59,729	Economic Development	
35,432	Contingencies	
<u>\$252,233</u>	Sub-Total Budget Carryover	

Approved Amendments

\$29,518	City Manager
42,382	City Clerk
101,371	Human Resources
(155,075)	Finance /Utility Billing
500	Engineering
494,424	Non-Departmental
24,904	Economic Development
<u>\$538,024</u>	
<u>\$790,257</u>	

.At the end of the fiscal year ended June 30, 2016, General Fund revenue exceeds its revised budget by \$1.8m. Significant contributors were sales tax surpassing its budgeted forecasts by \$275K due to elimination of “triple flip” in FY 2015-16. The ending of triple flip tax resulted in 0.25% more sales tax coming back to the City instead of using it to pay for the State’s Economic Recovery Bond debt service. In FY 2015-16, The City also see an upward swing in Franchise Tax revenue of \$289K over its amended budget. The City also received additional service fees of \$574K due to increase in construction activities and \$497K from payment received from Successor Agency.

General Fund Expenditures were \$737K lower than the original budget and \$1.5M lower than the revised budget. The reduced spending reflects staff’s consistent efforts to maintain control over costs while awaiting the actual variable revenues, such as sales and use taxes and pass-through payments to materialize. Staff has taken great care over the past several years and continued to reduce or stall spending during the current year, while working on bringing down the City’s expenditures to be in compliance with the requirements of the Budget Stabilization Ordinance. During the past year, the City saw savings in 1) contractual services in the amount of \$700K; 2) health insurance in the amount of \$140K; and 3) personnel expenses in the amount of \$650K due to staff cost recovery through capital projects. Because of these savings, the City has rolled over \$400K in budgetary carry forwards toward FY 2016-17. These carryovers reflect the City’s continued commitment to reinvest in the areas of greatest need, while exercising caution on how it spends available resources.

There is a total deferral of revenue of \$935K in the General Fund (see Note 4). Of this amount, \$852K is being set aside for future Engineering related construction projects. Other deferrals can be attributed to business license fees of \$27K, future GIS mapping fees of \$38K, various donations to the Recreation Services for Teen activities, the Senior Center, Sister City donations and recycling containers of \$9K and miscellaneous unavailable revenues of \$9K.

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

The City's Proprietary Funds provide the same type of information found in the Government-Wide Financial Statements, but with more detail. According to standardized Governmental reporting standard, the Water Fund, Sewer Fund, and Pittsburg Power Company are major funds. The Marina and Waterfront Fund are not considered to be major funds; however, the City has elected to continue to report the Marina and Waterfront Funds as major funds.

Total net position of the Proprietary Funds at the end of the year were \$129.8M; an increase of \$4.6M from the prior fiscal year, in which \$90.6M was invested in capital assets net of related debt.

Capital Asset and Debt Administration – The City's investment in capital assets for its Governmental and Business Type activities as of June 30, 2016, amounted to \$392M (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, highways, bridges, water lines, sewer and storm systems, and the golf course. The total decrease in the City's investment in capital assets net of depreciation for the current fiscal year was \$(8)M.

City of Pittsburg
Capital Assets
(Net of Depreciation)
June 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Non-depreciable assets:						
Land	\$ 33,838,944	\$ 32,338,944	\$ 1,143,506	\$ 1,646,186	\$ 34,982,450	\$ 33,985,130
Construction in progress	15,913,273	11,361,946	10,019,500	14,833,767	25,932,773	26,195,713
Total	<u>49,752,217</u>	<u>43,700,890</u>	<u>11,163,006</u>	<u>16,479,953</u>	<u>60,915,223</u>	<u>60,180,843</u>
Depreciable assets (net of depreciation):						
Buildings and improvements	58,390,478	54,536,317	15,167,671	14,749,307	73,558,149	69,285,624
Machinery and equipment	2,540,322	2,637,911	6,511,375	6,675,307	9,051,697	9,313,218
Infrastructure	157,968,576	155,347,564	98,806,010	98,181,428	256,774,586	253,528,992
Total	<u>218,899,376</u>	<u>212,521,792</u>	<u>120,485,056</u>	<u>119,606,042</u>	<u>339,384,432</u>	<u>332,127,834</u>
Total capital assets	<u>\$ 268,651,593</u>	<u>\$ 256,222,682</u>	<u>\$ 131,648,062</u>	<u>\$ 136,085,995</u>	<u>\$ 400,299,655</u>	<u>\$ 392,308,677</u>

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

Debt Service Administration – A complete detail of all outstanding debt is contained in Note 7 in the Notes to the Basic Financial Statements section. At the end of the fiscal year, the City had total long-term debt outstanding of \$34M for the 2006 Pension Obligation Bonds; \$406K for a loan from California Energy Resources Conservations and Development Commission loan for conversion of the City's light poles to more energy efficiency LED lights, \$36K for a telephone voice over internet protocol (VOIP) system capital lease and \$204K for capital lease for street sweeper. As of June 30, 2016, the \$45.5M in Business-Type Activities Long Term Debt comprised of two revenue bonds in the Water and Sewer Funds (\$34.3M) and a California Infrastructure and Economic Development Bank (I-Bank) loan for financing the modifications of Pittsburg Water Treatment plan and other infrastructures (\$11.2M).

City of Pittsburg
Management's Discussion and Analysis
For the year ended June 30, 2016

City of Pittsburg
Long-Term Debt
June 30, 2016

	Governmental Activities		Business-Type Activities		Total	
	2015	2016	2015	2016	2015	2016
Pension Obligation Bonds	\$ 33,826,975	\$ 34,036,850	\$ -	\$ -	\$ 33,826,975	\$ 34,036,850
Energy Conservation Loan	467,166	406,268	-	-	467,166	406,268
Capital Lease-VOIP	71,520	36,257	-	-	71,520	36,257
Capital Lease - Street Sweeper	-	203,857	-	-	-	203,857
2008A Revenue Bonds	-	-	31,575,000	30,485,000	31,575,000	30,485,000
2014 Waste Water Revenue Bond	-	-	4,601,000	3,864,000	4,601,000	3,864,000
2014 I-Bank Loan	-	-	11,387,398	11,167,171	11,387,398	11,167,171
Total	\$ 34,365,661	\$ 34,683,232	\$ 47,563,398	\$ 45,516,171	\$ 81,929,059	\$ 80,199,403

The City of Pittsburg’s economy continues to show signs of recovery. Measure P sales tax revenues and property values are increasing while the City’s unemployment rate continues to decline. Unfortunately, the City’s pension obligation bond (“POBs”) debt service and Contra Costa County Employee Retirement Association (“CCERA”) liability continued to increase during FY 2015-16 putting a damper on the revenue upside. In an effort to ensure the City is fiscally sound moving forward and to continue to fund vital services, the City Council placed Measure M on the June 2016 ballot. Measure M extends the one-half percent sales tax previously approved under Measure P at the current rate until it sunsets in June 2035. Measure P was programmed to reduce to one quarter percent in FY 2017-18 and then sunsets in August 2022. The voters of Pittsburg recognized the progress the City has made and overwhelmingly supported Measure M with 81% approval.

In an effort to minimize costs to the public, staff reviewed and was successful in refinancing six existing bonds previously issued by the now former Redevelopment Agency of Pittsburg. This refinancing provided the Successor Agency to the former Redevelopment Agency the ability to eliminate the risk associated with the variable rate risk and reduced the repayment period on the previously issued bonds by seven years, which will save tax payers millions of dollars over the life of the refinanced bonds.

The City will continue to work hard to provide top quality services to its citizens while being fiscally conservative. This approach implements the discipline that staff continually monitors expenses while exploring alternative revenue sources use of the Budget Stabilization Fund when necessary, and continued progress to a balanced General Fund by Fiscal Year 2018-19.

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



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

**BASIC
FINANCIAL
STATEMENTS**



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

**GOVERNMENT-WIDE
FINANCIAL
STATEMENTS**



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

City of Pittsburg
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 43,387,480	\$ 35,002,430	\$ 78,389,910
Restricted cash and investments (Note 2)	2,755,693	12,585,284	15,340,977
Receivables:			
Accounts	5,727,278	4,406,405	10,133,683
Interest	228,774	-	228,774
Loans/notes (Note 3)	41,001,790	-	41,001,790
Internal balances (Note 1H)	(1,788,218)	1,788,218	-
Inventory	840,868	303,126	1,143,994
Prepaid items and other assets	48,452	305,223	353,675
Total current assets	<u>92,202,117</u>	<u>54,390,686</u>	<u>146,592,803</u>
Noncurrent assets:			
Capital assets (Note 6):			
Land and nondepreciable assets	43,700,890	16,479,953	60,180,843
Depreciable capital assets, net of accumulated depreciation	212,521,792	119,606,042	332,127,834
Total capital assets, net	<u>256,222,682</u>	<u>136,085,995</u>	<u>392,308,677</u>
Total Assets	<u>348,424,799</u>	<u>190,476,681</u>	<u>538,901,480</u>
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives (Note 7)	-	5,896,334	5,896,334
Pension related (Note 11)	9,387,226	1,924,661	11,311,887
Total Deferred Outflow of Resources	<u>9,387,226</u>	<u>7,820,995</u>	<u>17,208,221</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,176,581	1,751,642	3,928,223
Salaries payable	1,431,041	-	1,431,041
Interest payable (Note 1J)	737,007	256,144	993,151
Refundable deposits	729,975	1,326,436	2,056,411
Taxes payable	4,443	167,890	172,333
Loans payable	131,813	-	131,813
Due to other agencies	12,281	-	12,281
Unearned revenue (Note 4)	1,230,738	2,040,805	3,271,543
Claims and judgment payable-due within one year (Note 10)	150,497	-	150,497
Compensated absences - due within one year (Note 1M)	1,839,549	348,459	2,188,008
Long-term debt - due within one year (Note 7)	2,162,193	2,120,956	4,283,149
Total current liabilities	<u>10,606,118</u>	<u>8,012,332</u>	<u>18,618,450</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year (Note 1M)	663,973	116,154	780,127
Derivative instrument (Note 7)	-	5,896,334	5,896,334
Net pension liability (Note 11)	38,316,956	5,961,947	44,278,903
OPEB liability (Note 12)	21,078,036	3,596,960	24,674,996
Long-term debt - due in more than one year (Note 7)	32,521,039	43,395,215	75,916,254
Total noncurrent liabilities	<u>92,580,004</u>	<u>58,966,610</u>	<u>151,546,614</u>
Total Liabilities	<u>103,186,122</u>	<u>66,978,942</u>	<u>170,165,064</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 11)	9,759,965	1,564,521	11,324,486
Total Deferred Inflows of Resources	<u>9,759,965</u>	<u>1,564,521</u>	<u>11,324,486</u>
NET POSITION (Note 9)			
Net investment in capital assets	<u>255,982,568</u>	<u>90,569,824</u>	<u>346,552,392</u>
Restricted for:			
Capital projects	13,601,936	24,115,095	37,717,031
Debt service	3,641,488	4,036,648	7,678,136
Special purpose projects (Note 9D)	10,747,126	12,591,159	23,338,285
Facility fee reserve	-	4,916,505	4,916,505
Total restricted net position	<u>27,990,550</u>	<u>45,659,407</u>	<u>73,649,957</u>
Unrestricted	<u>(39,107,180)</u>	<u>(6,475,018)</u>	<u>(45,582,198)</u>
Total Net Position	<u>\$ 244,865,938</u>	<u>\$ 129,754,213</u>	<u>\$ 374,620,151</u>

See accompanying notes to financial statements

City of Pittsburg
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Total	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-type Activities
Governmental Activities:							
General government	\$ 3,897,771	\$ 7,994,842	\$ -	\$ 496,684	\$ 4,593,755	\$ -	\$ 4,593,755
City Council	70,516	-	-	-	(70,516)	-	(70,516)
City Manager and City Clerk	777,722	7,082	-	-	(770,640)	-	(770,640)
City Attorney	321,554	6,325	-	-	(315,229)	-	(315,229)
Human Resources	969,397	11,455	-	-	(957,942)	-	(957,942)
Finance and services	3,064,750	146,395	-	-	(2,918,355)	-	(2,918,355)
Community development and services	23,752,847	7,203,571	12,817,495	48,443	(3,683,338)	-	(3,683,338)
Public safety	26,746,601	1,472,062	824,351	-	(24,450,188)	-	(24,450,188)
Public works	19,237,901	772,724	-	-	(18,465,177)	-	(18,465,177)
Interest on long-term debt	4,476,644	-	-	-	(4,476,644)	-	(4,476,644)
Total Governmental Activities	83,315,703	17,614,456	13,641,846	545,127	(51,514,274)	-	(51,514,274)
Business-type Activities:							
Water Utility	18,552,726	19,559,288	235,931	1,780,581	-	3,023,074	3,023,074
Sewer Utility	2,583,101	5,264,897	-	-	-	2,681,796	2,681,796
Marina	2,424,083	1,931,707	-	-	-	(492,376)	(492,376)
Pittsburg Power	6,597,065	7,162,170	35,000	-	-	600,105	600,105
Water Front Operations	972,469	1,408,172	-	-	-	435,703	435,703
Total Business-type Activities	31,129,444	35,326,234	270,931	1,780,581	-	6,248,302	6,248,302
Total	\$ 114,445,147	\$ 52,940,690	\$ 13,912,777	\$ 2,325,708	(51,514,274)	6,248,302	(45,265,972)
General revenues:							
Taxes:							
Property taxes					\$3,300,776	-	3,300,776
Sales taxes					13,112,880	-	13,112,880
Franchise taxes					4,638,074	-	4,638,074
Motor vehicle (unrestricted)					4,422,099	-	4,422,099
Gas taxes					1,401,377	-	1,401,377
Other taxes					7,917,168	-	7,917,168
Investment earnings-unrestricted					743,082	665,412	1,408,494
Transfers (Note 5C)					2,354,972	(2,354,972)	-
Total General Revenues and Transfers					37,890,428	(1,689,560)	36,200,868
Change in Net Position					(13,623,846)	4,558,742	(9,065,104)
Net Position-Beginning of Year					258,489,784	125,195,471	383,685,255
Net Position-End of Year					\$ 244,865,938	\$ 129,754,213	\$ 374,620,151

See accompanying notes to financial statements

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

City of Pittsburg
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Housing Authority (Section 8)	Successor Agency Housing
ASSETS			
Cash and investments (Note 2)	\$ 16,125,866	\$ 372,653	\$ 1,052,918
Restricted cash and investments (Note 2)	-	-	-
Receivables:			
Accounts	4,939,960	33,753	-
Interest	228,774	-	-
Loans and notes (Note 3)	3,374,465	-	32,911,468
Due from other funds (Note 5A)	7,549	-	-
Inventory	96,933	1,374	-
Prepaid items and other assets	23,974	-	-
Advances to other funds (Note 5B)	164,562	-	-
Total Assets	\$ 24,962,083	\$ 407,780	\$ 33,964,386
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,217,694	\$ 18,160	\$ 8,693
Salaries payable	1,431,041	-	-
Taxes payable	4,443	-	-
Refundable deposits	579,931	6,105	-
Loans payable	-	-	-
Due to other agencies	-	-	-
Due to other funds (Note 5A)	-	-	-
Advances from other funds (Note 5B)	510,183	17,254	-
Total Liabilities	3,743,292	41,519	8,693
Deferred Inflows of Resources:			
Unavailable revenue (Note 4B)	1,952,529	143,470	32,911,468
Total Liabilities and Deferred Inflows of Resources	5,695,821	184,989	32,920,161
Fund Balances (Note 9):			
Nonspendable	2,642,564	1,374	-
Restricted	-	221,417	1,044,225
Committed	-	-	-
Assigned	666,486	-	-
Unassigned	15,957,212	-	-
Total fund balances	19,266,262	222,791	1,044,225
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 24,962,083	\$ 407,780	\$ 33,964,386

See accompanying notes to basic financial statements

	Other Governmental Funds		Total Governmental Funds
\$	21,204,102	\$	38,755,539
	2,755,693		2,755,693
	747,021		5,720,734
	-		228,774
	4,715,857		41,001,790
	-		7,549
	268,686		366,993
	2,078		26,052
	3,318,021		3,482,583
\$	33,011,458	\$	92,345,707
\$	602,839	\$	1,847,386
	-		1,431,041
	-		4,443
	143,939		729,975
	131,813		131,813
	12,281		12,281
	7,549		7,549
	4,724,373		5,251,810
	5,622,794		9,416,298
	4,752,593		39,760,060
	10,375,387		49,176,358
	270,764		2,914,702
	19,928,892		21,194,534
	2,877,225		2,877,225
	14,354		680,840
	(455,164)		15,502,048
	22,636,071		43,169,349
\$	33,011,458	\$	92,345,707



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

City of Pittsburg
Reconciliation of the
Governmental Funds Balance Sheet
with the Statement of Net Position
June 30, 2016

Total fund balances reported on the Governmental Funds Balance Sheet \$ 43,169,349

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

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 254,730,276

LONG TERM ASSETS AND LIABILITIES

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

Long-term debt	(34,443,118)
Interest payable	(737,007)
Compensated absences	(2,430,488)
OPEB obligation	(21,078,036)
Net pension liability	(38,689,695)

ACCRUAL OF NON-CURRENT ITEMS

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

Unavailable revenue	38,529,322
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

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

Cash and investments	4,631,941
Accounts receivable	6,544
Inventory	473,875
Prepaid/other assets	22,400
Capital assets	1,492,406
Accounts payable	(329,195)
Compensated absences	(73,034)
Advance from other funds	(18,991)
Claims and judgments payable	(150,497)
Capital lease	(240,114)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 244,865,938

See accompanying notes to financial statements

City of Pittsburg
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2016

	General Fund	Housing Authority (Section 8)	Successor Agency Housing
REVENUES:			
Property tax	\$ 3,300,776	\$ -	\$ -
Sales tax	13,112,880	-	-
Franchise tax	4,476,832	-	-
Other taxes	6,104,751	-	-
Intergovernmental revenues	2,046,540	11,672,066	-
Permits, licenses, and fees	1,093,626	-	-
Fines and forfeitures	307,427	-	-
Special assessments	-	-	-
Service fees	3,859,696	1,116,433	8,700
Use of money and property	366,048	7,055	79,181
Other revenues	1,969,896	59,881	392,871
Total Revenues	36,638,472	12,855,435	480,752
EXPENDITURES:			
Current:			
General government	2,732,149	-	-
City Council	70,516	-	-
City Manager and City Clerk	696,190	-	-
City Attorney	321,834	-	-
Human Resources	870,737	-	-
Finance and services	2,719,441	-	-
Community development and services	5,662,666	13,238,012	275,574
Public safety	22,848,398	-	-
Public works - administration	66,518	-	-
Public works - streets	2,013,465	-	-
Public works - parks	120,266	-	-
Capital outlay and improvements	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	38,122,180	13,238,012	275,574
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,483,708)	(382,577)	205,178
OTHER FINANCING SOURCES (USES):			
Transfers in (Note 5C)	3,983,469	-	-
Transfers out (Note 5C)	(1,289,754)	(11,714)	-
Total Other Financing Sources (uses)	2,693,715	(11,714)	-
NET CHANGE IN FUND BALANCES	1,210,007	(394,291)	205,178
FUND BALANCES:			
Beginning of year	18,056,255	617,082	839,047
End of year	\$ 19,266,262	\$ 222,791	\$ 1,044,225

See accompanying notes to basic financial statements

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 3,300,776
-	13,112,880
161,242	4,638,074
4,104,371	10,209,122
1,735,936	15,454,542
1,472,515	2,566,141
17,680	325,107
3,531,522	3,531,522
5,140,716	10,125,545
290,798	743,082
1,596,629	4,019,277
<u>18,051,409</u>	<u>68,026,068</u>
22,348	2,754,497
-	70,516
21,142	717,332
-	321,834
36,999	907,736
110,997	2,830,438
3,216,899	22,393,151
1,948,254	24,796,652
415,196	481,714
4,491,830	6,505,295
-	120,266
2,738,017	2,738,017
2,015,898	2,015,898
2,314,775	2,314,775
<u>17,332,355</u>	<u>68,968,121</u>
719,054	(942,053)
2,831,061	6,814,530
(3,567,965)	(4,869,433)
<u>(736,904)</u>	<u>1,945,097</u>
(17,850)	1,003,044
22,653,921	42,166,305
<u>\$ 22,636,071</u>	<u>\$ 43,169,349</u>

City of Pittsburg
Reconciliation of the
Net Change in Fund Balances-Total Governmental Funds
with the Statement of Activities
For the year ended June 30, 2016

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,003,044

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

CAPITAL ASSETS TRANSACTIONS

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

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

Capital outlay	2,738,017
Amounts charged to Community Services department	(1,480,237)
Amounts charged to Public Safety department	242,954
Amounts charged to Public Works department	(4,290)
Depreciation expense is deducted from the fund balance (Depreciation expense is net of Internal Service Fund depreciation \$534,417 which has already been allocated to serviced funds.)	(10,892,241)
Retirements of capital assets are deducted from the fund balance	(2,882,793)

LONG TERM DEBT AND PAYMENTS

Repayment of debt principal is added back to fund balance	2,015,898
Accreted interest	(2,164,875)

ACCRUAL OF NON-CURRENT ITEMS

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

Interest payable	8,117
Deferred revenue	(111,862)
Compensated absences	(835,883)
OPEB obligation	(2,563,488)
Net pension liability, deferred inflows and deferred outflows	1,054,678

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

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

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

Change in Net Position - All Internal Service Funds	249,115
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (13,623,846)

See accompanying notes to financial statements

PROPRIETARY FUND FINANCIAL STATEMENTS

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

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

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

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

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

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

City of Pittsburgh
Statement of Net Position
Proprietary Funds
June 30, 2016

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
ASSETS			
Current assets:			
Cash and investments (Note 2)	\$ 16,252,658	\$ 10,407,832	\$ 1,056,929
Restricted cash and investments (Note 2)	12,482,940	-	-
Receivables:			
Accounts	2,919,323	678,222	8,932
Inventory	153,783	39,823	9,149
Prepaid items and other assets	-	-	-
Total current assets	31,808,704	11,125,877	1,075,010
Noncurrent assets:			
Advance to other funds (Note 5B)	607,998	402,610	-
Capital assets (Note 6):			
Land and nondepreciable assets	12,929,421	549,592	-
Depreciable assets, net	71,060,046	27,847,453	13,525,819
Total noncurrent assets	84,597,465	28,799,655	13,525,819
Total Assets	116,406,169	39,925,532	14,600,829
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivatives (Note 7)	5,896,334	-	-
Pension related (Note 11)	1,015,792	213,851	160,388
Total Deferred Outflow of Resources	6,912,126	213,851	160,388
LIABILITIES			
Current liabilities:			
Accounts payable	1,404,919	39,854	25,954
Refundable deposits	1,036,850	5,000	84,950
Taxes payable	-	-	42,049
Accrued interest payable	251,342	4,802	-
Unearned revenue (Note 4)	-	-	-
Compensated absences payable - due within one year (Note 1M)	165,611	36,807	52,958
Claims and judgments payable - due within one year (Note 10C)	-	-	-
Long-term debt - due within one year (Note 7)	1,367,956	753,000	-
Total current liabilities	4,226,678	839,463	205,911
Noncurrent liabilities:			
Advance from other funds (Note 5B)	-	-	-
Compensated absences payable - due in more than one year (Note 1M)	55,204	12,269	17,653
Derivative instrument (Note 7)	5,896,334	-	-
Net pension liability (Note 11)	3,146,583	662,439	496,829
OPEB liability (Note 12)	1,726,540	431,635	431,635
Long-term debt - due in more than one year (Note 7)	40,284,215	3,111,000	-
Total noncurrent liabilities	51,108,876	4,217,343	946,117
Total Liabilities	55,335,554	5,056,806	1,152,028
DEFERRED INFLOWS OF RESOURCES			
Pension related (Note 11)	825,719	173,836	130,377
Total Deferred Inflow of Resources	825,719	173,836	130,377
NET POSITION (Note 9)			
Net investment in capital assets	42,337,296	24,533,045	13,525,819
Restricted for:			
Capital projects	16,065,637	6,932,283	41,208
Debt service	3,226,678	809,970	-
Special purpose	12,482,940	-	-
Facility fees	4,640,389	276,116	-
Unrestricted	(11,595,918)	2,357,327	(88,215)
Total Net Position	\$ 67,157,022	\$ 34,908,741	\$ 13,478,812

See accompanying notes to basic financial statements

Major Enterprise Funds		Total Enterprise Funds	Governmental Activities Internal Service Funds
Pittsburg Power	Water Front Operations		
\$ 5,682,255	\$ 1,602,756	\$ 35,002,430	\$ 4,631,941
102,344	-	12,585,284	-
799,822	106	4,406,405	6,544
100,371	-	303,126	473,875
69,017	236,206	305,223	22,400
<u>6,753,809</u>	<u>1,839,068</u>	<u>52,602,468</u>	<u>5,134,760</u>
777,610	-	1,788,218	-
2,815,941	184,999	16,479,953	-
7,165,986	6,738	119,606,042	1,492,406
<u>10,759,537</u>	<u>191,737</u>	<u>137,874,213</u>	<u>1,492,406</u>
<u>17,513,346</u>	<u>2,030,805</u>	<u>190,476,681</u>	<u>6,627,166</u>
-	-	5,896,334	-
<u>427,703</u>	<u>106,927</u>	<u>1,924,661</u>	<u>-</u>
<u>427,703</u>	<u>106,927</u>	<u>7,820,995</u>	<u>-</u>
268,638	12,277	1,751,642	329,195
31,400	168,236	1,326,436	-
125,841	-	167,890	-
-	-	256,144	-
859,776	1,181,029	2,040,805	-
77,897	15,186	348,459	54,776
-	-	-	150,497
-	-	2,120,956	79,418
<u>1,363,552</u>	<u>1,376,728</u>	<u>8,012,332</u>	<u>613,886</u>
-	-	-	18,991
25,966	5,062	116,154	18,258
-	-	5,896,334	-
1,324,877	331,219	5,961,947	-
1,007,150	-	3,596,960	-
-	-	43,395,215	160,696
<u>2,357,993</u>	<u>336,281</u>	<u>58,966,610</u>	<u>197,945</u>
<u>3,721,545</u>	<u>1,713,009</u>	<u>66,978,942</u>	<u>811,831</u>
347,671	86,918	1,564,521	-
<u>347,671</u>	<u>86,918</u>	<u>1,564,521</u>	<u>-</u>
9,981,927	191,737	90,569,824	1,252,292
1,075,967	-	24,115,095	-
-	-	4,036,648	-
108,219	-	12,591,159	-
-	-	4,916,505	-
<u>2,705,720</u>	<u>146,068</u>	<u>(6,475,018)</u>	<u>4,563,043</u>
<u>\$ 13,871,833</u>	<u>\$ 337,805</u>	<u>\$ 129,754,213</u>	<u>\$ 5,815,335</u>

City of Pittsburgh
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2016

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
OPERATING REVENUES:			
Charges for services	\$ 16,942,972	\$ 4,962,536	\$ 1,233,059
Meter fees	62,319	-	-
Other fees	326,973	-	175
Facility reserve fees	1,400,975	212,019	-
Rent and concessions	-	-	72,390
Gas and oil sales	-	-	613,689
Other operating revenues	1,061,980	90,342	12,394
Total Operating Revenues	19,795,219	5,264,897	1,931,707
OPERATING EXPENSES:			
Salaries and wages	2,670,301	599,728	450,799
Department supplies	6,125,186	58,599	431,788
Rentals	14,245	874	15,528
Utilities	671,875	7,105	152,945
Maintenance and operations	1,762,574	215,301	222,373
Depreciation (Note 6)	1,594,616	834,190	516,881
Insurance premiums	-	-	-
Insurance deductible	97,245	26,950	15,368
Fringe benefits	2,820,018	621,811	476,103
Other operating expenses	1,105,355	150,079	142,298
Total Operating Expenses	16,861,415	2,514,637	2,424,083
OPERATING INCOME (LOSS)	2,933,804	2,750,260	(492,376)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	271,485	154,306	16,322
Interest and fiscal charges	(1,691,311)	(68,464)	-
Gain (loss) on disposal of assets	-	-	-
Total Nonoperating Revenues (Expenses)	(1,419,826)	85,842	16,322
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	1,513,978	2,836,102	(476,054)
CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	1,780,581	-	-
Transfers in (Note 5C)	50,000	-	-
Transfers out (Note 5C)	(995,480)	(699,243)	(21,126)
Total Contributions and Transfers	835,101	(699,243)	(21,126)
Change in Net Position	2,349,079	2,136,859	(497,180)
NET POSITION:			
Beginning of Year	64,807,943	32,771,882	13,975,992
End of Year	\$ 67,157,022	\$ 34,908,741	\$ 13,478,812

See accompanying notes to basic financial statements

Major Enterprise Funds		Total Enterprise Funds	Governmental Activities Internal Service Funds
Pittsburg Power	Water Front Operations		
\$ 5,881,203	\$ 401	\$ 29,020,171	\$ 8,083,622
-	-	62,319	-
672,373	-	999,521	-
-	-	1,612,994	-
214,606	1,404,218	1,691,214	-
-	-	613,689	-
428,988	3,553	1,597,257	251,551
<u>7,197,170</u>	<u>1,408,172</u>	<u>35,597,165</u>	<u>8,335,173</u>
1,261,139	197,965	5,179,932	607,055
2,043,750	337	8,659,660	816,706
21,435	2,115	54,197	41,346
19,193	-	851,118	325,603
723,573	52,326	2,976,147	1,003,231
453,583	1,684	3,400,954	534,417
148,439	-	148,439	981,264
43,616	7,071	190,250	210,861
1,244,373	315,583	5,477,888	3,847,872
637,964	395,388	2,431,084	18,801
<u>6,597,065</u>	<u>972,469</u>	<u>29,369,669</u>	<u>8,387,156</u>
600,105	435,703	6,227,496	(51,983)
203,758	19,541	665,412	(26,254)
-	-	(1,759,775)	-
-	-	-	(82,523)
<u>203,758</u>	<u>19,541</u>	<u>(1,094,363)</u>	<u>(108,777)</u>
803,863	455,244	5,133,133	(160,760)
-	-	1,780,581	-
50,000	-	100,000	523,962
(739,123)	-	(2,454,972)	(114,087)
<u>(689,123)</u>	<u>-</u>	<u>(574,391)</u>	<u>409,875</u>
114,740	455,244	4,558,742	249,115
13,757,093	(117,439)	125,195,471	5,566,220
<u>\$ 13,871,833</u>	<u>\$ 337,805</u>	<u>\$ 129,754,213</u>	<u>\$ 5,815,335</u>

City of Pittsburg
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2016

	Major Enterprise Funds		
	Water Utility	Sewer Utility	Marina
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 18,255,506	\$ 5,163,787	\$ 1,930,464
Cash payments to suppliers of goods and services	(10,815,993)	(438,627)	(1,017,911)
Cash payments to or on behalf of employees for services	(4,489,051)	(1,091,956)	(782,492)
Other operating revenues	1,061,980	90,342	12,394
Net cash provided (used) by operating activities	4,012,442	3,723,546	142,455
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund receipts	1,064,000	-	-
Interfund payments	-	(1,706)	-
Transfers in	50,000	-	-
Transfers out	(995,480)	(699,243)	(21,126)
Net cash provided (used) by noncapital financing activities	118,520	(700,949)	(21,126)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal paid on long-term debt	(1,310,227)	(737,000)	-
Interest and fiscal charges paid on long-term debt	(1,692,059)	(69,605)	-
Capital lease obligations	-	-	-
Proceeds from sale of capital assets	-	-	-
Capital contributions	1,780,581	-	-
Acquisition of capital assets	(6,132,727)	(496,873)	(24,695)
Net cash provided (used) by capital and related financing activities	(7,354,432)	(1,303,478)	(24,695)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	271,485	154,306	16,322
Net cash provided (used) by investing activities	271,485	154,306	16,322
Net increase (decrease) in cash and cash equivalents	(2,951,985)	1,873,425	112,956
CASH AND CASH EQUIVALENTS:			
Beginning of Year	31,687,583	8,534,407	943,973
End of Year	\$ 28,735,598	\$ 10,407,832	\$ 1,056,929
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,933,804	\$ 2,750,260	\$ (492,376)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,594,616	834,190	516,881
Changes in operating assets and liabilities:			
Accounts receivable	(474,322)	(10,768)	11,151
Inventory	-	-	-
Prepaid items	-	-	-
Accounts payable	(1,271,993)	20,281	(30,877)
Salaries and wages payable	-	-	-
Refundable deposits	232,480	-	741
Taxes payable	-	-	(7,475)
Unearned revenue	(3,411)	-	-
Compensated absences	15,968	(38)	6,126
Due to retirement system	985,300	129,621	138,284
Insurance claims payable	-	-	-
Net cash provided (used) by operating activities	\$ 4,012,442	\$ 3,723,546	\$ 142,455

See accompanying notes to basic financial statements

Major Enterprise Funds		Total Enterprise Funds	Governmental
Pittsburg Power	Water Front Operations		Activities Internal Service Funds
\$ 7,121,619	\$ 2,231,340	\$ 34,702,716	\$ 8,095,338
(3,800,437)	(388,503)	(16,461,471)	(4,443,143)
(2,076,278)	(368,265)	(8,808,042)	(3,428,177)
428,988	3,553	1,597,257	251,551
<u>1,673,892</u>	<u>1,478,125</u>	<u>11,030,460</u>	<u>475,569</u>
-	-	1,064,000	-
148,571	(150,277)	(3,412)	(26,603)
50,000	-	100,000	-
(739,123)	-	(2,454,972)	409,875
<u>(540,552)</u>	<u>(150,277)</u>	<u>(1,294,384)</u>	<u>383,272</u>
-	-	(2,047,227)	-
-	-	(1,761,664)	-
-	-	-	168,594
-	-	-	(82,523)
-	-	1,780,581	-
<u>(1,159,570)</u>	<u>(25,022)</u>	<u>(7,838,887)</u>	<u>(384,746)</u>
<u>(1,159,570)</u>	<u>(25,022)</u>	<u>(9,867,197)</u>	<u>(298,675)</u>
203,758	19,541	665,412	(26,254)
<u>203,758</u>	<u>19,541</u>	<u>665,412</u>	<u>(26,254)</u>
177,528	1,322,367	534,291	533,912
5,607,071	280,389	47,053,423	4,098,029
<u>\$ 5,784,599</u>	<u>\$ 1,602,756</u>	<u>\$ 47,587,714</u>	<u>\$ 4,631,941</u>
\$ 600,105	\$ 435,703	\$ 6,227,496	\$ (51,983)
453,583	1,684	3,400,954	534,417
274,795	4,353	(194,791)	556,813
-	-	-	(95,010)
2,565	(205,592)	(203,027)	-
(135,006)	(31,266)	(1,448,861)	68,190
-	-	-	(147)
(24,886)	100,000	308,335	-
(2,575)	-	(10,050)	-
76,077	1,027,960	1,100,626	(450,087)
5,726	(1,660)	26,122	11,931
423,508	146,943	1,823,656	-
-	-	-	(98,555)
<u>\$ 1,673,892</u>	<u>\$ 1,478,125</u>	<u>\$ 11,030,460</u>	<u>\$ 475,569</u>



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

Miscellaneous Employee Retirement System (MERS) Pension Trust Fund - This fund was established to account for the activities of the Miscellaneous Employees' Retirement System of 1962.

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

City of Pittsburgh
Statement of Fiduciary Net Position
June 30, 2016

ASSETS	Successor Agency to the Redevelopment Agency Private-Purpose Trust	MERS Pension Trust Fund	Agency Funds
Cash and investments (Note 2)	\$ 1,141,293	\$ -	\$ 4,732,335
Cash and investments held by fiscal agent (Note 2)	64,013,766	-	2,793,600
Assessment receivable	-	-	2,068,566
Accounts receivable	156,480	-	-
Inventory	16,821	-	-
Prepaid items and other assets	-	-	-
Loans receivable (Notes 14A)	10,260,538	-	-
Capital assets (Note 14B):			
Land and construction in progress	19,077,636	-	-
Depreciable capital assets, net	1,677,213	-	-
Total assets	<u>96,343,747</u>	<u>-</u>	<u>9,594,501</u>
LIABILITIES			
Accounts payable	90,207	-	298,329
Interest payable	4,420,052	-	-
Refundable deposits	10,150	-	-
Deferred assessments	-	-	2,068,566
Due to other parties	-	-	39,738
Due to other governments	794,420	-	-
Due to bond-holders	-	-	7,187,868
Compensated absences payable:			
Due within one year	16,683	-	-
Due within more than one year	5,561	-	-
Long-term obligations (Note 14C):			
Due in one year	22,909,511	-	-
Due in more than one year	308,925,119	-	-
Total Liabilities	<u>337,171,703</u>	<u>-</u>	<u>\$ 9,594,501</u>
NET POSITION			
Held in Trust for Private Purpose	<u>\$ (240,827,956)</u>	<u>\$ -</u>	

See accompanying notes to financial statements

City of Pittsburg
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2016

ADDITIONS	Successor Agency to the Redevelopment Agency Private-Purpose Trust	MERS Pension Trust Fund
Property tax	\$ 43,371,250	\$ -
Use of money and property	3,482,074	-
Employer contributions	-	5,274
Transfer of capital assets from City	1,500,000	-
Other revenues	848,677	-
Total Additions	<u>49,202,001</u>	<u>5,274</u>
DEDUCTIONS		
General administration	987,117	-
Pass-throughs	2,930,631	-
Benefit payments	-	5,274
Loss on disposition of capital assets	1,497,377	-
Depreciation expense	43,542	-
Interest and fiscal charges	54,244,642	-
Total Deductions	<u>59,703,309</u>	<u>5,274</u>
Change in Net Position	(10,501,308)	-
NET POSITION HELD IN TRUST		
Beginning of Year	<u>(230,326,648)</u>	-
End of Year	<u>\$ (240,827,956)</u>	<u>\$ -</u>

See accompanying notes to financial statements



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

Housing Authority

Housing Authority Section 8, in the accompanying financial statements, was established to account for Federal funds for low income housing under both certificate and voucher programs. The Housing Authority also administers the Veterans Affairs Supportive Housing (VASH), which provides rental and other clinical services to homeless veterans. The Housing Authority is reported as a blended component unit because the Board is made up of the City Council members, and the Housing Authority has a financial benefit/burden relationship with the City. The Housing Authority is reported in the special revenue fund of the City. No separate financial report is issued by the Housing Authority.

Pittsburg 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 former Redevelopment Agency, and is qualified to issue bonds under the Mello-Roos Local Bond Pooling Act of 1985. The PIFA was formed to finance the acquisition of certain public improvements and to refinance prior outstanding special assessment district debt with City commitment. The PIFA is reported as a blended component unit because its governing body consists of City Council members, and the PIFA has a financial benefit/burden relationship with the City. The PIFA is currently inactive; therefore, no separate financial report is issued.

Pittsburg Power Company

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

Pittsburg Arts and Community Foundation

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

Since the City of Pittsburg and PACF have the same governing board, have a financial benefit/burden relationship and the City can impose its will on PACF, it is required to be reported as a blended component unit of the City. Its financial information can be found as a special revenue fund under non-major Governmental Funds. No separate financial report is issued by PACF.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

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

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

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

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

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

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

Governmental Fund Financial Statements

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

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

<u>Fund</u>	<u>Balances</u>
General Fund	\$ 11,153,863
Budget Stabilization	7,863,505
Economic Development	248,894
Total	<u>\$19,266,262</u>

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

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

Proprietary Fund Financial Statements

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

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

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

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

The following are descriptions of the major enterprise funds.

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

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

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.

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

The City also reports fiduciary fund types.

Fiduciary Fund Financial Statements - Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Change in Fiduciary Net Position. The City's fiduciary funds represent a private purpose trust fund, a pension trust fund and agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

The Fiduciary funds are accounted for on the accrual basis of accounting as are the Proprietary funds explained above.

Successor Agency to the Redevelopment Agency Private Purpose Trust Fund (Successor Agency) – This fund was created to account for the accumulation of resources to be used for payments at appropriate amounts and times in the future.

Miscellaneous Employee Retirement System Pension Trust Fund – This fund was established to account for the activities of the Miscellaneous Employees’ Retirement System of 1962.

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

C. Use of Restricted/Unrestricted Net Position

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

D. Spending Policy

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

E. Cash and Investments

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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.

F. Restricted Cash and Investments

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

G. Property Taxes

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

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

H. Interfund Balances/Internal Balances

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

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

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

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

I. Capital Assets

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

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

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

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

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

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

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

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

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

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

J. Interest Payable

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

K. Long-Term Debt

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

L. Unearned Revenue

Government-Wide Financial Statements

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

Fund Financial Statements

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

M. Compensated Absences

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

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

The change in compensated absences was as follows:

	Governmental Activities	Business-Type Activities	Total
	<u> </u>	<u> </u>	<u> </u>
Beginning Balance	\$ 1,655,708	\$ 438,491	\$ 2,094,199
Additions/Payments, net	<u>847,814</u>	<u>26,122</u>	<u>873,936</u>
Ending Balance	<u>\$ 2,503,522</u>	<u>\$ 464,613</u>	<u>\$ 2,968,135</u>
Current Portion	<u>\$ 1,839,549</u>	<u>\$ 348,459</u>	<u>\$ 2,188,008</u>

N. Deferred Outflows/Inflows of Resources

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

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

O. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

P. Estimates and Assumptions

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

Q. New and Closed Funds

During fiscal year ended June 30, 2016, the City created the Cops Hiring Recovery and the Project Amenities Management Special Revenue Funds. The City also closed the Traffic Congestion Relief Special Revenue Fund and the Proposition 1B Local Street & Road Improvement Capital Projects Fund.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING (Continued)

R. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 72 – In 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The Statement provided guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The City implemented this Statement in fiscal year ending June 30, 2016, see Notes 1O and 2E.

GASB Statement No. 76 – *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to reduce the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55. The statement is effective for fiscal year ended June 30, 2016.

GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants*. The objective of this Statement is to address for certain external investment pool and their participants the accounting and financial reporting implications that result from changes in the regulatory provisions referenced by previous accounting and financial reporting standards. This statement is effective for the fiscal year ended June 30, 2016.

NOTE 2 - CASH AND INVESTMENTS

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

A. Policies

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

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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

B. Classification

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

	Government-Wide Statement of Net Position			Separate Statement	
	Governmental	Business-Type	Total	Fiduciary	Total
	Activities	Activities		Funds	
Cash and investments	\$ 43,387,480	\$ 35,002,430	\$ 78,389,910	\$ 5,873,628	\$ 84,263,538
Restricted cash and investments	2,755,693	12,585,284	15,340,977	66,807,366	82,148,343
Total cash and investments	\$ 46,143,173	\$ 47,587,714	\$ 93,730,887	\$ 72,680,994	\$ 166,411,881

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

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum per Issuer
U.S. Treasury Obligations	5 years	none	none	none
Federal Agency Obligations	5 years	none	none	none
Bankers' Acceptances	180 days	A1/P1	40%	5%
State and Local Obligations	5 years	"A"	30%	5%
Commercial Paper	270 days	A1/P1/F1	25%	5%
Negotiable Certificates of Deposit	5 years	Aa/AA	30%	5%
Certificates of Deposits	1 year	"A"	30%	5%
Repurchase Agreements	90 days	"A"	15%	5%
Medium-Term Notes	5 years	"A"	30%	5%
Asset-Backed Securities	5 years	"AA"	20%	5%
Supranational Securities	5 years	2 highest ratings 3 highest ratings	30%	none
Money Market Funds	n/a	ratings	20%	none
Local Agency Investment Fund (LAIF)	n/a	none	\$50 million	none
California Asset Management Program	n/a	n/a	none	none

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

The City's investments with Local Agency Investment Fund (LAIF), a State of California external investment pool, at June 30, 2016, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments may include the following:

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

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

As of June 30, 2016, the City had \$19,844,937 invested in LAIF, which had invested 44.92% of the pool investment funds in Government Securities. The LAIF fair value factor of 1.000621222 was used to calculate the fair value of the investments in LAIF. The fair value of the City's position in the pool is materially equivalent to the value of the pool share. At June 30, 2016, these investments matured in an average of 167 days.

D. Investments Authorized by Debt Agreements

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

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	n/a	none
U.S. Agencies	n/a	AAA
Bankers' Acceptances	360 days	A-1/A-1+/P1
Commercial Paper	270 days	A1/P1/F1
Money Market Fund	n/a	3 highest ratings
State of California Obligations	n/a	A
Municipal Obligations	n/a	AAA
Pre-refunded Municipal Obligations	n/a	AAA
Medium Term Notes	5 years	A
Certificates of Deposit	1 year	none
Guaranteed Investment Agreements	n/a	none
Repurchase Agreements	90 days	A
Local Agency Investment Fund (LAIF)	n/a	none
California Asset Management Program (CAMP)	n/a	none

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

E. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments by Fair Value Level:			
U.S. Treasury	\$ 9,602,445	\$ -	\$ 9,602,445
Federal Agency Obligations	-	14,075,367	14,075,367
Commercial Paper	-	2,272,362	2,272,362
Corporate Notes	-	13,639,235	13,639,235
Certificates of Deposit	-	6,462,482	6,462,482
Asset-Backed Security	-	136,099	136,099
Supranational Securities	-	1,303,918	1,303,918
Local Agency Investment Fund	-	19,844,937	19,844,937
Held by Trustee:			
Federal Agency Obligations	-	3,586,067	3,586,067
Subtotal	<u>\$ 9,602,445</u>	<u>\$ 61,320,467</u>	<u>70,922,912</u>
Investments Measured at Net Asset Value Per Share:			
Held by Trustee:			
California Asset Management Program Pool			449,144
Investments Measured at Amortized Cost:			
Money Market Funds			7,776,187
Held with Trustee:			
Money Market Funds			69,395,887
Non-negotiable Certificates of Deposit			102,344
Cash in banks and on hand			9,210,297
Cash available at I-Bank			8,555,110
Total Cash and Investments			<u>\$ 166,411,881</u>

U.S. Treasury Notes classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Federal Agency Obligations, Commercial Paper, Medium Term Corporate Notes, and the Asset-Backed Security classified in Level 2 of the fair value hierarchy, are valued using pricing techniques of matrix pricing or market corroborated pricing, with inputs such as yield curves or indices. These prices are obtained from various pricing sources by the City's custodian bank. The Certificates of Deposit are valued using techniques of matrix pricing and multi-dimensional relational model and/or option adjusted spread provided by the City's custodian bank. The Supranational Securities, classified in Level 2 of the fair value hierarchy, is valued based on information gathered from market sources and integrate relative credit information, observed movements, and sector news into the evaluated pricings applications and models provided by the City's custodian bank.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

The California Local Agency Investment Fund classified in Level 2 of the fair value hierarchy, is valued based on the fair value factor provided by the Treasurer of the State of California, which is calculated as the fair value divided by the amortized cost of the investment pool. Fair value is defined as the quoted market value on the last trading day of the period.

F. 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	Investment Maturities (in years)		Total
	Less than 1 year	1 - 5 years	
U.S. Treasury & Federal Obligations	\$ 8,003,822	\$ 19,260,057	\$ 27,263,879
Commercial Paper	2,272,362	-	2,272,362
Corporate Notes	-	13,639,235	13,639,235
Non-negotiable Certificates of Deposit	102,344	-	102,344
Certificates of Deposit	1,152,179	5,310,303	6,462,482
Asset-Backed Security	-	136,099	136,099
Supranational Securities	-	1,303,918	1,303,918
CAMP	449,144	-	449,144
Local Agency Investment Fund	19,844,937	-	19,844,937
Money Market Funds	77,172,074	-	77,172,074
Total Investments	<u>\$ 108,996,862</u>	<u>\$ 39,649,612</u>	148,646,474
Cash in banks and on hand			9,210,297
Cash available at I-Bank			8,555,110
Total Cash and Investments			<u>\$ 166,411,881</u>

Money Market Funds are available for withdrawal on demand and at June 30, 2016 matured in an average of 32 days.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 2 - CASH AND INVESTMENTS (Continued)

G. 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, 2016 for each investment type as provided by Standard and Poor's investment rating system.

	Fair Value	AAA	AAAm	AA+	AA	AA- / A-1+	A+ / A / A-1	A- / A-2	Not Rated
U.S. Treasury & Federal Obligations	\$ 27,263,879	\$ -	\$ -	\$ 27,263,879	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Paper	2,272,362	-	-	-	-	-	2,272,362	-	-
Corporate Notes	13,639,235	-	-	3,633,799	152,451	3,383,765	3,885,878	2,583,342	-
Non-negotiable Certificates of Deposit	102,344	-	-	-	-	-	-	-	102,344
Certificates of Deposit	6,462,482	-	-	-	-	3,003,138	3,459,344	-	-
Asset-Backed Security	136,099	136,099	-	-	-	-	-	-	-
Supranational Securities	1,303,918	1,303,918	-	-	-	-	-	-	-
CAMP	449,144	-	449,144	-	-	-	-	-	-
Local Agency Investment Fund	19,844,937	-	-	-	-	-	-	-	19,844,937
Money Market Funds	77,172,074	-	-	-	-	-	-	-	77,172,074
Total Investments	148,646,474	\$ 1,440,017	\$ 449,144	\$ 30,897,678	\$ 152,451	\$ 6,386,903	\$ 9,617,584	\$ 2,583,342	\$ 97,119,355
Cash in banks and on hand	9,210,297								
Cash available with I-Bank	8,555,110								
Total Cash and Investments	\$ 166,411,881								

H. Concentration of Credit Risk

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

Issuer	Investment Type	Amount
<i>Government-Wide:</i>		
Federal National Mortgage Association	Securities of U.S. Government	\$ 15,803,646

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 - LOANS AND NOTES RECEIVABLES

As of June 30, 2016, loans and notes receivable consisted of the following:

Description	Balance
<i>Governmental Funds:</i>	
HUD Community Development Block Grant	\$ 263,844
CalHome Program Loans	558,186
Rehabilitation and Construction Loans	1,341,090
9th Street Associates (Santa Fe Commons Housing Development)	1,751,941
Century Plaza Corporation	887,563
Residential Loans on Vidrio	2,357,094
Other Assistance Loan	129,808
Fairfield Belmont, L.P. Loan	4,566,641
Steadfast Marina Heights L.P.	1,400,000
Mariner Walk Loan	180,000
Vista Del Mar Loans	300,000
Mercy Housing California Loan	4,523,301
Domus Development LLC	7,864,575
Low Income Families Loans	917,440
Presidio Village Senior Housing	690,682
Palm Plaza Group, LLC	218,400
Palm Plaza Development	282,000
Resources for Community Development Loan	6,849,200
Domus Development LLC Loan (Sienna Court)	5,119,229
PACF Loans	800,796
Total Governmental Funds - Loans and Notes Receivable	<u>\$ 41,001,790</u>

A. HUD Community Development Block Grant (CDBG) Loans

The HUD CDBG Special Revenue fund had a loans receivable balance of \$263,844 as of June 30, 2016, which consisted of \$116,813 in CDBG entitlement loans and \$147,031 in First Time Homebuyer loans.

B. CalHome Program Loans

CalHome Program funds of \$600,000 were awarded by the State of California and are used to provide first-time home buyer mortgage assistance as well as housing rehabilitation assistance for low income homeowners. Loans are payable upon sale or transfer of property, when the property ceases to be owner-occupied, or upon the CalHome loan maturity date. The outstanding balance as of June 30, 2016 was \$558,186.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

C. Rehabilitation and Construction Loans

Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types was \$1,341,090 as of June 30, 2016.

D. Community Capital Improvement and Neighborhood Stabilization Program Loan

This is a rehabilitation and construction loan to eliminate blight to a property owner to assist improvements and rehabilitation of properties that were vacant or underutilized.

During fiscal year 2011-2012, the City provided a property development loan of \$1,614,713 to 9th Street Associates LP to develop the units at Santa Fe Commons. The loan terms include 3% simple interest and is due in 55 years. The repayment will be made from residual receipts. The outstanding balance as of June 30, 2016 was \$1,751,941.

E. Other Loans

During fiscal year 2013-14, the City of Pittsburg approved a loan to Century Plaza Corporation for anchor tenant retention and remodeling of the Century Plaza. The total approved loan amount was \$1,300,000 and will be disbursed in five years. Loan bears 2% annual interest and is due and payable on July 1, 2023. Century Plaza Corporation will receive a loan repayment credit effective July 1, 2019 if it is in compliance with the terms stipulated by the loan agreement. The accrued interest will be forgiven along with the loan credit. The outstanding amount as of June 30, 2016 was \$887,563.

During fiscal year 2010-2011, the City of Pittsburg financed several residential loans to the homebuyers of Vidrio Condominium. The outstanding amount as of June 30, 2016 was \$2,357,094.

During fiscal year 2014-15, the City of Pittsburg approved a loan of up to \$150,000 for the properties at 444 and 446 Railroad Avenue. The loan bears interest of 3% per annum. Payment is deferred until September 1, 2018 at which point monthly payments of principal and interest will be due for a term of 3 years. The outstanding amount as of June 30, 2016 was \$129,808.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

F. Housing Successor Agency Loans

During fiscal year 2004-2005, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$4,880,000 to the Fairfield Belmont, L.P. for the purchase and renovation of 224 affordable residential units located within the Redevelopment Project Area. The loan bears the lesser interest of 1% per year or the amount of the former Redevelopment Agency Receipts and provides for the Agency to receive 20% of the project's residual receipts annually. With the dissolution of the Redevelopment Agency effective February 1, 2012, the assets of the Agency, including this loan were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$4,566,641.

During fiscal year 2004-2005, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$1,400,000 to the Steadfast Marina Heights L.P. for the purchase and renovation of 200 affordable residential units located within the Redevelopment Project Area. The loan bears interest of 7% per year or the amount of Agency Receipts and provides for the Agency to receive 30% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, the assets of the Agency, including this loan were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$1,400,000.

During fiscal year 2005-2006, a Development and Disposition Agreement was entered into with Olson Urban Housing LLC (Developer) of up to \$1,000,000 and with Lyon Vista Del Mar 533, LLC (Developer) of up to \$800,000, to provide mortgage assistance for qualified moderate income households purchasing the affordable units. With the dissolution of the Agency effective February 1, 2012, the loans were assumed by the Housing Successor. The balance outstanding as of June 30, 2016 was \$180,000 and \$300,000, respectively, for the property owners.

During fiscal year 2005-2006, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$1,052,854 to Mercy Housing California for the development of a 64-unit dwelling and child care center located within the Redevelopment Project Area. During the fiscal year 2007-2008, an amendment was filed to increase the loan for a total of \$4,952,854. The loan bears interest of 1% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$4,523,301.

During fiscal year 2005-2006, the former Redevelopment Agency entered into a Development and Disposition Agreement with Domus Development LLC (Developer) of up to \$8,000,000 for the development of a 28-unit residential rental dwelling and an 8,000 square feet ground floor commercial space at the northeast corner of Railroad Avenue and 10th Street. Funding was provided by the Housing-Set Aside funds in the amount of \$6,000,000 and \$2,000,000 by future tax increments. During the fiscal year 2007-2008, an amendment was filed to increase the loan up to an additional \$800,000 and \$4,845,755 of the loan was disbursed to the Developer. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$7,864,575.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 3 - LOANS AND NOTES RECEIVABLES (Continued)

During fiscal year 2006-2007 and 2007-2008, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds to low income families to purchase homes. The loans bear no interest and are deferred until the property changes title or are refinanced for cash. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$917,440.

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$566,150 to Pacific Community Services for prior construction of 104 units called the Presidio Village Senior Housing. The loan bears interest of 3% per year and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance and accrued interest as of June 30, 2016 was \$690,682.

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund provided \$728,000 and \$940,000 to Palm Plaza Group, LLC and Palm Plaza Development, respectively, for the purchase and renovation of residential units located within the Redevelopment Project Area. With the dissolution of the Agency effective February 1, 2012, these loans were assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$218,400 for Palm Plaza Group, LLC and \$282,000 for Palm Plaza Development, respectively, totaling \$500,400.

During fiscal year 2006-2007, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$6,105,848 to Resources for Community Development for the development of 71 rental dwellings and a community center. During the fiscal year 2008-2009, an amendment was filed to increase the loan up to an additional \$350,000 and \$5,710,730 of the loan was disbursed to the Developer. The loan bears interest of 1% per annum and provides for the Agency to receive 50% of the project's residual receipts annually. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor Agency. The outstanding balance as of June 30, 2016 was \$6,849,200.

During fiscal year 2007-2008, the former Redevelopment Agency Low-Moderate Income Housing II Special Revenue Fund loaned funds of \$250,000 to Domus Development LLC for the feasibility study of a senior affordable housing development (Sienna Court). The loan bears interest of 3% per annum. The Domus Development LLC loan was amended in fiscal year 2010-2011 to increase the loan by an additional \$850,000, and then further amended in fiscal year 2010-2011 bringing total loan funding to \$4,323,645. With the dissolution of the Agency effective February 1, 2012, this loan was assumed by the Housing Successor. The outstanding balance as of June 30, 2016 was \$5,119,229.

G. Pittsburg Arts and Community Foundation (PACF) Loans

During fiscal year 2010-2011, the PACF assumed a construction loan and lease due from a Pittsburg resident. The loan will be repaid through lease payments on 159 4th Street, with a balloon payment due on December 1, 2023. During fiscal year 2011-2012, PACF assumed an NSP Home Buyer assistance program loan that was issued to a Pittsburg resident. Loan payments are deferred for 10 years, expiring on March 24, 2020, and will be forgiven if certain terms are met. The outstanding amounts of these loans as of June 30, 2016 were \$776,374 and \$24,422, respectively, totaling \$800,796.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 4 - UNEARNED AND UNAVAILABLE REVENUE

A. Government-Wide Financial Statements

Unearned revenues in Government-Wide Financial Statements represent amounts for which revenues have not been earned. At June 30, 2016, unearned revenues in the Government-Wide Financial Statements consisted of unearned developer, donation, and grant revenues of \$1,230,738 in Governmental Activities and \$2,040,805 in Business-Type Activities.

B. Fund Financial Statements

At June 30, 2016, the following amounts were recorded in the Fund Financial Statements because either the revenues had not been earned or the funds were not available to finance expenditures of the current period:

	Governmental Funds				
	General Fund	Housing Authority (Sec. 8)	Successor Agency Housing	Non-Major Governmental Funds	Total Governmental Funds
Unearned developer/ donation revenue	\$ 8,458	\$ -	\$ -	\$ -	\$ 8,458
Unearned service revenue	926,700	143,470	-	152,110	1,222,280
Sub-total	935,158	143,470	-	152,110	1,230,738
Loans receivable	1,017,371	-	32,911,468	4,600,483	38,529,322
Total	<u>\$ 1,952,529</u>	<u>\$ 143,470</u>	<u>\$ 32,911,468</u>	<u>\$ 4,752,593</u>	<u>\$ 39,760,060</u>

	Business-Type		
	Pittsburg Power	Water Front Operations	Total
Unearned developer/ donation revenue	\$ 560,343	\$ -	\$ 560,343
Unearned service revenue	299,433	1,181,029	1,480,462
	<u>\$ 859,776</u>	<u>\$ 1,181,029</u>	<u>\$ 2,040,805</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 5 - INTERFUND TRANSACTIONS

A. Current Interfund Balances

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

DUE FROM FUND:	DUE TO FUND:	AMOUNT
Non-Major Governmental Funds:		
<i>Special Revenue Fund:</i>		
Local Law Enforcement Block Grant	General Fund	\$ 7,549
	Due to General Fund	<u>\$ 7,549</u>

B. Interfund Advances

At June 30, 2016, the following funds had advances that were not expected to be repaid within the next year:

FROM FUND:	TO FUND :	AMOUNT
GOVERNMENTAL FUND		
General Fund	Park Maintenance CFD 2007-1 Special Revenue Fund	\$ 164,562
Regional Traffic Mitigation Capital Projects Fund	Railroad Avenue Specific Area Plan Special Revenue Fund	<u>3,318,021</u>
ENTERPRISE FUNDS		
Water Utility	General Fund	510,183
	<i>Special Revenue Funds:</i>	
Water Utility	Housing Authority (Section 8)	17,254
Water Utility	Lighting & Landscape	29,149
Water Utility	Storm Water Utility (NPDES)	9,971
Water Utility	HUD Community Development Block Grant	3,977
Water Utility	San Marco CFD 2004-1	11,263
Water Utility	Vista Del Mar CFD 2005-2	736
Water Utility	Public Safety Services CFD 2005-1	4,786
Water Utility	Park Maintenance CFD 2007-1	1,688
	<i>Internal Service Funds:</i>	
Water Utility	Fleet Maintenance	8,309
Water Utility	Building Maintenance	6,672
Water Utility	Information/Communication Services	4,010
	<i>Sub-total: Advance from Water Utility</i>	<u>607,998</u>
Sewer Utility	Park Dedication Capital Improvement Fund	<u>402,610</u>
Pittsburg Power	Park Dedication Capital Improvement Fund	402,610
Pittsburg Power	Golf Course Special Revenue Fund	375,000
	<i>Sub-total: Advance from Pittsburg Power</i>	<u>777,610</u>
	<i>Total: Advances from Proprietary Fund</i>	<u>1,788,218</u>
	TOTAL ADVANCES	<u>\$ 5,270,801</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

During fiscal year 2006-2007, the General Fund advanced \$150,000 to the Park Maintenance CFD 2007-1 Special Revenue Fund to help to eliminate the deficit fund balance. Interest is accrued annually at the LAIF rate. The balance as of June 30, 2016 was \$164,562.

During fiscal year 2014-2015, the Regional Traffic Mitigation Capital Projects Fund advanced \$3,300,000 to the City of Pittsburgh Community Facilities District 2014-1 (CFD 2-14-1) Fund to help fund the construction of the eBART Pittsburgh Center Station Project. The advance is to be repaid to the Regional Traffic Mitigation Fund by June 30, 2044 and bears simple interest at the average State Local Agency Investment Fund (LAIF) interest rate. The repayment began in fiscal year 2015 with annual payments in amount up to the accrued interest due, and the current balance as of June 30, 2016 was \$3,318,021.

During fiscal year 2011-2012, the Water Utility Enterprise Fund advanced \$3,800,000 to various funds as detailed in the table above, to apply towards the unfunded pension liability with Contra Costa County Employees' Retirement Association (CCCERA). The advance is to be repaid to the Water Utility fund by February 21, 2017 and bears interest at .3% per year. The repayment began in fiscal year 2012 - 2013 with an interest only payment, and the current balance as of June 30, 2016 was \$607,998.

During fiscal year 2014-2015, the Sewer Utility and Pittsburgh Power Enterprise Funds each advanced \$400,000, for a total of \$800,000, to the Park Dedication Capital Improvement Fund to help fund the Old Town Park Project. The advances are to be repaid no later than June 30, 2025 and bear simple interest at the average annual State Local Agency Investment Fund (LAIF) interest rate. The Sewer Enterprise Fund will be repaid first and the Pittsburgh Power Enterprise Fund will be repaid after the Sewer Enterprise Fund has been fully repaid. The repayment began in fiscal year 2015 with annual payments in amounts up to the accrued interest due, and the current balance as of June 30, 2016 was \$805,220.

During fiscal year 2002-2003, the Pittsburgh Power Enterprise Fund advanced \$375,000 to the Golf Course Special Revenue 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. The current balance as of June 30, 2016 was \$375,000.

During fiscal year 2014-2015, the Pittsburgh Power Enterprise Fund advanced \$150,000 to the Water Front Operations Enterprise Fund for the completion of the construction of non-motorized watercraft launch ramp project and to help maintain a positive net position. The advance was to be repaid within three years beginning fiscal year 2016-2017 and ending in 2018-2019, incorporating an interest payback using the average annual State Local Agency Investment Fund (LAIF) interest rate. This advance was paid off as of June 30, 2016.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 5 - INTERFUND TRANSACTIONS (Continued)

C. Interfund Transfers

At June 30, 2016, the City had the following inter-fund transfers:

- A. Transfers to the General Fund were to fund General Fund operations and administrative services for which the other funds received services.
- B. Transfers to cover Citywide Lighting & Landscaping, Park Maintenance and Golf Course operating expenses.
- C. Transfers to fund Golf Course renovation projects.
- D. Transfers to fund road maintenance projects and accounts for program income in CDBG.
- E. Transfers to the Water Utility Enterprise Fund to subsidize senior discount.
- F. Transfers to cover Future Build program.
- G. Transfers to fund unfunded OPEB liabilities.

FROM FUND:	TO FUND:	AMOUNT
Non-Major Governmental Funds		\$ 1,809,849
Water Utility Enterprise		877,490
Sewer Utility Enterprise		669,390
Pittsburg Power Enterprise		543,500
Internal Service Funds		83,240
	General Fund	3,983,469 A
General Fund		989,754 B
Pittsburg Power Enterprise		129,338 C
Non-Major Governmental Funds		1,711,969 D
	Non-Major Governmental Funds	2,831,061
	<i>Sub-total: Total Governmental Funds</i>	6,814,530
General Fund	Water Utility Enterprise	50,000 E
General Fund	Pittsburg Power Enterprise	50,000 F
General Fund	Internal Service Funds	200,000 G
Housing Authority (Section 8) Special Revenue	Internal Service Funds	11,714 G
Non-Major Governmental Funds	Internal Service Funds	46,147 G
Water Utility Enterprise	Internal Service Funds	117,990 G
Sewer Utility Enterprise	Internal Service Funds	29,853 G
Marina Enterprise	Internal Service Funds	21,126 G
Pittsburg Power Enterprise	Internal Service Funds	66,285 G
Internal Service Fund	Internal Service Funds	30,847 G
	<i>Sub-total: Total Proprietary Funds</i>	623,962
	TOTAL TRANSFERS	\$ 7,438,492

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 6 - CAPITAL ASSETS

A. Government-Wide Financial Statements

At June 30, 2016, the City's capital assets consisted of the following:

	Governmental Activities	Business-Type Activities	Total
Non-depreciable assets:			
Land	\$ 32,338,944	\$ 1,646,186	\$ 33,985,130
Construction in progress	11,361,946	14,833,767	26,195,713
Total non-depreciable assets	<u>43,700,890</u>	<u>16,479,953</u>	<u>60,180,843</u>
Depreciable assets:			
Buildings and improvements	90,165,660	23,643,301	113,808,961
Machinery and equipment	14,781,687	9,977,427	24,759,114
Infrastructure	294,436,299	143,354,675	437,790,974
Total depreciable assets	<u>399,383,646</u>	<u>176,975,403</u>	<u>576,359,049</u>
Less accumulated depreciation:			
Buildings and improvements	(35,629,343)	(8,893,994)	(44,523,337)
Machinery and equipment	(12,143,776)	(3,302,120)	(15,445,896)
Infrastructure	(139,088,735)	(45,173,247)	(184,261,982)
Total accumulated depreciation	<u>(186,861,854)</u>	<u>(57,369,361)</u>	<u>(244,231,215)</u>
Total net depreciable assets	<u>212,521,792</u>	<u>119,606,042</u>	<u>332,127,834</u>
Total capital assets	<u>\$ 256,222,682</u>	<u>\$ 136,085,995</u>	<u>\$ 392,308,677</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 6 - CAPITAL ASSETS (Continued)

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

	Balance at July 1, 2015	Additions	Deletions & Transfers	Reclassifications	Balance at June 30, 2016
Non-depreciable assets:					
Land	\$ 33,838,944	\$ -	\$ (1,500,000)	\$ -	\$ 32,338,944
Construction in progress	15,913,273	2,830,662	(3,370,805)	(4,011,184)	11,361,946
Total	49,752,217	2,830,662	(4,870,805)	(4,011,184)	43,700,890
Depreciable assets:					
Buildings and improvements	90,165,660	-	-	-	90,165,660
Machinery and equipment	14,194,183	1,076,316	(488,812)	-	14,781,687
Infrastructure	290,360,275	64,840	-	4,011,184	294,436,299
Total	394,720,118	1,141,156	(488,812)	4,011,184	399,383,646
Less accumulated depreciation:					
Buildings and improvements	(31,775,182)	(3,854,161)	-	-	(35,629,343)
Machinery and equipment	(11,653,861)	(875,461)	385,546	-	(12,143,776)
Infrastructure	(132,391,699)	(6,697,036)	-	-	(139,088,735)
Total	(175,820,742)	(11,426,658)	385,546	-	(186,861,854)
Total depreciable assets, net	218,899,376	(10,285,502)	(103,266)	4,011,184	212,521,792
Total capital assets, net	\$ 268,651,593	\$ (7,454,840)	\$ (4,974,071)	\$ -	\$ 256,222,682

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 6 - CAPITAL ASSETS (Continued)

Governmental activities depreciation expense for capital assets for the year ended June 30, 2016 is as follows:

General government	\$	1,334,847
City Manager and City Clerk		48,982
City Attorney		57
Human Resources		5,202
Finance and services		102,002
Community development and services		144,375
Public Safety		507,335
Public Works		9,283,858
		<hr/>
Total depreciation expense	\$	<u>11,426,658</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 6 - CAPITAL ASSETS (Continued)

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

	Balance at July 1, 2015	Additions & Transfers	Deletions	Reclassifications	Balance at June 30, 2016
Non-depreciable assets:					
Land	\$ 1,143,506	\$ 502,680	\$ -	\$ -	\$ 1,646,186
Construction in progress	10,019,500	6,224,099	-	(1,409,832)	14,833,767
Total	<u>11,163,006</u>	<u>6,726,779</u>	<u>-</u>	<u>(1,409,832)</u>	<u>16,479,953</u>
Depreciable assets:					
Buildings and improvements	23,564,814	-	-	78,487	23,643,301
Machinery and equipment	9,293,425	684,002	-	-	9,977,427
Infrastructure	141,595,224	428,106	-	1,331,345	143,354,675
Total	<u>174,453,463</u>	<u>1,112,108</u>	<u>-</u>	<u>1,409,832</u>	<u>176,975,403</u>
Less accumulated depreciation:					
Buildings and improvements	(8,397,143)	(496,851)	-	-	(8,893,994)
Machinery and equipment	(2,782,050)	(520,070)	-	-	(3,302,120)
Infrastructure	(42,789,214)	(2,384,033)	-	-	(45,173,247)
Total	<u>(53,968,407)</u>	<u>(3,400,954)</u>	<u>-</u>	<u>-</u>	<u>(57,369,361)</u>
Total depreciable assets, net	<u>120,485,056</u>	<u>(2,288,846)</u>	<u>-</u>	<u>1,409,832</u>	<u>119,606,042</u>
Total capital assets, net	<u>\$ 131,648,062</u>	<u>\$ 4,437,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,085,995</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 6 - CAPITAL ASSETS (Continued)

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2016 are as follows:

Water Utility	\$	1,594,616
Sewer Utility		834,190
Marina		516,881
Pittsburg Power		453,583
Water Front Operations		1,684
		<u>1,684</u>
Total	\$	<u>3,400,954</u>

B. Fund Financial Statements

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

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

NOTE 7 - LONG TERM DEBT

Governmental Activities

The following is a summary of long-term debt transactions of the governmental activities for the year ended June 30, 2016:

Description	Original Issue Amount	Beginning Balance July 1, 2015	Additions	Retirements	Ending Balance June 30, 2016	Amounts Due Within One Year	Amounts Due in More Than One Year
Governmental Activities:							
2006 Pension Obligation Bonds	\$ 39,566,056	\$ 33,826,975	\$ 2,164,875	\$ 1,955,000	\$ 34,036,850	\$ 2,020,000	\$ 32,016,850
CEC Energy Conservation Loan	571,097	467,166	-	60,898	406,268	62,775	343,493
Capital Lease - VOIP	176,450	71,520	-	35,263	36,257	36,257	-
Capital Lease - Street Sweeper	225,000	-	225,000	21,143	203,857	43,161	160,696
Total Governmental Activities		<u>\$ 34,365,661</u>	<u>\$ 2,389,875</u>	<u>\$ 2,072,304</u>	<u>\$ 34,683,232</u>	<u>\$ 2,162,193</u>	<u>\$ 32,521,039</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

Series 2006 Pension Obligation Bonds

On June 15, 2006, the City issued \$39,566,056 of Series 2006 Taxable Pension Obligations Bonds bearing interest at 5.784-6.115% to prepay the City's unfunded accrued actuarial liability of the Miscellaneous and Safety plans through the California Public Employees' Retirement System. The City also prepaid the unfunded liability owed to Contra Costa County Employees Retirement Association (CCCERA) which amounted to \$12,700,000 as of June 30, 2006. The Bonds are issued as current interest bonds and capital interest bonds where the current interest is payable annually on July 1, and the capital appreciation bonds will accrete interest from the date of issuance and will be payable only upon maturity or redemption. The bonds are payable from any form of taxation. Annual principal and interest payments on the bonds are expected to require approximately 5 percent of city-wide revenues. The total principal and interest remaining to be paid on the bonds is \$77,626,223. For the current year, principal and interest paid were \$3,434,171 and city-wide revenues were \$67,336,885.

The Bonds unaccrued discount and the current year accretion totaled \$22,178,150 and \$2,164,875, respectively at June 30, 2016. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates between 5.85% and 6.12%. Repayment of the accreted principal commenced July 1, 2015. Final repayment will be July 1, 2031.

The annual debt service requirements to mature the Series 2006 Pension Obligation Bonds outstanding at June 30, 2016, were as follows:

<u>2006 Pension Obligation Bonds</u>			
Year Ending June 30,	Principal (1)	Interest	Total
2017	\$ 2,020,000	\$ 1,461,241	\$ 3,481,241
2018	2,090,000	1,440,995	3,530,995
2019	2,160,000	1,418,272	3,578,272
2020	2,240,000	1,392,911	3,632,911
2021	2,320,000	1,364,763	3,684,763
2022-2026	13,215,000	6,289,415	19,504,415
2027-2031	14,210,000	5,296,532	19,506,532
2032-2036	17,960,000	2,747,094	20,707,094
Total	\$ 56,215,000	\$ 21,411,223	\$ 77,626,223

(1) Includes unaccrued discount in the total amount of \$22,178,150

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

CEC Energy Conservation Loan

On May 31, 2012, the City obtained a State of California Energy Resources Conservation and Development Commission loan from the California Energy Commission (CEC), in the amount of \$571,097, bearing an interest rate of 3.00% to convert all decorative lamp fixtures from High Pressure Sodium (HPS) to Light Emitted Diode (LED), including the installation of 621 LED lamps on 610 poles. The loan is repayable from general funds from savings in energy costs, and interest and principal payments are payable semiannually on June 22 and December 22, commencing December 22, 2013.

As of June 30, 2016, the outstanding principal balance on the loan was \$406,268.

The annual debt service requirements to mature the loan outstanding at June 30, 2016 were as follows:

CEC Energy Conservation Loan			
Year Ending June 30,	Principal	Interest	Total
2017	\$ 62,775	\$ 11,722	\$ 74,497
2018	64,672	9,825	74,497
2019	66,627	7,870	74,497
2020	68,626	5,871	74,497
2021	70,715	3,782	74,497
2022	72,853	1,645	74,498
Total	<u>\$ 406,268</u>	<u>\$ 40,715</u>	<u>\$ 446,983</u>

Capital Lease for Governmental Activities

On November 2, 2012, the City entered into a four-year tax-exempt lease agreement for a total principal cost of \$310,572 with Key Government Finance, Inc., the proceeds of which were used to upgrade the telephone voice over internet protocol (VOIP) system. The interest rate on the capital lease is 2.820% and principal and interest payments are due annually, commencing November 2, 2012, maturing on November 2, 2016. As of June 30, 2016, the outstanding principal balance on the lease was \$36,257.

The annual debt service requirements to mature the lease outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Totals
2017	\$ 36,257	\$ 1,021	\$ 37,278
Totals	<u>\$ 36,257</u>	<u>\$ 1,021</u>	<u>\$ 37,278</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

On November 5, 2015, the City entered into a five year lease agreement for a total principal cost of \$225,000 with Holman Capital Corporation for one street sweeper. The interest rate on the capital lease is 2.75% and principal and interest payments are due semi-annually, commencing May 5, 2015, maturing on November 5, 2020. As of June 30, 2016, the outstanding principal balance of the lease was \$203,857.

The annual debt service requirements to mature the lease outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 43,161	\$ 5,311	\$ 48,472
2018	44,357	4,117	48,474
2019	45,585	2,888	48,473
2020	46,847	1,626	48,473
2021	23,907	328	24,235
Total	\$ 203,857	\$ 14,270	\$ 218,127

Business-Type Activities

The following is a summary of long-term debt transactions of the business-type activities for the year ended June 30, 2016:

Description	Original Issue Amount	Beginning Balance July 1, 2015	Retirements	Ending Balance June 30, 2016	Amounts Due Within One Year	Amounts Due in More Than One Year
2008A Water Revenue						
Refunding Bonds	\$ 38,395,000	\$ 31,575,000	\$ 1,090,000	\$ 30,485,000	\$ 1,140,000	\$ 29,345,000
2014 Waste Water						
Revenue Refunding Bonds	5,342,000	4,601,000	737,000	3,864,000	753,000	3,111,000
2014 California Infrastructure and Economic Development Bank Loan	11,387,398	11,387,398	220,227	11,167,171	227,956	10,939,215
		<u>\$ 47,563,398</u>	<u>\$ 2,047,227</u>	<u>\$ 45,516,171</u>	<u>\$ 2,120,956</u>	<u>\$ 43,395,215</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

2008 Water Revenue Refunding Bonds

On May 8, 2008, the City issued \$38,395,000 of Series 2008 Water Revenue Refunding Bonds with multi-model interest rates, to refund, on a current basis, 2005 Water Revenue Bonds, to fund a debt service reserve account with respect to the 2008 Bonds and to pay certain costs of issuance of the 2008 Bonds. The bonds are authorized to be issued in a Weekly Interest Rate Period, a Daily Interest Rate Period, a Long-Term Interest Rate Period, an Index Interest Period or an Auction Rate Bond Interest Rate Period. A portion of the proceeds from the 2008 Bonds was placed in an irrevocable trust to provide for all future debt service payments on the defeased 2005 Bonds. As of June 30, 2016, \$30,485,000 of principal remained outstanding on the 2008 Bonds. The Bonds are payable solely from Water System revenues. Annual principal and interest payments on the bonds are expected to require less than 13% percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$42,626,377. For the current year, principal and interest paid were \$2,091,852 and Water System net operating revenues were \$2,933,804.

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

The annual debt service requirements to mature the 2008 Bonds outstanding at June 30, 2016, were as follows:

Year Ending June 30,	Principal	Interest	Remarketing & LOC Fees	Total
2017	\$ 1,140,000	\$ 1,094,170	\$ 218,007	\$ 2,452,177
2018	1,165,000	1,055,146	240,196	2,460,342
2019	1,215,000	1,013,148	317,129	2,545,277
2020	1,265,000	986,391	304,206	2,555,597
2021	1,315,000	921,338	289,203	2,525,541
2022-2026	7,325,000	3,878,286	1,213,259	12,416,545
2027-2031	8,750,000	2,452,061	770,564	11,972,625
2032-2035	8,310,000	740,838	237,653	9,288,491
Total	\$ 30,485,000	\$ 12,141,378	\$ 3,590,217	\$ 46,216,595

The 2008 Water Revenue Refunding Bonds were refinanced on November 15, 2016. See Note 15.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

Interest Rate Swap Agreements

The 2008 Water Revenue Bonds were issued as variable rate bonds, with interest calculated daily. The rate fluctuates according to market conditions. In order to protect against the potential of rising interest rates associated with the Bonds, the City entered into a pay-fixed, receive-variable interest rate swap. The terms, fair value and credit risk of the swap agreement are disclosed below.

Terms. The terms, including the counterparty credit ratings of the outstanding swap, as of June 30, 2016 are included below. The City's swap agreement contains scheduled reductions to outstanding notional amounts that are expected to follow scheduled reductions in the associated bonds.

Associated Bonds	2008 Water Revenue Bonds
City Pays	3.615%
City Receives	63% of 1 month USD-LIBOR + .30%
Maturity Date	5/25/2035
Initial Notional	\$38,850,000
Bank Counterparty	Piper Jaffray Financial Products Inc. with a Guarantee from Morgan Stanley Capital Services
Credit Rating by Moody's / S&P/ Fitch	A3/ BBB+/ A
Total Value	(\$5,896,334)

On December 15, 2005, the City elected to enter into a 63% of 1-month LIBOR plus 30 basis points (0.30%) floating-to-fixed interest rate swap to hedge the issuance of \$38,850,000 of variable-rate Series 2005 Water Bonds. The Series 2005 Water Bonds were refunded by the variable rate Series 2008 Water Bonds. The combination of variable rate bonds and a floating-to-fixed swap creates synthetic fixed-rate debt for the City. The transaction allowed the City to create a synthetic fixed rate on the Bonds, protecting the City against increases in short-term interest rates.

Fair value. The City's swap had a negative fair value of \$5,896,334 for the 2008 Water Revenue Bonds. This fair value takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction and any upfront payments that may have been received. The fair value was estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming that the current forward rates implied by the LIBOR swap yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement on the swaps.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

Credit risk. As of June 30, 2016, the City was not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, if interest rates rise and the fair value of the swap were to become positive, the City would be exposed to credit risk in the amount of the fair value on the swap. The swap counterparty is Piper Jaffray Financial Products, Inc. who is guaranteed by Morgan Stanley Capital Services, Inc. (MSCS), the guarantor for the counterparty is rated A3/BBB+/A by Moody's, Standard & Poor's and Fitch, respectively. The City will be exposed to interest rate risk only if the counterparty to the swap defaults or if the swap is terminated at a time when the swap has a positive fair value.

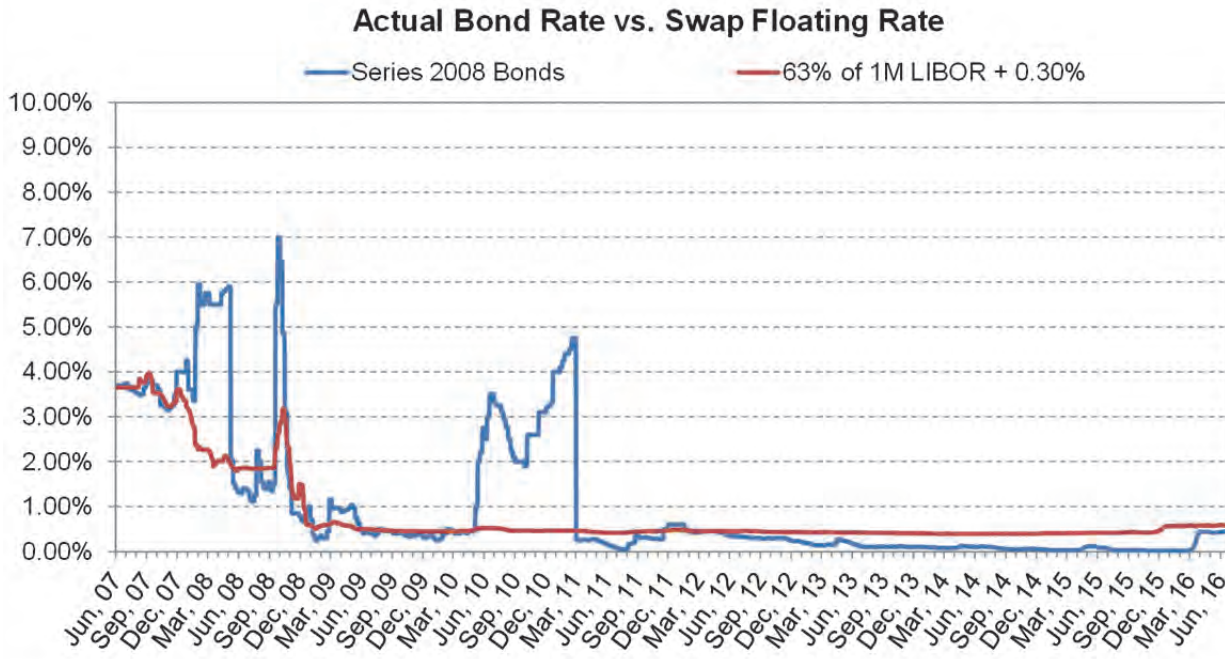
The swap agreement contains a collateral agreement with MSCS which guarantees Piper Jaffray. The swap requires collateralization of the fair value of the swap should the MSCS credit rating fall below the applicable thresholds.

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

The financial credit crisis triggered by the sub-prime mortgage crisis, which began in 2007, resulted in a lack of liquidity for the City's 2008 Water Revenue Bonds leading to rate dislocation and unanticipated increase in interest rate expense. Prior to December of 2007, the basis difference is relatively small; the basis difference increased drastically between December of 2007 and November 2008. As the financial markets improved in early 2009, the basis difference narrowed significantly on both of the bonds. The exception has been the City's 2008 Water Revenue Bonds between May 2010 and February 2011. The City's bonds were backed by a direct-pay letter-of-credit (LOC) from Allied Irish Bank (AIB). In response to the European debt crisis, and consequently investors' declining confidence in the financial health of the bank, these bonds traded at much higher rates. In February 2011, the City replaced the LOC provided by AIB with an LOC provided by Bank of the West which reduced the basis difference.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)



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

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

2014 Waste Water Revenue Refunding Bonds (Bank of the West Private Placement)

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

To refinance the 2004 Bonds, the Financing Authority, with the City, entered into an installment sale agreement to provide funds in an aggregate principal amount of \$5,342,000. The financing was placed privately with Bank of the West. A portion of the proceeds of the Financing was deposited into an irrevocable escrow for full redemption of the 2004 Bonds. The installment sales payments bear an interest rate of 1.55% per annum with interest payments made semi-annually on June 1 and December 1 commencing December 1, 2014 through June 1, 2021. The installments are payable solely from Net Wastewater Revenues. Annual principal and interest payments are expected to require less than 15% percent of net revenues. The total principal and interest remaining to be paid is \$4,030,354. For the current year, principal and interest paid were \$805,464 and wastewater net revenues were \$2,750,260.

The annual debt service requirements to mature the loan outstanding at June 30, 2016 were as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 753,000	56,970	809,970
2018	761,000	45,268	806,268
2019	772,000	33,434	805,434
2020	782,000	21,429	803,429
2021	796,000	9,253	805,253
Total	\$ 3,864,000	\$ 166,354	\$ 4,030,354

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 7 - LONG TERM DEBT (Continued)

2014 California Infrastructure and Economic Development Bank Installment Sale Agreement

On November 17, 2014, the City of Pittsburg entered into an installment sale agreement (agreement) with the California Infrastructure and Economic Development Bank for financing the costs of modifications to the Pittsburg Water Treatment Plant and installation of approximately 9,100 feet of transmission line and other related costs. The principal amount provided under the agreement is \$11,387,398 payable over a term of 30 years. Principal payments are made annually on August 1, commencing August 1, 2015 through August 1, 2044. The installment sales payments bear an interest rate of 3.51% per annum with interest payments made semi-annually on February 1 and August 1, commencing February 1, 2015 through August 1, 2044. The installments are payable from Water Charge Revenues. During fiscal year ended June 30, 2016, principal and interest paid was \$616,060 and water charge revenues were \$19,795,219.

The annual debt service requirements to mature the outstanding balance at June 30, 2016, were as follows:

Year Ending June 30,	Principal	Interest	Annual Fee	Total
2017	\$ 227,956	\$ 387,967	\$ 33,502	\$ 649,425
2018	235,958	379,825	32,818	648,601
2019	244,240	371,398	32,110	647,748
2020	252,812	362,675	31,377	646,864
2021	261,686	353,645	30,619	645,950
2022-2026	1,452,828	1,621,295	140,751	3,214,874
2027-2031	1,726,339	1,342,984	117,375	3,186,698
2032-2036	2,051,338	1,012,280	89,596	3,153,214
2037-2041	2,437,524	619,317	56,590	3,113,431
2042-2045	2,276,490	163,254	17,368	2,457,112
Total	\$ 11,167,171	\$ 6,614,640	\$ 582,106	\$ 18,363,917

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 8 - SPECIAL ASSESSMENT DISTRICT DEBT WITHOUT CITY COMMITMENT

The City has sponsored special assessment debt issues under which it has no legal or moral liability with respect to repayment of the debt and therefore does not include this debt in the City's Governmental Activities. The activity for those issues for the year ended June 30, 2016, was as follows:

	Balance June 30, 2015	Retirements	Balance June 30, 2016
2001-03 Century Plaza A.D. Bonds	\$ 3,430,000	\$ 115,000	\$ 3,315,000
2011 Pittsburg IFA Bonds	14,890,000	1,055,000	13,835,000
2015 Vista Del Mar A.D. Refunding Bonds	9,655,000	-	9,655,000
Total	<u>\$ 27,975,000</u>	<u>\$ 1,170,000</u>	<u>\$ 26,805,000</u>

2001-03 Century Plaza Assessment District Bonds - The Century Plaza Bonds bear interest rates between 2.40% and 5.88% with interest payments made semi-annually on March 2 and September 2. The Century Plaza Bonds are to be paid from annual assessment installments. Proceeds from the Century Plaza Bonds were used to finance the construction and acquisition of certain public improvements within the City's Assessment District No. 2001-03. The outstanding balance at June 30, 2016 amounted to \$3,315,000.

2011 Pittsburg Infrastructure Financing Authority Bonds - In August 2011, the City refinanced the 1998 Marina Walk Assessment District Bonds, 1998 Pittsburg Infrastructure Financing Authority Bonds, 2001-01 San Marco Assessment District Bonds and 2001-02 Oak Hills South Assessment District Bonds. These Districts were consolidated into one Reassessment District No. 2011-1. The true interest cost of the refunded bonds is 4.5%. The outstanding balance at June 30, 2016 amounted to \$13,835,000.

2015 Vista Del Mar Assessment District Special Tax Refunding Bonds - In June 2015, the City refunded and defeased the 2005 Vista Del Mar Assessment District Bonds. The 2015 Vista Del Mar Bonds bear interest rates between 2.00% and 5.00% with interest payments made semi-annually on March 1 and 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. The outstanding balance at June 30, 2016, amounted to \$9,655,000.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 - NET POSITION AND FUND BALANCES

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

A. Net Position

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

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

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

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

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

B. Fund Balances

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

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

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

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

To comply with GASB 54 requirements, the Budget Stabilization, Economic Development and California Theatre activities are consolidated within the General Fund. The following table provides details of the General Fund’s fund balance at June 30, 2016:

Fund/Activity	Nonspendable	Assigned	Unassigned	Total
General	\$2,642,564	\$417,592	\$8,093,707	\$11,153,863
Budget stabilization	-	-	7,863,505	7,863,505
Economic development	-	248,894	-	248,894
Total	<u>\$2,642,564</u>	<u>\$666,486</u>	<u>\$15,957,212</u>	<u>\$19,266,262</u>

Budget Stabilization Arrangement

City Council adopted a Resolution establishing a Budget Stabilization Fund for the City’s General Fund and requires the City to deposit year-end surpluses into it. The funds can only be used to help balance future budgets. As of June 30, 2016, the Budget Stabilization, which is reported within the unassigned fund balance of the General Fund, had a balance of \$7,863,505.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's Fund Balances, as of June 30, 2016, are listed below:

Fund Balance Classifications	General Fund	Special Revenue			Total
		Housing Authority Section 8	Successor Agency Housing	Other Governmental Funds	
Nonspendables:					
Items not in spendable form:					
Prepaid Items & Other Assets	\$ 23,974	\$ -	\$ -	\$ 2,078	\$ 26,052
Interfund Advances	164,562	-	-	-	164,562
Loans and Notes Receivable	2,357,095	-	-	-	2,357,095
Inventory	96,933	1,374	-	268,686	366,993
Total Nonspendable Fund Balances	2,642,564	1,374	-	270,764	2,914,702
Restricted for:					
Special Revenue	-	-	-	5,068,302	5,068,302
Debt Service	-	-	-	2,755,940	2,755,940
Low Income Housing	-	221,417	1,044,225	574,119	1,839,761
Capital Projects	-	-	-	11,530,531	11,530,531
Total Restricted Fund Balances	-	221,417	1,044,225	19,928,892	21,194,534
Committed to:					
Capital Improvement	-	-	-	2,070,516	2,070,516
Field Replacement	-	-	-	397,481	397,481
Public Education	-	-	-	409,228	409,228
Total Committed Fund Balances	-	-	-	2,877,225	2,877,225
Assigned to:					
Capital Projects	-	-	-	-	-
Encumbrances	386,857	-	-	-	386,857
Reserved for Police Buys	1,220	-	-	-	1,220
Reserved for Leisure Service	6,656	-	-	-	6,656
Payroll Imprest Fund Balance	22,859	-	-	-	22,859
For Economic Development	248,894	-	-	-	248,894
Public Safety	-	-	-	14,354	14,354
Total Assigned Fund Balances	666,486	-	-	14,354	680,840
Unassigned:					
General fund	8,093,707	-	-	-	8,093,707
Stabilization Arrangements	7,863,505	-	-	-	7,863,505
Other governmental funds	-	-	-	(455,164)	(455,164)
Total Unassigned Fund Balances	15,957,212	-	-	(455,164)	15,502,048
Total Fund Balances	\$ 19,266,262	\$ 222,791	\$ 1,044,225	\$ 22,636,071	\$ 43,169,349

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 9 - NET POSITION AND FUND BALANCES (Continued)

C. Deficit Fund Balance/Net Position

At June 30, 2016, the following funds had deficit fund balances:

Fund	Amount
<i>Special Revenue Funds:</i>	
Park Maintenance CFD 2007-1	\$ 89,926 (a)
Golf Course	365,238 (b)

- (a) The deficits will be reduced with future years' assessment revenues.
- (b) The deficit is caused by the recategorization of the Golf Course from an Enterprise Fund to a Special Revenue fund, as capital assets are no longer recorded within the fund, and will be reduced with future revenues.

D. Restricted Net Position for Special Projects and Programs

At June 30, 2016, the City has the following restricted net position for special projects and programs approved by Resolution 16-13256:

Measure C Fund	\$ 1,416,167
E-Bart CFD Fund	3,476,846
Gas Tax Fund	913,999
Successor Agency Housing Fund	341,730
Citywide Lighting & Landscaping Fund	30,000
NPDES Fund	23,761
Local Traffic Mitigation Fund	368,871
Park Dedication Fund	1,811,398
City Capital Improvement Project Fund	369,595
Kirker Creek Drainage Fund	64,839
Community Capital Improvement Fund	1,298,616
Regional Traffic Mitigation Fund	598,958
Community Development Block Grant Fund	9,458
Golf Course Fund	22,888
	\$ 10,747,126

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 10 - RISK MANAGEMENT

A. General Liability Insurance

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

B. Workers' Compensation

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

C. Estimated Reserves for Claims

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

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

For the Years Ended June 30,	Claims Payable July 1	Fiscal Year Claims and Changes in Estimates	Claims Payments	Claims Payable June 30
2010	\$ 208,770	\$ (95,076)	\$ (29,519)	\$ 84,175
2011	84,175	69,494	-	153,669
2012	153,669	(27,629)	(8,327)	117,713
2013	117,713	47,199	(36,027)	128,885
2014	128,885	88,503	(22,323)	195,065
2015	195,065	202,195	(148,208)	249,052
2016	249,052	90,846	(189,401)	150,497

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 10 - RISK MANAGEMENT (Continued)

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	\$ 25,000	\$ 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	Statutory Limits
Liability	25,000	29,000,000
Employment Liability	50,000	2,000,000
Cyber Liability	50,000	2,000,000
Public Entity Pollution Liability	100,000	1,000,000
Government Crime Coverage	10,000	1,000,000

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

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

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

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

E. Adequacy of Protection

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Plan Descriptions and Summary of Balances by Plan

The City has three defined benefit pension plans, a Miscellaneous Plan, Safety Plan, and the Miscellaneous Employees' Retirement System of 1962 of the City of Pittsburg, California (MERS). The Miscellaneous Plan is an Agent-Multiple Employer Plan and the Safety Plan is a Cost-Sharing Employer Plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City Ordinance.

All qualified permanent and probationary employees are eligible to participate in the separate Safety Plan, cost-sharing multiple employer defined benefit pension plan and Miscellaneous (all other) Plan, an agent multiple-employer defined benefit pension plan, administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources by Plan:

Plan	Deferred Outflows of Resources	Net Pension Liability/ Proportionate Share of Net Pension	Deferred Inflows of Resources
CalPERS Plans:			
Miscellaneous	\$ 5,346,276	\$ 16,560,963	\$ 4,345,891
Safety - Tier I	5,685,908	16,429,371	6,505,096
Safety - Tier II	134,280	(17,962)	227,318
Safety - Tier III (PEPRA)	145,423	(5,822)	246,181
CCCERA Closed Plan	-	11,312,353	-
Total	\$ 11,311,887	\$ 44,278,903	\$ 11,324,486

Each Plan is discussed in detail below.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLANS

B. CalPERS Miscellaneous Plan

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

The Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

	<u>Miscellaneous</u>		
	<u>Prior to July 10, 2011</u>	<u>On or after July 10, 2011</u>	<u>On or after January 1, 2013</u>
Hire date			
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	62	62
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7%	7%	6.25%
Required employer contribution rates	14.854%	14.854%	14.854%

Employees Covered – As of the June 30, 2014 actuarial valuation date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	111
Inactive employees entitled to but not yet receiving benefits	144
Active employees	157
Total	<u>412</u>

As of June 30, 2016, the City had 175 active employees in the Miscellaneous Plan.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability - The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Changes in Net Pension Liability - The changes in the Net Pension Liability for the Miscellaneous Plan follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2014	\$ 74,924,289	\$ 60,121,603	\$ 14,802,686
Changes in the year:			
Service cost	1,843,426	-	1,843,426
Interest on the total pension liability	5,559,084	-	5,559,084
Differences between actual and expected experience	(227,056)	-	(227,056)
Changes in assumptions	(1,494,012)	-	(1,494,012)
Changes in benefit terms	-	-	-
Contribution - employer	-	-	-
Contribution - employee (paid by employer)	-	1,631,437	(1,631,437)
Contribution - employee	-	1,036,916	(1,036,916)
Net investment income	-	1,323,594	(1,323,594)
Administrative expenses	-	(68,782)	68,782
Benefit payments, including refunds of employee contributions	(2,914,360)	(2,914,360)	-
Net changes	2,767,082	1,008,805	1,758,277
Balance at June 30, 2015	\$ 77,691,371	\$ 61,130,408	\$ 16,560,963

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	
1% Decrease		6.65%
Net Pension Liability	\$	28,109,618
Current Discount Rate		7.65%
Net Pension Liability	\$	16,560,963
1% Increase		8.65%
Net Pension Liability	\$	7,118,511

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings on investments - 5 year straight-line amortization

All other amounts - Straight-line amortization over the average expected remaining services lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2016, the City recognized pension expense of \$(68,797). At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,745,066	\$ -
Differences between actual and expected experience	-	(168,837)
Changes in assumptions	-	(1,110,932)
Net differences between projected and actual earnings on plan investments	<u>2,601,210</u>	<u>(3,066,122)</u>
Total	<u>\$ 5,346,276</u>	<u>\$ (4,345,891)</u>

\$2,745,066 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ (813,038)
2018	(813,038)
2019	(768,909)
2020	650,304

Actuarial assumptions and information regarding the discount rate are discussed in Note 11D below.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

C. CalPERS Safety Plan

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Safety		
	Prior to July 10, 2011	On or after July 10, 2011	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50	50
Monthly benefits, as a % of eligible compensation	3%	2.7%	2.7%
Required employee contribution rates	9%	9%	11.5%
Required employer contribution rates	20.676%	15.627%	11.153%

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2016, the contributions recognized as part of pension expense for each Plan were as follows:

	Safety
Contributions - employer	\$ 2,449,692
Contributions - employee (paid by employer)	72,661

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - As of June 30, 2016, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Tier I	\$ 16,429,371
Tier II	(17,962)
Tier III	(5,822)
Total Net Pension Liability	<u>\$ 16,405,587</u>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2014 and 2015 was as follows:

	Safety		
	Tier I	Tier II	Tier III
Proportion - June 30, 2014	0.37763%	0.00009%	0.00005%
Proportion - June 30, 2015	0.39873%	-0.00044%	-0.00014%
Change - Increase (Decrease)	<u>0.02110%</u>	<u>-0.00053%</u>	<u>-0.00019%</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2016, the City recognized pension expense of \$1,635,147. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,449,689	\$ -
Differences between actual and expected experience	-	(287,778)
Changes in assumptions	-	(1,323,599)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	222,081	
Change in proportion		(1,402,567)
Net differences between projected and actual earnings on plan investments	3,293,841	(3,964,651)
Total	<u>\$ 5,965,611</u>	<u>\$ (6,978,595)</u>

\$2,449,689 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Year Ended	
	June 30	Total
2017	\$	(949,472)
2018		(1,255,070)
2019		(2,081,591)
2020		823,460

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Total</u>
1% Decrease	6.65%
Net Pension Liability	\$ 27,312,728
Current Discount Rate	7.65%
Net Pension Liability	\$ 16,405,587
1% Increase	8.65%
Net Pension Liability	\$ 7,461,932

Actuarial assumptions and information regarding the discount rate are discussed in Note 11D below.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

D. Information Common to the Miscellaneous and Safety Plans

Actuarial Assumptions – The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous and Safety (1)
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.2% - 12.2% (2)
Investment Rate of Return	7.65% (3)
 Mortality	 Derived using CalPers Membership Data for all Funds (4)

- (1) Actuarial assumptions are the same for all benefit tiers (Tier I-Classic, Tier II, and Tier III-PEPRA)
- (2) Depending on age, service and type of employment
- (3) Net of pension plan investment expenses, includes inflation
- (4) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS' website.

GASB 68, paragraph 68, states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate – The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65% discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS’ website under the GASB 68 section.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

Pension Plan Fiduciary Net Position - Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

E. Contra Costa County Employees' Retirement Association

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

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

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

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

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

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

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

F. Miscellaneous Employees’ Retirement System of 1962

The Miscellaneous Employees’ Retirement System of 1962 of the City of Pittsburg, California (MERS), a single-employer defined benefit plan, was established effective July 1, 1962 for employees who entered the City’s service on or after July 1, 1962, or who transferred from the Retirement System of 1948. The Plan is a government pension plan and is not subject to the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The City and employees both contributed to the establishment of a reserve for the purpose of paying an annuity at age sixty-five of one-one hundred fortieth of the final compensation for each year of service after entry into the system. The Plan is a terminated plan and as such, all participants are fully vested.

As of June 30, 2016 and 2015, there was only 1 retired participant remaining in the plan who is receiving periodic benefits.

The funded status of the Plan as of June 30, 2014, the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a percentage of Covered Payroll ((b-a)/c)
June 30, 2014	\$ 3,502	\$ 15,768	\$ 12,266	22.2%	N/A	N/A

The Schedule of Funding Progress, presented as required supplementary information (“RSI”) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of Plan assets are increasing or decreasing over time relative to the AAL for benefits. Additionally, the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

The most recent actuarial valuation for the Plan was performed as of June 30, 2014. A 3.0% increase in the cost of living adjustment (COLA) was recommended for the current year.

Assumptions and methods used for the valuation were as follows:

Inflation	3.00%
Interest rate	0 - 4.25%
Mortality Table	RP-2000 Projected with MP 2014

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS

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

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

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

Funding Policy. There is no statutory requirement for the City to prefund its OPEB obligation. The City has currently chosen to prefund OPEB. There are no employee contributions.

For fiscal year 2015-2016, the City contributed \$2,039,512 in healthcare plan benefits, including \$1,324,552 in premium payments for retirees, \$191,000 for implied subsidies and \$523,960 for contributions to CERBT fund.

For fiscal year 2015-2016, the City received no reimbursements from the CERBT fund for premium payments for retirees.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

The City allows retirees to participate in the same City medical plans (Kaiser and Health Net) as active employees. For the Kaiser medical plan, retiree premium rates are the same as the active employees. Because this premium rate is a “blended” rate, retiree premiums payments are lower than what they would pay if the retirees were in a standalone medical plan, resulting in an implied subsidy for retirees under GASB Statement 45. The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC is equal to the normal cost plus a 30-year amortization of the unfunded actuarial liability.

Annual OPEB Cost and Net OPEB Obligation. The following table, based on the City’s most recent actuarial valuation dated October 27, 2015, as of June 30, 2015, shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City’s Net OPEB obligation:

Annual Required Contribution	\$ 5,207,000
Interest on net OPEB obligation	1,095,000
Adjustment to annual required contribution	<u>(1,699,000)</u>
Annual OPEB cost (expense)	4,603,000
Payments made on current retiree premiums	(1,324,552)
Contributions to CERBT	(523,960)
Implied subsidy payments	<u>(191,000)</u>
Increase in net OPEB obligation	2,563,488
Net OPEB obligation - beginning of year	<u>22,111,508</u>
Net OPEB obligation - end of year	<u><u>\$ 24,674,996</u></u>

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
June 30, 2014	\$ 4,532,000	23.0%	\$ 19,582,868
June 30, 2015	4,618,000	23.1%	22,111,508
June 30, 2016	4,603,000	28.8%	24,674,996

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 12 - OTHER POST-EMPLOYMENT BENEFITS (Continued)

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2015, the plan’s most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 49,903,000
Actuarial value of plan assets	<u>(2,162,000)</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 47,741,000</u>
Funded ratio (actuarial value of plan assets/AAL)	4%
Projected covered payroll (active Plan members)	\$ 16,869,000
UAAL as a percentage of covered payroll	283.0%

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

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

In the June 30, 2015 actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included a 5.00% investment rate of return (net of administrative expenses), and a 3.25% general inflation assumption. Premiums were assumed to increase with a Non-Medicare medical cost increase rate of 7.5% for 2016 and grading down to 5.0% for 2021 and thereafter. The Medicare premiums were assumed to increase at a rate of 7.8% and grading down to 5.0% for 2021 and thereafter. The initial UAAL was amortized as a level percentage of projected payrolls over a fixed 30-year period from June 30, 2010 and will be amortized as a level dollar amortization over a 25 year period from June 30, 2015.

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 13 - COMMITMENTS AND CONTINGENCIES

A. Grants from Other Governments

The City participates in a number of Federal, State, and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2016, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

B. Litigation

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 13 - COMMITMENTS AND CONTINGENCIES (Continued)

C. Construction Commitments

As of June 30, 2016 the City has construction commitments to various capital projects as shown in the table below:

Project	Amount
Water Treatment Plant Sludge Handling Facility	\$ 6,980,987
2010/11 Sewer Replacement Program	6,217,296
Water Main - Buchanan Road	4,059,697
eBart Pittsburgh Center Station	3,476,846
Main W Leland (WTP to SW Hills)	3,000,000
Ambrose Park Master Plan & Improvements (2008-21)	1,640,501
Multimodal Transit Station Access Impr 2013-19	1,317,955
West Leland Street Lighting	707,676
Rossmoor Well Replacement	660,501
Seismic Retrofit Bridge	649,243
James Donlon Extension Project	598,958
Citywide Storm Drain Improvements (2009-01)	528,535
2013/14 WTP Capital Repairs & Improvements	528,296
2014/15 CCTV/Inspection/Sewer Replacement	500,000
Water Main Installation	449,835
Mare Island Residential Units - Gas Electric Meters	366,450
Affordable Housing - Purchasing and Rehabilitation	341,730
IE Facility Relocation Project	300,272
Railroad Ave Pavement Rehab (2009-28)	226,545
Railroad Ave. Building Improvements	198,625
Traffic Signal Install - 4 Locations	191,001
California Theatre - Phase I	181,417
2013/14 Water Main/Service/Valve Repl Program	160,350
San Marco/Santa Teresa Signal	156,144
Highway 4 Trunk Line Relief (2007-09)	133,113
Mare Island Residential Units - Development Refund	106,356
South Island RA Switch Removal	104,665
Standard Specification Update	103,889
2015/16 Citywide Pavement Management	102,434
Total of Construction Commitments < \$100,000	1,393,233
Total Construction Commitments	<u>\$ 35,382,550</u>

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES

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

A. Notes and Loans Receivable

The various rehabilitation and construction loans including deferred and accrued interest balance is \$10,260,538 as of June 30, 2016. These loans have been made to individual homeowners, businesses and developers within the Redevelopment Project Area. The terms of these loans are specific to the borrower and interest rates, as well as usage and repayment requirements, vary according to the loan type. The following are descriptions of the various loans:

- Housing and rehabilitation loans are provided to homeowners who meet low and moderate income requirements as defined by the Department of Housing and Urban Development. These residential loans are available from \$5,000 to \$25,000 per property at a loan term of 3% simple interest for 10 years. The property will be rehabilitated to be free from health and safety violations upon completion of the rehabilitation program. The outstanding balance of these loan types as of June 30, 2016 was \$314,126.
- In 2005, a long agreement was entered into with the Mt. Diablo Unified School District (District) in the amount of \$6,178,936 for capital improvements. The funding was provided with the 2003A Bond proceeds. The District will repay the loan from school impact fees collected until the Agency is fully reimbursed or 35 years, whichever occurs first. The balance outstanding as of June 30, 2016 was \$4,326,049.
- The remaining loans receivable of \$5,620,363 as of June 30, 2016 represent a number of small business and property owner rehabilitation and construction loans to eliminate blight by assisting improvements and rehabilitation of properties that were vacant or underutilized.

B. Capital Assets

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

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

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

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

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

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

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

Capital Asset Additions, Retirements and Balances

	Balance at June 30, 2015	Deletions	Transfers	Balance at June 30, 2016
Capital assets not being depreciated:				
Land	\$ 22,017,046	\$ (4,439,410)	\$ 1,500,000	\$ 19,077,636
Total capital assets not being depreciated	<u>22,017,046</u>	<u>(4,439,410)</u>	<u>\$ 1,500,000</u>	<u>19,077,636</u>
Capital assets being depreciated:				
Buildings and Improvements	1,919,494	-	-	1,919,494
Total capital assets being depreciated	<u>1,919,494</u>	<u>-</u>	<u>-</u>	<u>1,919,494</u>
Less accumulated depreciation for:				
Buildings and Improvements	(198,739)	(43,542)	-	(242,281)
Net capital assets being depreciated	<u>1,720,755</u>	<u>(43,542)</u>	<u>-</u>	<u>1,677,213</u>
Total capital assets, net	<u>\$ 23,737,801</u>	<u>\$ (4,482,952)</u>	<u>\$ 1,500,000</u>	<u>\$ 20,754,849</u>

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

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

C. Long-Term Debt

The Successor Agency' long term debt activities for fiscal year ended June 30, 2016 are as follows:

Description	Original Issue Amount	Balance June 30, 2015	Additions	Retirements	Balance June 30, 2016	Amounts Due Within One Year	Amounts Due in More Than One Year
Tax Allocation Bonds:							
1999 RDA Bonds	\$ 30,106,357	\$ 30,962,236	\$ 3,215,629	\$ -	\$ 34,177,865	\$ -	\$ 34,177,865
2002A RDA Refunding Bonds	59,970,000	4,980,000	-	4,980,000	-	-	-
2004A RDA Housing Set-Aside Bonds	18,270,000	14,995,000	-	14,995,000	-	-	-
2004A RDA Subordinated Bonds	117,615,000	105,525,000	-	105,525,000	-	-	-
2006A RDA Housing Set-Aside Bonds	11,020,000	9,330,000	-	230,000	9,100,000	240,000	8,860,000
2006B RDA Subordinated Bonds	36,840,000	26,310,000	-	26,310,000	-	-	-
2006C RDA Subordinated Refunding Bonds	46,660,000	45,055,000	-	45,055,000	-	-	-
2008A RDA Subordinated Refunding Bonds	61,660,856	60,495,856	-	60,495,856	-	-	-
2014 RDA Tax Allocation Refunding Bonds	67,445,000	67,445,000	-	2,645,000	64,800,000	7,960,000	56,840,000
2016A RDA Housing Set-Aside Bonds	13,845,000	-	13,845,000	-	13,845,000	665,000	13,180,000
2016A RDA Subordinated Refunding Bonds	120,085,000	-	120,085,000	-	120,085,000	-	120,085,000
2016B RDA Subordinated Refunding Bonds	26,690,000	-	26,690,000	-	26,690,000	11,385,000	15,305,000
2016C RDA Subordinated Refunding Bonds	37,755,000	-	37,755,000	-	37,755,000	-	37,755,000
Sub-total		365,098,092	201,590,629	260,235,856	306,452,865	20,250,000	286,202,865
Deferred amount on refunding on 2006C RDA		(2,988,494)	-	(2,988,494)	-	-	-
Unamortized premium on 2016A RDA			25,381,765		25,381,765	2,659,511	22,722,254
Total Successor Agency Debt		\$ 362,109,598	\$ 226,972,394	\$ 257,247,362	\$ 331,834,630	\$ 22,909,511	\$ 308,925,119

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

1999 Redevelopment Agency Tax Allocation Bonds

1999 Redevelopment Agency Tax Allocation Bonds (1999 RDA Bonds) outstanding at June 30, 2016 amounted to \$95,795,000. The bonds bear interest at rates between 4.1 % and 6.2% with interest payments made semi-annually on February 1 and August 1. The bonds mature on August 1 of each year. The proceeds of the bonds were used to provide money for certain public capital improvements located within the Agency's Project Area, to fund a reserve account, and to pay cost of issuance incurred in connection with the issuance. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 20% from these revenues. The total principal and interest remaining to be paid on the bonds is \$95,795,000. For FY 2015-16, there were no principal and interest payments. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

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

The Bonds unaccreted discount and the current year accretion totaled \$61,617,135 and \$3,215,629 respectively at June 30, 2016. The Bonds do not pay periodic interest. Interest on the Bonds will accrete in value at the rates between 6.10% and 6.20%. Repayment of the accreted principal will commence August 1, 2019. Final repayment will be August 1, 2030.

The annual debt service requirements to mature the Capital Appreciation Bond portion of the 1999 RDA Bonds outstanding at June 30, 2016, were as follows:

Year Ending June 30,	Principal (1)	Interest	Totals
2017	\$ -	\$ -	\$ -
2018	-	-	-
2019	-	-	-
2020	5,150,000	-	5,150,000
2021	5,150,000	-	5,150,000
2022-2026	40,165,000	-	40,165,000
2027-2031	45,330,000	-	45,330,000
Totals	<u>\$ 95,795,000</u>	<u>\$ -</u>	<u>\$ 95,795,000</u>

(1) Includes unaccreted discount in the total amount of \$61,617,135

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2002 Series A Redevelopment Agency Tax Allocation Refunding Bonds

Proceeds from the 2002 Series A Redevelopment Agency Tax Allocation Refunding Bonds (2002A RDA Bonds) were used to refund \$58,460,000 of the Agency's 1992 Los Medanos Community Development Project, Tax Allocation Refunding Bonds and to pay costs of issuance incurred in connection with the issuance, sales and delivery of Series 2002A. The 2002A RDA Bonds bore interest at rates between 2.00% and 5.25% with interest payments made semi-annually on February 1 and August 1. The 2002A RDA Bonds matured annually from 2002 to 2015 on August 1 in amounts ranging from \$3,690,000 to \$4,980,000. Annual principal and interest payments were secured by the RDA property tax increment revenues and were expected to require less than 14% from these revenues. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. As of June 30, 2016 the outstanding amount of \$4,980,000 was fully repaid.

2004 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds

The 2004 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds (2004A HSA Bonds) were issued to fund the low and moderate income housing within the Agency's Los Medanos Community Development Project Area, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2004A HSA bonds. The 2004A HAS Bonds bore interest rates between 3.750% and 5.620% with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2005 through August 1, 2035. As of June 30, 2016, the outstanding amount of \$14,995,000 was fully refunded by the 2016 Series A Housing Set Aside Successor Agency Tax Allocation Refunding Bonds.

2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds

Proceeds from the 2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds (2004A Bonds) were to be used to fund redevelopment activities of benefit to the Agency's Los Medanos Redevelopment Project, to refund, on an advance basis, a portion of the Agency's outstanding Series 1996 Subordinate Tax Allocation bonds (now retired), to fund capitalized interest on a portion of the 2004A Bonds through September 2007, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the 2004A Bonds. The 2004A Bonds were issued as variable rate bonds, with interest calculated daily, and were repayable from Redevelopment Agency tax revenues. Principal payments were due annually on September 1, commencing in 2012. As of June 30, 2016, the outstanding amount of \$105,525,000 was fully refunded by the 2016 Series A and B Subordinate Tax Allocation Refunding Bonds.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2006 Series A Housing Set Aside Redevelopment Agency Tax Allocation Bonds

2006 Series A Housing Set Aside Tax Allocation Bonds (2006A HSA RDA Bonds) outstanding at June 30, 2016 amounted to \$9,100,000. On November 30, 2006, the Agency issued \$11,020,000 of Series 2006A Bonds bearing interest at 5.12-5.31% to fund low and moderate income housing of benefit to the Agency's Los Medanos Redevelopment Project, to fund a reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006A RDA bonds. The bonds with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2007 through August 1, 2036. Annual principal and interest payments on the bonds are expected to require less than 22% from these revenues. The total principal and interest remaining to be paid on the bonds is \$15,179,777. For FY 2015-16, principal and interest paid were \$717,662. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

The annual debt service requirements to mature the Series 2006A Bonds outstanding at June 30, 2016, were as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 240,000	\$ 475,641	\$ 715,641
2018	255,000	462,855	717,855
2019	265,000	449,296	714,296
2020	280,000	435,085	715,085
2021	295,000	420,092	715,092
2022-2026	1,725,000	1,841,990	3,566,990
2027-2031	2,240,000	1,318,989	3,558,989
2032-2036	2,675,000	645,954	3,320,954
2037	1,125,000	29,875	1,154,875
Total	<u>\$ 9,100,000</u>	<u>\$ 6,079,777</u>	<u>\$ 15,179,777</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds

On November 29, 2006, the Agency issued \$36,840,000 of 2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds (2006B STAB Bonds) bearing interest between 5.12% and 5.22% to finance certain public capital improvements within the Los Medanos Community Development Project, to fund capitalized interest on the 2006B STAB Bonds through September 1, 2009, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred, in connection with the issuance, sale and delivery of the 2006B STAB Bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2007 through September 1, 2020, were secured by the RDA property tax increment revenues. Annual principal and interest payments were expected to require less than 11% from these revenues. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. As of June 30, 2016, the outstanding amount of \$26,310,000 was fully refunded by the 2016 Series B Subordinate Tax Allocation Refunding Bonds.

2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

On November 29, 2006, the Agency issued \$46,660,000 of 2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2006C STAB Bonds) bearing interest at 3.50-4.50% to refund, on an advance basis, the Agency's outstanding Los Medanos Community Development Project Tax Allocation Bonds, Series 1993B, to make a deposit to a debt service reserve account, and to pay costs of issuance incurred in connection with issuance, sale and delivery of the Series 2006C STAB bonds. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2007. As of June 30, 2016, the outstanding amount of \$45,055,000 was fully refunded by the 2016 Series C Subordinate Tax Allocation Refunding Bonds.

2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds

On November 2008, the Agency issued \$61,660,856 of 2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2008A STAB Bonds) bearing interest at 4.375-6.125% to refund, on an advance basis, the Agency's outstanding Los Medanos Community Development Project Subordinated Tax Allocation Bonds, Series 2006A, and to make a deposit to a debt service reserve account for the early principal retirement of \$4,365,000 of the Los Medanos Community Development Project Tax Allocation Bonds, Series 2003A. The bonds with interest payments made semi-annually on March 1 and September 1 each year commencing March 1, 2009. As of June 30, 2016, the outstanding amount of \$60,495,856 was fully refunded by the 2016 Series A and B Subordinate Tax Allocation Refunding Bonds.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2014 Redevelopment Agency Tax Allocation Refunding Bonds

2014 Series Successor Agency to the Redevelopment Agency Subordinate Tax Allocation Refunding Bonds (2014 STAB Bonds) outstanding at June 30, 2016 amounted to \$64,800,000. The 2014 STAB Bonds bear interest at rates between 4.00% and 5.00% with interest payments made semi-annually on February 1 and August 1. The 2014 STAB Bonds mature annually from 2016 to 2030 on August 1 in amounts ranging from \$2,645,000 to \$6,335,000. Proceeds from the 2014 STAB Bonds were used to refund \$74,049,000 of the Agency's 2003A RDA Bonds, partially refund the 1999 RDA Bonds, and to pay costs of issuance incurred in connection with the issuance, sales and delivery of 2014 STAB Bonds. Annual principal and interest payments secured by the RDA property tax increment revenues are expected to require less than 14% from these revenues. The total principal and interest remaining to be paid on the bonds is \$81,186,450. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bond.

The annual debt service requirements to mature the Series 2014 Bonds outstanding at June 30, 2016 were as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 7,960,000	\$ 2,991,200	\$ 10,951,200
2018	9,145,000	2,603,375	11,748,375
2019	8,735,000	2,156,375	10,891,375
2020	5,755,000	1,794,125	7,549,125
2021	6,040,000	1,504,250	7,544,250
2022-2026	16,745,000	4,292,375	21,037,375
2027-2030	10,420,000	1,044,750	11,464,750
Total	<u>\$ 64,800,000</u>	<u>\$ 16,386,450</u>	<u>\$ 81,186,450</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2016 Series A Housing Set Aside Successor Agency Tax Allocation Refunding Bonds

In February 2016, the Successor Agency issued 2016 Series A Set Aside Tax Allocation Refunding Bonds (2016A HSA Bonds) in the original principal amount of \$13,845,000 and \$26,690,000, respectively. The proceeds of the bonds were used to refund and defease all of the outstanding 2004 Series A Housing Set-Aside Redevelopment Agency Tax Allocation Bonds. The 2016 Series A Bonds bear interest rates between 1.323% and 3.984% with interest payments made semi-annually on February 1 and August 1 each year commencing August 1, 2016 through August 1, 2029. The Bonds are secured by an irrevocable pledge of the Pledged Tax Revenues to be derived from Los Medanos II and Los Medanos III subareas and an irrevocable pledge of certain moneys in the Redevelopment Property Tax Trust Fund. The refunding resulted in an overall debt service savings of \$4,441,894, and the net present value of the debt service savings, called an economic gain, amounted to \$1,968,355.

The annual debt service requirements to mature the Series 2016A HSA Bonds outstanding at June 30, 2016, were as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 665,000	\$ 468,154	\$ 1,133,154
2018	845,000	467,747	1,312,747
2019	860,000	449,419	1,309,419
2020	880,000	427,344	1,307,344
2021	905,000	402,490	1,307,490
2022-2026	4,970,000	1,537,363	6,507,363
2027-2030	4,720,000	449,994	5,169,994
Total	\$ 13,845,000	\$ 4,202,511	\$ 18,047,511

2016 Series A and B Subordinate Tax Allocation Refunding Bonds

In February 2016, the Successor Agency issued 2016 Series A and B Subordinate Tax Allocation Refunding Bonds in the original principal amount of \$120,085,000 and \$26,690,000, respectively. The Bonds bear an interest rate of 5% with interest payments made semi-annually on March 1 and September 1 each year commencing September 1, 2016 through September 1, 2029.

The 2016 Series A Bond proceeds were used to refund the outstanding balance of the 2004 Series A Redevelopment Agency Subordinate Tax Allocation Bonds in the amount of \$101,195,000. The issuance of the Bond terminated the swap agreement in connection with the 2004 Series A Bond. The 2016 Series A Bond proceeds were also used to refund and defease a portion of the outstanding 2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds. The outstanding balance of the defeased debt as of June 30, 2016 was \$60,455,856.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

The annual debt service payments on the 2016 Series A Subordinate Tax Allocation Refunding Bonds outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 6,354,498	\$ 6,354,498
2018	-	6,004,250	6,004,250
2019	-	6,004,250	6,004,250
2020	-	6,004,250	6,004,250
2021	-	6,004,250	6,004,250
2022-2026	57,005,000	23,769,375	80,774,375
2027-2030	63,080,000	6,505,000	69,585,000
Total	<u>\$ 120,085,000</u>	<u>\$ 60,645,873</u>	<u>\$ 180,730,873</u>

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

The 2016 Series B Bond proceeds were used to refund the outstanding balance of the 2006 Series B Redevelopment Agency Subordinate Tax Allocation Bonds in the amount of \$22,470,000. The refunding resulted in an overall debt service savings of \$25,951,050, and the net present value of the debt service savings, called an economic gain, amounted to \$34,828,993.

The 2016 Series B Bond proceeds were also used to refund and defease a portion of the outstanding 2008 Series A Redevelopment Agency Subordinate Tax Allocation Refunding Bonds. The refunding resulted in an overall debt service savings of \$727,802, and the net present value of the debt service savings, called an economic loss, amounted to \$36,117.

The annual debt service payments on the 2016 Series B Subordinate Tax Allocation Refunding Bonds outstanding at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 11,385,000	\$ 451,348	\$ 11,836,348
2018	11,065,000	226,551	11,291,551
2019	4,240,000	54,548	4,294,548
Total	<u>\$ 26,690,000</u>	<u>\$ 732,447</u>	<u>\$ 27,422,447</u>

City of Pittsburg
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 14 - SUCCESSOR AGENCY ACTIVITIES (Continued)

2016 Series C Successor Agency Subordinate Tax Allocation Refunding Bonds

In June 2016, the Successor Agency issued 2016 Series C Tax Allocation Refunding Bonds in the original principal amount of \$37,755,000. The proceeds of the bonds were used to refund all the outstanding balance of the 2006 Series C Redevelopment Agency Subordinate Tax Allocation Refunding Bonds. The 2016 Series C Bonds bear an interest rate of 5% with interest payments made semi-annually on March 1 and September 1 each year commencing on September 1, 2016 through September 1, 2021. The Bonds are secured by an irrevocable pledge of the Subordinate Pledged Tax Revenues to be derived from the Project Area and an irrevocable pledge of all the moneys in the Redevelopment Property Tax Trust Fund.

The annual debt service requirements on the 2016 Series C Successor Agency Subordinate Tax Allocation Refunding Bonds outstanding as of June 30, 2016 are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ -	\$ 1,384,350	\$ 1,384,350
2018	-	1,887,750	1,887,750
2019	8,250,000	1,681,500	9,931,500
2020	11,300,000	1,192,750	12,492,750
2021	11,880,000	613,250	12,493,250
2022	6,325,000	158,125	6,483,125
Total	<u>\$ 37,755,000</u>	<u>\$ 6,917,725</u>	<u>\$ 44,672,725</u>

With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. The refunding resulted in an overall debt service savings of \$27,678,632, and the net present value of the debt service savings, called an economic gain, amounted to \$3,868,246.

D. Commitments and Contingencies

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amounts, if any, of transfers or expenditures may be disallowed. The State Controller’s Office conducted a review of propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and issued an opinion on July 30, 2015 requesting two parcels be transferred back to the Successor Agency from the City. The City transferred the two parcels in question back to the Successor Agency in March 2016.

City of Pittsburgh
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2016

NOTE 15 - SUBSEQUENT EVENT

2017 Water Revenue Refunding Bonds

On November 15, 2016, the City issued 2016A Water Revenue Refunding Bonds in the amount of \$30,070,000 Series 2016A Tax Exempt and \$780,000 Series 2016-Taxable Bonds for a combined total of \$30,850,000. The proceeds from the Bonds were used to retire the 2008 Water Refunding Bond and to pay a Swap Termination Fee. The Tax-Exempt Bonds bear interest ranging from 2%-5% and the Taxable bonds bear interest of 0.87%. Interest on Tax-Exempt bonds is payable semi-annually each February 1st and August 1st. The Tax-Exempt bonds and taxable bond will mature on August 1, 2034 and February 1, 2017 respectively. As a result of this refinancing, the City reduced required annual debt payments but also eliminated the risk associated with the 2008 variable rate bonds and increased the City's Enterprise credit rating.

Debt service payments for the 2017 Water Revenue Refunding Bonds are scheduled as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 1,245,000	\$ 268,034	\$ 1,513,034
2018	955,000	1,244,000	2,199,000
2019	1,315,000	1,208,150	2,523,150
2020	1,360,000	1,154,650	2,514,650
2021	1,405,000	1,099,350	2,504,350
Thereafter	24,570,000	7,260,825	31,830,825
Total	\$ 30,850,000	\$ 12,235,009	\$ 43,085,009

**REQUIRED
SUPPLEMENTARY
INFORMATION**



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Comprehensive Annual Financial Report
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City of Pittsburgh
Required Supplementary Information
For the Year Ended June 30, 2016

1. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Public hearings are conducted at the City to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Budgets for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds are adopted on a basis consistent with GAAP.
3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2016, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and re-appropriated amounts for prior year encumbrances. The City Manager must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
5. Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year. Beginning with the FY 2014-2015 budget, capital project appropriations continue appropriations until the project is completed.

City of Pittsburgh
Required Supplementary Information
For the Year Ended June 30, 2016

1. BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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

The following funds had expenditures in excess of appropriation:

Assets Seizure Special Revenue Fund	\$	22,073	(a)
Southwest Pittsburgh GHAD II-Special Revenue Fund		70,806	(b)
San Marco CFD 2004-01-Special Revenue Fund		34,808	(c)
Pittsburg Arts & Community Foundation-Special Revenue Fund		27,868	(d)
Project Amenities Management		11,732	(e)

- (a) There was no expenditure budget created for this fund as the amount of revenue for the fund is uncertain.
- (b) The excess expenditure was covered by developer deposits.
- (c) The excess was due to higher expenditures related to police services provided to the community.
- (d) The excess was due to unexpected tenant repairs, maintenance and additional staff time to cover community events.
- (e) The excess was due to the fact that this is a new fund and the expenditure was covered by reimbursement.

City of Pittsburgh
General Fund
Schedule of Revenues and Expenditures
and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property tax	\$ 3,237,582	\$ 3,237,582	\$ 3,300,776	\$ 63,194
Sales tax	12,494,491	12,838,062	13,112,880	274,818
Franchise tax	4,187,439	4,187,439	4,476,832	289,393
Other taxes	5,946,098	6,086,098	6,104,751	18,653
Intergovernmental revenues	1,533,400	1,543,400	2,046,540	503,140
Permits, licenses, and fees	781,490	993,751	1,093,626	99,875
Fines and forfeitures	186,250	266,878	307,427	40,549
Service fees	3,576,884	3,285,632	3,859,696	574,064
Use of money and property	264,350	264,350	366,048	101,698
Other revenues	2,120,979	2,122,097	1,969,896	(152,201)
Total revenues	34,328,963	34,825,289	36,638,472	1,813,183
EXPENDITURES:				
Current:				
General government	2,331,572	2,861,428	2,732,149	129,279
City Council	81,537	82,857	70,516	12,341
City Manager and City Clerk	687,069	790,906	696,190	94,716
City Attorney	518,092	413,592	321,834	91,758
Human Resources	832,167	943,867	870,737	73,130
Finance and services	3,007,036	2,848,538	2,719,441	129,097
Community development and services	5,610,127	5,784,655	5,662,666	121,989
Public safety	22,421,879	22,693,633	22,848,398	(154,765)
Public works - administration	102,447	70,772	66,518	4,254
Public works - streets	2,248,667	2,098,846	2,013,465	85,381
Public works - parks	112,091	105,766	120,266	(14,500)
Interest and fiscal charges	906,605	906,605	-	906,605
Total expenditures	38,859,289	39,601,465	38,122,180	1,479,285
OTHER FINANCING SOURCES (USES)				
Transfers in	5,716,708	5,701,439	3,983,469	1,717,970
Transfers (out)	(2,655,985)	(2,670,985)	(1,289,754)	(1,381,231)
Total other financing sources (uses)	3,060,723	3,030,454	2,693,715	336,739
NET CHANGE IN FUND BALANCE	\$ (1,469,603)	\$ (1,745,722)	1,210,007	\$ 2,955,729
FUND BALANCE:				
Beginning of year			18,056,255	
End of year			\$ 19,266,262	

City of Pittsburgh

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

Housing Authority (Section 8) - Special Revenue Fund

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 12,291,298	\$ 12,291,298	\$ 11,672,066	\$ (619,232)
Service fee	1,211,141	1,211,141	1,116,433	(94,708)
Use of money and property	-	-	7,055	7,055
Other revenues	57,266	59,209	59,881	672
Total revenues	13,559,705	13,561,648	12,855,435	(706,213)
EXPENDITURES:				
Community development and services	13,442,644	13,442,644	13,238,012	204,632
Interest and fiscal charges	30,982	30,982		30,982
Total expenditures	13,473,626	13,473,626	13,238,012	235,614
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(11,714)	(11,714)	(11,714)	-
Total other financing sources (uses)	(11,714)	(11,714)	(11,714)	-
NET CHANGE IN FUND BALANCE	\$ 74,365	\$ 76,308	(394,291)	\$ (470,599)
FUND BALANCE:				
Beginning of year			617,082	
End of year			\$ 222,791	

City of Pittsburgh

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

Successor Agency Housing

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Service fees	\$ 7,500	\$ 7,500	\$ 8,700	\$ 1,200
Use of money and property	-	-	79,181	79,181
Other revenues	207,938	207,938	392,871	184,933
Total revenues	215,438	215,438	480,752	265,314
EXPENDITURES:				
Community development and services	269,148	612,446	275,574	336,872
Total expenditures	269,148	612,446	275,574	336,872
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	343,298	-	(343,298)
Total other financing sources (uses)	-	343,298	-	(343,298)
NET CHANGE IN FUND BALANCE	\$ (53,710)	\$ (53,710)	205,178	\$ 258,888
FUND BALANCE:				
Beginning of year			839,047	
End of year			\$ 1,044,225	



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Comprehensive Annual Financial Report
June 30, 2016

CITY OF PITTSBURG, AGENT MULTIPLE EMPLOYER PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
As of fiscal year ending June 30, 2016
Last 10 Years*

	<u>2015</u>	<u>2016</u>
Total Pension Liability		
Service Cost	\$ 1,857,954	\$ 1,843,426
Interest on total pension liability	5,258,464	5,559,084
Differences between expected and actual experience	-	(227,056)
Changes in assumptions	-	(1,494,012)
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	(2,752,016)	(2,914,360)
Net change in total pension liability	<u>4,364,402</u>	<u>2,767,082</u>
Total pension liability - beginning	<u>70,559,887</u>	<u>74,924,289</u>
Total pension liability - ending (a)	<u>\$ 74,924,289</u>	<u>\$ 77,691,371</u>
 Plan fiduciary net position		
Contributions - employer	\$ 1,519,402	\$ 1,631,437
Contributions - employee	873,360	1,036,916
Net investment income	8,949,231	1,323,594
Administrative expense	-	(68,782)
Benefit payments, including refunds of employee contributions	(2,752,016)	(2,914,360)
Net change in plan fiduciary net position	<u>8,589,977</u>	<u>1,008,805</u>
Plan fiduciary net position - beginning	<u>51,531,626</u>	<u>60,121,603</u>
Plan fiduciary net position - ending (b)	<u>\$ 60,121,603</u>	<u>\$ 61,130,408</u>
 Net pension liability - ending (a)-(b)	<u>\$ 14,802,686</u>	<u>\$ 16,560,963</u>
 Plan fiduciary net position as a percentage of the total pension liability	80.24%	78.68%
 Covered - employee payroll	\$ 11,526,481	\$ 11,958,650
 Net pension liability as percentage of covered-employee payroll	128.42%	138.49%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (aka. Golden Handshakes).

Changes in assumptions: The discount rate was changed from 7.50% (net of administrative expense) to 7.65%.

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF PITTSBURG, AGENT MULTIPLE EMPLOYER PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
As of fiscal year ending June 30, 2016
 Last 10 Years*

	2015		2016
Actuarially determined contribution	\$ 2,464,100		\$ 1,631,437
Contributions in relation to the actuarially determined contributions	(2,464,100)		(1,631,437)
Contribution deficiency (excess)	\$ -		\$ -
 Covered-employee payroll	\$ 11,526,481		\$ 11,958,650
 Contributions as a percentage of covered-employee payroll	21.38%		13.64%

Notes to Schedule

Valuation date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	For details, see June 30, 2012 Funding Valuation Report.
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2012 Funding Valuation Report
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment rate of return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF PITTSBURG, A COST-SHARING DEFINED PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
As of fiscal year ending June 30, 2015
Last 10 Years*

	Safety Plans		
	Tier I	Tier II	Tier III
	2015	2015	2015
Plan's Proportion of the Net Pension Liability/ Asset	0.22764%	0.00005%	0.00003%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$14,164,846	\$3,367	\$1,770
Plan's Covered-Employee Payroll	\$6,592,918	\$355,962	\$137,946
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	214.85%	0.95%	1.28%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	81.42%	81.42%	81.41%
Plan's Proportionate Share of Aggregate Employer Contributions	\$1,757,180	\$418	\$219

CITY OF PITTSBURG, A COST-SHARING DEFINED PENSION PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
As of fiscal year ending June 30, 2016
Last 10 Years*

	Safety Plans		
	Tier I	Tier II	Tier III
	2016	2016	2016
Plan's Proportion of the Net Pension Liability/ Asset	0.39873%	-0.00044%	-0.00014%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$16,429,371	(\$17,962)	(\$5,822)
Plan's Covered-Employee Payroll	\$8,059,889	\$626,555	\$1,529,242
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered-Employee Payroll	203.84%	-2.87%	-0.38%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	0.09061%	-0.00010%	-0.00003%
Plan's Proportionate Share of Aggregate Employer Contributions	\$2,140,347	\$4,571	\$3,375

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF PITTSBURG, A COST-SHARING DEFINED PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
As of fiscal year ending June 30, 2015
Last 10 Years*

	Safety Plans		
	Tier I 2015	Tier II 2015	Tier III 2015
Actuarially determined contribution	\$ 1,831,268	\$ 82,813	\$ 46,970
Contributions in relation to the actuarially determined contributions	(1,831,268)	(82,813)	(46,970)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 6,592,918	\$ 355,962	\$ 137,946
Contributions as a percentage of covered-employee payroll	27.78%	23.26%	34.05%

Notes to Schedule

Valuation date: June 30, 2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service 7.5%, net of pension plan investment and administrative expenses, including inflation
Investment rate of return	
Retirement age	55 yrs. Tier I, 55 yrs. Tier II, 62 yrs. Tier III CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.
Mortality	

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

CITY OF PITTSBURG, A COST-SHARING DEFINED PENSION PLAN
SCHEDULE OF CONTRIBUTIONS
As of fiscal year ending June 30, 2016
Last 10 Years*

	Safety Plans		
	Tier I 2016	Tier II 2016	Tier III 2016
Actuarially determined contribution	\$ 2,044,799	\$ 120,738	\$ 284,152
Contributions in relation to the actuarially determined contributions	(2,044,799)	(120,738)	(284,152)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 8,059,889	\$ 626,555	\$ 1,529,242
Contributions as a percentage of covered-employee payroll	25.37%	19.27%	18.58%

Notes to Schedule

Valuation date: June 30, 2014

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies by Entry Age and Service 7.65%, net of pension plan investment and administrative expenses, including inflation
Investment rate of return	
Retirement age	55 yrs. Tier I, 55 yrs. Tier II, 62 yrs. Tier III CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.
Mortality	

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

**CITY OF PITTSBURG
OTHER POST-EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS
As of fiscal year ending June 30, 2016
Last Three Actuarial Valuations**

Actuarial Valuation Date	Actuarial Asset Value (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
1/1/2011	\$ -	\$ 49,439,000	\$ 49,439,000	0%	\$ 17,911,000	276.0%
6/30/2013	-	46,094,000	46,094,000	0%	17,985,000	256.3%
6/30/2015	2,162,000	49,903,000	47,741,000	4%	16,869,000	283.0%

SUPPLEMENTARY

INFORMATION



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

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

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, Continued:

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

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

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

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

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

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

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

NON-MAJOR GOVERNMENTAL FUNDS, Continued

SPECIAL REVENUE FUNDS, Continued:

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

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

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

Cops Hiring Recovery Fund - This fund was established to account for Grants received from law enforcement agencies to create and preserve jobs and to increase their community policing capacity and crime-prevention efforts.

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

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

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

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

Project Amenities Management Fund - This fund was created to account for continuous maintenance and management of various project amenities for Greystone Place such as stormwater treatment facilities, sanitary sewer lift stations, emergency vehicle access and gates.

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

DEBT SERVICE FUND:

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

NON-MAJOR GOVERNMENTAL FUNDS, Continued

CAPITAL PROJECTS FUNDS:

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

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

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

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

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

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

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

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

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

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



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	Special Revenue			
	Small Cities Grants	Gas Tax	Measure C Tax Fund	Lighting & Landscape
ASSETS				
Cash and investments	\$ 3,282	\$ 643,565	\$ 377,193	\$ 240,665
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	-	107,220	27,495	-
Loans/ notes	1,341,090	-	-	-
Inventory	-	-	-	43,411
Prepaid items	-	-	-	-
Advance to other funds	-	-	-	-
Total Assets	\$ 1,344,372	\$ 750,785	\$ 404,688	\$ 284,076
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 31,438	\$ 51,113	\$ 52,905
Refundable deposits	-	-	-	-
Loans payable - current	15,000	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	-	29,149
Total Liabilities	15,000	31,438	51,113	82,054
Deferred inflows of resources:				
Unearned revenue	1,326,090	-	-	-
Total Deferred Inflows of Resources	1,326,090	-	-	-
Fund Balances:				
Nonspendable	-	-	-	43,411
Restricted	3,282	719,347	353,575	158,611
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficit)	3,282	719,347	353,575	202,022
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,344,372	\$ 750,785	\$ 404,688	\$ 284,076

Special Revenue

Lighting & Landscape Oak Hills	Miscellaneous Grants	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)
\$ 14,390	\$ 113,088	\$ 59,886	\$ 222,096	\$ 26,617	\$ 3,282,535	\$ 249,357
-	-	-	-	-	-	-
-	33,376	-	248	10,631	-	18,023
-	-	-	-	-	-	-
-	69,709	15,874	-	31,848	-	1,829
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 14,390</u>	<u>\$ 216,173</u>	<u>\$ 75,760</u>	<u>\$ 222,344</u>	<u>\$ 69,096</u>	<u>\$ 3,282,535</u>	<u>\$ 269,209</u>
\$ 248	\$ 40,948	\$ 935	\$ -	\$ 7,158	\$ 148,495	\$ 12,130
-	-	44,597	-	-	(6,906)	-
-	-	-	-	-	-	-
-	12,281	-	-	-	-	-
-	-	-	-	7,549	-	-
-	-	-	-	-	-	9,971
<u>248</u>	<u>53,229</u>	<u>45,532</u>	<u>-</u>	<u>14,707</u>	<u>141,589</u>	<u>22,101</u>
-	93,235	-	-	22,541	-	-
-	93,235	-	-	22,541	-	-
-	69,709	15,874	-	31,848	-	1,829
14,142	-	-	-	-	3,140,946	245,279
-	-	-	222,344	-	-	-
-	-	14,354	-	-	-	-
-	-	-	-	-	-	-
<u>14,142</u>	<u>69,709</u>	<u>30,228</u>	<u>222,344</u>	<u>31,848</u>	<u>3,140,946</u>	<u>247,108</u>
<u>\$ 14,390</u>	<u>\$ 216,173</u>	<u>\$ 75,760</u>	<u>\$ 222,344</u>	<u>\$ 69,096</u>	<u>\$ 3,282,535</u>	<u>\$ 269,209</u>

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	Special Revenue			
	HUD Community Development Block Grant	NSP Neighborhood Stabilization Program	CalHome Program	California Energy Conservation Program
ASSETS				
Cash and investments	\$ 30,365	\$ 43,988	\$ 34,000	\$ 38,408
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	120,517	-	-	-
Loans/ notes	263,844	1,751,941	558,186	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Advance to other funds	-	-	-	-
Total Assets	\$ 414,726	\$ 1,795,929	\$ 592,186	\$ 38,408
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 41,548	\$ -	\$ -	\$ -
Refundable deposits	-	-	-	-
Loans payable - current	116,813	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	3,977	-	-	-
Total liabilities	162,338	-	-	-
Deferred inflows of resources:				
Unearned revenue	147,031	1,751,941	558,186	-
Total Deferred Inflows of Resources	147,031	1,751,941	558,186	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	105,357	43,988	34,000	38,408
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	105,357	43,988	34,000	38,408
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 414,726	\$ 1,795,929	\$ 592,186	\$ 38,408

Special Revenue

San Marco CFD 2004-01	Solid Waste	Vista Del Mar CFD 2005-2	Public Safety Services CFD 2005-1	Park Maintenance CFD 2007-1	Cops Hiring Recovery	Pittsburg Arts & Community Foundation
\$ 35,487	\$ 110,914	\$ 70,939	\$ 18,698	\$ 48,044	\$ -	\$ 322,256
-	-	-	-	-	-	-
-	136,845	-	-	28,309	-	45,015
-	-	-	-	-	-	800,796
-	1,448	-	-	-	-	103,681
-	-	-	-	-	-	2,078
-	-	-	-	-	-	-
<u>\$ 35,487</u>	<u>\$ 249,207</u>	<u>\$ 70,939</u>	<u>\$ 18,698</u>	<u>\$ 76,353</u>	<u>\$ -</u>	<u>\$ 1,273,826</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,263	-	736	4,786	166,250	-	-
<u>11,263</u>	<u>28,560</u>	<u>1,259</u>	<u>4,786</u>	<u>166,279</u>	<u>-</u>	<u>46,540</u>
-	-	-	-	-	-	822,654
-	-	-	-	-	-	822,654
-	-	-	-	-	-	-
-	1,448	-	-	-	-	105,759
24,224	219,199	69,680	13,912	-	-	298,873
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(89,926)	-	-
<u>24,224</u>	<u>220,647</u>	<u>69,680</u>	<u>13,912</u>	<u>(89,926)</u>	<u>-</u>	<u>404,632</u>
<u>\$ 35,487</u>	<u>\$ 249,207</u>	<u>\$ 70,939</u>	<u>\$ 18,698</u>	<u>\$ 76,353</u>	<u>\$ -</u>	<u>\$ 1,273,826</u>

(Continued)

City of Pittsburg
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	Special Revenue			
	Public, Education			
	Hillview Jr. High Athletic Field	and Government Fees (PEG)	Railroad Avenue Specific Area Plan	Project Amenities Management
ASSETS				
Cash and investments	\$ 174,642	\$ 388,356	\$ 3,476,868	\$ 36,767
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	496	40,181	-	-
Loans/ notes	-	-	-	-
Inventory	-	-	-	-
Prepaid items	-	-	-	-
Advance to other funds	-	-	-	-
Total Assets	\$ 175,138	\$ 428,537	\$ 3,476,868	\$ 36,767
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 19,309	\$ -	\$ -
Refundable deposits	-	-	-	36,015
Loans payable - current	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	-	-	3,318,021	-
Total Liabilities	-	19,309	3,318,021	36,015
Deferred inflows of resources:				
Unearned revenue	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	158,847	752
Committed	175,138	409,228	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficit)	175,138	409,228	158,847	752
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 175,138	\$ 428,537	\$ 3,476,868	\$ 36,767

Special Revenue	Debt Service		Capital Projects			
Golf Course	Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Kirker Creek Drainage Fees	Traffic Mitigation	Capital Improvement
\$ 13,369	\$ 247	\$ 387,492	\$ 512,155	\$ 424,216	\$ 2,769,822	\$ 265,737
-	2,755,693	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 13,369</u>	<u>\$ 2,755,940</u>	<u>\$ 387,492</u>	<u>\$ 512,155</u>	<u>\$ 424,216</u>	<u>\$ 2,769,822</u>	<u>\$ 265,737</u>
\$ 2,692	-	-	-	-	1,359	65,327
-	-	-	-	-	-	48,209
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
375,000	-	-	-	-	-	-
<u>377,692</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,359</u>	<u>113,536</u>
915	-	-	-	-	-	-
<u>915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	2,755,940	387,492	512,155	424,216	2,768,463	-
-	-	-	-	-	-	152,201
-	-	-	-	-	-	-
(365,238)	-	-	-	-	-	-
<u>(365,238)</u>	<u>2,755,940</u>	<u>387,492</u>	<u>512,155</u>	<u>424,216</u>	<u>2,768,463</u>	<u>152,201</u>
<u>\$ 13,369</u>	<u>\$ 2,755,940</u>	<u>\$ 387,492</u>	<u>\$ 512,155</u>	<u>\$ 424,216</u>	<u>\$ 2,769,822</u>	<u>\$ 265,737</u>

(Continued)

City of Pittsburgh
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2016

	Capital Projects			
	Park Dedication	Regional Traffic Mitigation	Infrastructure Repair & Replacement	Community Capital Improvement
ASSETS				
Cash and investments	\$ 1,595,981	\$ 2,381,746	\$ 1,072,640	\$ 886,291
Restricted cash and investments	-	-	-	-
Receivables:				
Accounts	150,000	-	-	28,665
Loans/ notes	-	-	-	-
Inventory	886	-	-	-
Prepaid items	-	-	-	-
Advance to other funds	-	3,318,021	-	-
Total assets	\$ 1,746,867	\$ 5,699,767	\$ 1,072,640	\$ 914,956
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 34,324	\$ -	\$ -	\$ 39,282
Refundable deposits	-	-	-	-
Loans payable - current	-	-	-	-
Due to other agencies	-	-	-	-
Due to other funds	-	-	-	-
Advance from other funds	805,220	-	-	-
Total Liabilities	839,544	-	-	39,282
Deferred inflows of resources:				
Unearned revenue	-	-	-	30,000
Total Deferred Inflows of Resources	-	-	-	30,000
Fund Balances:				
Nonspendable	886	-	-	-
Restricted	906,437	5,699,767	-	-
Committed	-	-	1,072,640	845,674
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (deficit)	907,323	5,699,767	1,072,640	845,674
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,746,867	\$ 5,699,767	\$ 1,072,640	\$ 914,956

<u>Capital Projects</u>	
<u>Bailey Road Maintenance</u>	<u>Non-Major Governmental Funds</u>
\$ 832,000	\$ 21,204,102
-	2,755,693
-	747,021
-	4,715,857
-	268,686
-	2,078
-	3,318,021
<u>\$ 832,000</u>	<u>\$ 33,011,458</u>

\$ -	\$ 602,839
-	143,939
-	131,813
-	12,281
-	7,549
-	4,724,373
-	5,622,794
-	4,752,593
-	4,752,593
-	270,764
832,000	19,928,892
-	2,877,225
-	14,354
-	(455,164)
<u>832,000</u>	<u>22,636,071</u>
<u>\$ 832,000</u>	<u>\$ 33,011,458</u>

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2016

	Special Revenue			
	Small Cities Grants	Gas Tax	Measure C Tax Fund	Lighting & Landscape
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	1,401,377	735,513	-
Intergovernmental revenues	-	-	474,539	15,000
Licenses, permits, and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	2,844,909
Service fees	-	-	-	-
Use of money and property	84	14,188	5,449	497
Other revenues	97,594	277,331	-	21,407
Total Revenues	97,678	1,692,896	1,215,501	2,881,813
EXPENDITURES:				
Current:				
General government	-	-	-	22,348
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	-	316,034	-
Public safety	-	-	-	-
Public works - administration	-	-	-	-
Public works - streets	-	107,578	-	3,780,046
Capital outlay and improvements	-	-	1,446,084	15,000
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	107,578	1,762,118	3,817,394
REVENUES OVER (UNDER)				
EXPENDITURES	97,678	1,585,318	(546,617)	(935,581)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,752	1,144,535	1,117,154
Transfers out	(97,594)	(2,218,146)	(687,915)	(93,333)
Total other financing sources (uses)	(97,594)	(2,216,394)	456,620	1,023,821
Net change in fund balances	84	(631,076)	(89,997)	88,240
FUND BALANCES (DEFICITS):				
Beginning of Year	3,198	1,350,423	443,572	113,782
End of Year	\$ 3,282	\$ 719,347	\$ 353,575	\$ 202,022

Special Revenue

Lighting & Landscape Oak Hills	Miscellaneous Grants	Assets Seizure	Marina Vista Field Replacement	Local Law Enforcement Block Grant	Southwest Pittsburg GHAD II	Storm Water Utility (NPDES)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	727,773	725,418
-	357,826	-	-	54,602	-	-
-	-	-	-	-	-	-
-	-	16,999	-	-	-	-
33,959	-	-	-	-	-	-
-	-	-	22,344	-	-	15
51	1,400	1,185	3,255	364	44,746	2,249
-	5,000	-	-	-	188,189	(490)
<u>34,010</u>	<u>364,226</u>	<u>18,184</u>	<u>25,599</u>	<u>54,966</u>	<u>960,708</u>	<u>727,192</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	8,832	-	-	38,806	627,402	-
-	355,394	22,073	-	16,160	-	10
-	-	-	-	-	-	346,484
25,310	-	-	-	-	-	528,829
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>25,310</u>	<u>364,226</u>	<u>22,073</u>	<u>-</u>	<u>54,966</u>	<u>627,402</u>	<u>875,323</u>
<u>8,700</u>	<u>-</u>	<u>(3,889)</u>	<u>25,599</u>	<u>-</u>	<u>333,306</u>	<u>(148,131)</u>
-	-	-	-	-	-	141,160
-	-	-	-	-	(6,430)	(55,309)
-	-	-	-	-	(6,430)	85,851
8,700	-	(3,889)	25,599	-	326,876	(62,280)
5,442	69,709	34,117	196,745	31,848	2,814,070	309,388
<u>\$ 14,142</u>	<u>\$ 69,709</u>	<u>\$ 30,228</u>	<u>\$ 222,344</u>	<u>\$ 31,848</u>	<u>\$ 3,140,946</u>	<u>\$ 247,108</u>

(Continued)

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2016

	Special Revenue			
	HUD Community Development Block Grant	NSP Neighborhood Stabilization Program	CalHome Program	California Energy Conservation Program
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental revenues	596,814	-	-	-
Licenses, permits, and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Service fees	-	-	-	-
Use of money and property	2,613	665	513	-
Other revenues	104,244	-	-	-
Total Revenues	703,671	665	513	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	573,607	-	-	-
Public safety	150,000	-	-	-
Public works - administration	-	-	-	-
Public works - streets	-	-	-	-
Capital outlay and improvements	-	-	-	-
Debt service:				
Principal retirement	-	-	-	60,898
Interest and fiscal charges	-	-	-	13,599
Total Expenditures	723,607	-	-	74,497
REVENUES OVER (UNDER) EXPENDITURES	(19,936)	665	513	(74,497)
OTHER FINANCING SOURCES (USES):				
Transfers in	97,594	-	-	74,497
Transfers out	(1,414)	-	-	-
Total other financing sources (uses)	96,180	-	-	74,497
Net change in fund balances	76,244	665	513	-
FUND BALANCES (DEFICITS):				
Beginning of Year	29,113	43,323	33,487	38,408
End of Year	\$ 105,357	\$ 43,988	\$ 34,000	\$ 38,408

Special Revenue						
San Marco CFD 2004-01	Solid Waste	Vista Del Mar CFD 2005-2	Public Safety Services CFD 2005-1	Park Maintenance CFD 2007-1	Cops Hiring Recovery	Pittsburg Arts & Community Foundation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	241,799	272,491	-	-	-
-	-	-	-	28,309	125,000	18,931
-	499,622	-	-	-	-	-
-	-	-	-	-	-	681
601,441	-	-	-	51,213	-	-
-	383	-	-	-	-	54,846
(80)	1,639	326	32	641	-	21,809
-	136	-	-	-	-	435,361
<u>601,361</u>	<u>501,780</u>	<u>242,125</u>	<u>272,523</u>	<u>80,163</u>	<u>125,000</u>	<u>531,628</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	287,730	-	-	-	-	678,497
706,843	153,751	185,362	242,379	-	-	-
-	-	-	-	-	-	-
-	-	-	-	50,067	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
7,358	-	523	6,885	5,581	-	-
<u>714,201</u>	<u>441,481</u>	<u>185,885</u>	<u>249,264</u>	<u>55,648</u>	<u>-</u>	<u>678,497</u>
(112,840)	60,299	56,240	23,259	24,515	125,000	(146,869)
-	-	-	-	-	-	-
(6,722)	(101,980)	(865)	(3,228)	(266)	(125,000)	-
(6,722)	(101,980)	(865)	(3,228)	(266)	(125,000)	-
(119,562)	(41,681)	55,375	20,031	24,249	-	(146,869)
143,786	262,328	14,305	(6,119)	(114,175)	-	551,501
<u>\$ 24,224</u>	<u>\$ 220,647</u>	<u>\$ 69,680</u>	<u>\$ 13,912</u>	<u>\$ (89,926)</u>	<u>\$ -</u>	<u>\$ 404,632</u>

(Continued)

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2016

	Special Revenue			
	Hillview Jr. High Athletic Field	Public, Education and Government Fees (PEG)	Railroad Avenue Specific Area Plan	Project Amenities Management
REVENUES:				
Franchise tax	\$ -	\$ 161,242	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental revenues	-	-	-	-
Licenses, permits, and fees	-	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Service fees	32,606	-	-	-
Use of money and property	2,419	5,806	-	-
Other revenues	-	-	-	12,484
Total Revenues	35,025	167,048	-	12,484
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	143,879	-	11,732
Public safety	-	-	-	-
Public works - administration	-	-	-	-
Public works - streets	-	-	-	-
Capital outlay and improvements	-	-	7,196	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	14,064	-
Total Expenditures	-	143,879	21,260	11,732
REVENUES OVER (UNDER) EXPENDITURES	35,025	23,169	(21,260)	752
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	35,025	23,169	(21,260)	752
FUND BALANCES (DEFICITS):				
Beginning of Year	140,113	386,059	180,107	-
End of Year	\$ 175,138	\$ 409,228	\$ 158,847	\$ 752

Special Revenue	Debt Service			Capital Projects		
Golf Course	Pension Obligations	Inclusionary Housing	Traffic Impact Fair Share	Kirker Creek Drainage Fees	Traffic Mitigation	Capital Improvement
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	14,232	205,316	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	4,803,522	-	-	-	-	-
33	301	5,857	7,741	7,219	42,657	3,492
1	-	-	-	-	-	-
<u>34</u>	<u>4,803,823</u>	<u>5,857</u>	<u>7,741</u>	<u>21,451</u>	<u>247,973</u>	<u>3,492</u>
-	-	-	-	-	-	-
-	21,142	-	-	-	-	-
-	36,999	-	-	-	-	-
-	110,997	-	-	-	-	-
143,356	174,423	-	-	-	-	-
-	116,282	-	-	-	-	-
-	68,712	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	223,484	306,570	233,952
-	1,955,000	-	-	-	-	-
-	2,263,352	-	-	-	-	-
<u>143,356</u>	<u>4,746,907</u>	<u>-</u>	<u>-</u>	<u>223,484</u>	<u>306,570</u>	<u>233,952</u>
<u>(143,322)</u>	<u>56,916</u>	<u>5,857</u>	<u>7,741</u>	<u>(202,033)</u>	<u>(58,597)</u>	<u>(230,460)</u>
144,338	-	-	-	15,407	-	94,624
-	-	-	-	(58,121)	-	-
<u>144,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,714)</u>	<u>-</u>	<u>94,624</u>
1,016	56,916	5,857	7,741	(244,747)	(58,597)	(135,836)
<u>(366,254)</u>	<u>2,699,024</u>	<u>381,635</u>	<u>504,414</u>	<u>668,963</u>	<u>2,827,060</u>	<u>288,037</u>
<u>\$ (365,238)</u>	<u>\$ 2,755,940</u>	<u>\$ 387,492</u>	<u>\$ 512,155</u>	<u>\$ 424,216</u>	<u>\$ 2,768,463</u>	<u>\$ 152,201</u>

(Continued)

City of Pittsburg
Combining Statements of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2016

	Capital Projects			
	Park Dedication	Regional Traffic Mitigation	Infrastructure Repair & Replacement	Community Capital Improvement
REVENUES:				
Franchise tax	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental revenues	24,043	-	-	40,872
Licenses, permits, and fees	637,453	-	-	-
Fines and forfeitures	-	-	-	-
Special assessments	-	-	-	-
Service fees	227,000	-	-	-
Use of money and property	20,168	50,066	18,259	13,232
Other revenues	150,000	-	-	305,372
Total Revenues	1,058,664	50,066	18,259	359,476
EXPENDITURES:				
Current:				
General government	-	-	-	-
City Manager and City Clerk	-	-	-	-
Human resources	-	-	-	-
Finance and services	-	-	-	-
Community services	-	-	50,176	162,425
Public safety	-	-	-	-
Public works - administration	-	-	-	-
Public works - streets	-	-	-	-
Capital outlay and improvements	505,228	503	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	3,413	-	-	-
Total Expenditures	508,641	503	50,176	162,425
REVENUES OVER (UNDER) EXPENDITURES	550,023	49,563	(31,917)	197,051
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(111,642)	-
Total other financing sources (uses)	-	-	(111,642)	-
Net change in fund balances	550,023	49,563	(143,559)	197,051
FUND BALANCES (DEFICITS):				
Beginning of Year	357,300	5,650,204	1,216,199	648,623
End of Year	\$ 907,323	\$ 5,699,767	\$ 1,072,640	\$ 845,674

Capital Projects	Total Non-Major Governmental Funds
Bailey Road Maintenance	
\$ -	\$ 161,242
-	4,104,371
-	1,735,936
115,892	1,472,515
-	17,680
-	3,531,522
-	5,140,716
11,922	290,798
-	1,596,629
127,814	18,051,409
-	22,348
-	21,142
-	36,999
-	110,997
-	3,216,899
-	1,948,254
-	415,196
-	4,491,830
-	2,738,017
-	2,015,898
-	2,314,775
-	17,332,355
127,814	719,054
-	2,831,061
-	(3,567,965)
-	(736,904)
127,814	(17,850)
704,186	22,653,921
\$ 832,000	\$ 22,636,071

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	SPECIAL REVENUE					
	SMALL CITIES GRANTS			GAS TAX		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	1,405,986	1,401,377	(4,609)
Intergovernmental revenues	-	-	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Service fees	-	-	-	200	-	(200)
Use of money and property	-	84	84	9,900	14,188	4,288
Other revenues	-	97,594	97,594	277,000	277,331	331
Total revenues	-	97,678	97,678	1,693,086	1,692,896	(190)
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	1,024,683	107,578	917,105
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	1,024,683	107,578	917,105
REVENUES OVER (UNDER)						
EXPENDITURES	-	97,678	97,678	668,403	1,585,318	916,915
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	185,500	1,752	(183,748)
Transfers out	-	(97,594)	(97,594)	(2,358,874)	(2,218,146)	140,728
Total other financing sources (uses)	-	(97,594)	(97,594)	(2,173,374)	(2,216,394)	(43,020)
Net change in fund balances	\$ -	84	\$ 84	\$ (1,504,971)	(631,076)	\$ 873,895
FUND BALANCES (DEFICITS):						
Beginning of year		3,198			1,350,423	
End of year		<u>\$ 3,282</u>			<u>\$ 719,347</u>	

SPECIAL REVENUE

MEASURE C TAX			LIGHTING AND LANDSCAPE			LIGHTING AND LANDSCAPING OAK HILL		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
725,000	735,513	10,513	-	-	-	-	-	-
1,790,044	474,539	(1,315,505)	15,000	15,000	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,800,000	2,844,909	44,909	33,959	33,959	-
-	-	-	-	-	-	-	-	-
1,050	5,449	4,399	1,420	497	(923)	-	51	51
4,090	-	(4,090)	-	21,407	21,407	-	-	-
2,520,184	1,215,501	(1,304,683)	2,816,420	2,881,813	65,393	33,959	34,010	51
-	-	-	37,372	22,348	15,024	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
3,309,698	316,034	2,993,664	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	3,887,943	3,780,046	107,897	65,182	25,310	39,872
-	1,446,084	(1,446,084)	45,000	15,000	30,000	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	49,817	-	49,817	-	-	-
3,309,698	1,762,118	1,547,580	4,020,132	3,817,394	202,738	65,182	25,310	39,872
(789,514)	(546,617)	242,897	(1,203,712)	(935,581)	268,131	(31,223)	8,700	39,923
1,285,263	1,144,535	(140,728)	1,117,154	1,117,154	-	-	-	-
(692,774)	(687,915)	4,859	(93,336)	(93,333)	3	-	-	-
592,489	456,620	(135,869)	1,023,818	1,023,821	3	-	-	-
\$ (197,025)	(89,997)	\$ 107,028	\$ (179,894)	88,240	\$ 268,134	\$ (31,223)	8,700	\$ 39,923
	443,572			113,782			5,442	
	\$ 353,575			\$ 202,022			\$ 14,142	

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	SPECIAL REVENUE					
	MISCELLANEOUS GRANTS			ASSETS SEIZURE		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	445,299	357,826	(87,473)	-	-	-
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	16,999	16,999
Special assessments	-	-	-	-	-	-
Service fees	-	-	-	-	-	-
Use of money and property	-	1,400	1,400	-	1,185	1,185
Other revenues	10,000	5,000	(5,000)	-	-	-
Total revenues	455,299	364,226	(91,073)	-	18,184	18,184
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	5,000	-	5,000	-	-	-
Finance	-	-	-	-	-	-
Community services	12,515	8,832	3,683	-	-	-
Public safety	541,345	355,394	185,951	-	22,073	(22,073)
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	558,860	364,226	194,634	-	22,073	(22,073)
REVENUES OVER (UNDER)						
EXPENDITURES	(103,561)	-	103,561	-	(3,889)	(3,889)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	\$ (103,561)	-	\$ 103,561	\$ -	(3,889)	\$ (3,889)
FUND BALANCES (DEFICITS):						
Beginning of year		69,709			34,117	
End of year		<u>\$ 69,709</u>			<u>\$ 30,228</u>	

SPECIAL REVENUE								
MARINA VISTA FIELD REPLACEMENT			LOCAL LAW ENFORCEMENT BLOCK GRANT			SOUTHWEST PITTSBURG GHAD II		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	787,000	727,773	(59,227)
-	-	-	67,324	54,602	(12,722)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,000	22,344	2,344	-	-	-	-	-	-
-	3,255	3,255	-	364	364	-	44,746	44,746
-	-	-	-	-	-	-	188,189	188,189
20,000	25,599	5,599	67,324	54,966	(12,358)	787,000	960,708	173,708
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	57,911	38,806	19,105	556,596	627,402	(70,806)
-	-	-	35,038	16,160	18,878	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	92,949	54,966	37,983	556,596	627,402	(70,806)
20,000	25,599	5,599	(25,625)	-	25,625	230,404	333,306	102,902
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(6,430)	(6,430)	-
-	-	-	-	-	-	(6,430)	(6,430)	-
\$ 20,000	25,599	\$ 5,599	\$ (25,625)	-	\$ 25,625	\$ 223,974	326,876	\$ 102,902
	196,745			31,848			2,814,070	
	\$ 222,344			\$ 31,848			\$ 3,140,946	

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	SPECIAL REVENUE					
	STORM WATER UTILITY NPDES			HUD COMMUNITY DEVELOPMENT BLOCK GRANT		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	846,932	725,418	(121,514)	-	-	-
Intergovernmental revenues	-	-	-	678,983	596,814	(82,169)
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Service fees	-	15	15	-	-	-
Use of money and property	-	2,249	2,249	-	2,613	2,613
Other revenues	-	(490)	(490)	-	104,244	104,244
Total revenues	846,932	727,192	(119,740)	678,983	703,671	24,688
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	-	-	1,246,638	573,607	673,031
Public safety	-	10	(10)	148,538	150,000	(1,462)
Public works - administration	601,070	346,484	254,586	-	-	-
Public works - streets	670,596	528,829	141,767	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	16,943	-	16,943	3,741	-	3,741
Total expenditures	1,288,609	875,323	413,286	1,398,917	723,607	675,310
REVENUES OVER (UNDER)						
EXPENDITURES	(441,677)	(148,131)	293,546	(719,934)	(19,936)	699,998
OTHER FINANCING SOURCES (USES):						
Transfers in	143,000	141,160	(1,840)	-	97,594	97,594
Transfers out	(55,309)	(55,309)	-	(1,414)	(1,414)	-
Total other financing sources (uses)	87,691	85,851	(1,840)	(1,414)	96,180	97,594
Net change in fund balances	\$ (353,986)	(62,280)	\$ 291,706	\$ (721,348)	76,244	\$ 797,592
FUND BALANCES (DEFICITS):						
Beginning of year		309,388			29,113	
End of year		<u>\$ 247,108</u>			<u>\$ 105,357</u>	

SPECIAL REVENUE								
NSP NEIGHBORHOOD STABILIZATION PROGRAM			CALHOME PROGRAM			CALIFORNIA ENERGY CONSERVATION PROGRAM		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	665	665	-	513	513	-	-	-
-	-	-	-	-	-	-	-	-
-	665	665	-	513	513	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	60,900	60,898	2
-	-	-	-	-	-	13,600	13,599	1
-	-	-	-	-	-	74,500	74,497	3
-	665	665	-	513	513	(74,500)	(74,497)	3
-	-	-	-	-	-	74,500	74,497	(3)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	74,500	74,497	(3)
\$ -	665	\$ 665	\$ -	513	\$ 513	\$ -	-	\$ -
	43,323			33,487			38,408	
	\$ 43,988			\$ 34,000			\$ 38,408	

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	SPECIAL REVENUE					
	SAN MARCO CFD 2004-1			SOLID WASTE		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Licenses, permits, and fees	-	-	-	455,000	499,622	44,622
Fines and forfeitures	-	-	-	-	-	-
Special assessments	571,980	601,441	29,461	-	-	-
Service fees	-	-	-	100	383	283
Use of money and property	270	(80)	(350)	1,200	1,639	439
Other revenues	-	-	-	-	136	136
Total revenues	572,250	601,361	29,111	456,300	501,780	45,480
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	-	-	334,775	287,730	47,045
Public safety	656,114	706,843	(50,729)	225,356	153,751	71,605
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	23,279	7,358	15,921	-	-	-
Total expenditures	679,393	714,201	(34,808)	560,131	441,481	118,650
REVENUES OVER (UNDER)						
EXPENDITURES	(107,143)	(112,840)	(5,697)	(103,831)	60,299	164,130
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	(6,722)	(6,722)	-	(101,980)	(101,980)	-
Total other financing sources (uses)	(6,722)	(6,722)	-	(101,980)	(101,980)	-
Net change in fund balances	\$ (113,865)	(119,562)	\$ (5,697)	\$ (205,811)	(41,681)	\$ 164,130
FUND BALANCES (DEFICITS):						
Beginning of year		143,786			262,328	
End of year		<u>\$ 24,224</u>			<u>\$ 220,647</u>	

SPECIAL REVENUE

VISTA DEL MAR CFD 2005-2			PUBLIC SAFETY CFD 2005-1			PARK MAINTENANCE CFD 2007-1		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
204,000	241,799	37,799	261,374	272,491	11,117	-	-	-
-	-	-	-	-	-	28,000	28,309	309
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	44,286	51,213	6,927
-	-	-	-	-	-	-	-	-
65	326	261	20	32	12	160	641	481
-	-	-	-	-	-	-	-	-
204,065	242,125	38,060	261,394	272,523	11,129	72,446	80,163	7,717
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
184,658	185,362	(704)	242,698	242,379	319	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	84,394	50,067	34,327
-	-	-	-	-	-	-	-	-
13,288	523	12,765	14,038	6,885	7,153	704	5,581	(4,877)
197,946	185,885	12,061	256,736	249,264	7,472	85,098	55,648	29,450
6,119	56,240	50,121	4,658	23,259	18,601	(12,652)	24,515	37,167
-	-	-	-	-	-	-	-	-
(865)	(865)	-	(3,228)	(3,228)	-	(266)	(266)	-
(865)	(865)	-	(3,228)	(3,228)	-	(266)	(266)	-
\$ 5,254	55,375	\$ 50,121	\$ 1,430	20,031	\$ 18,601	\$ (12,918)	24,249	\$ 37,167

14,305
\$ 69,680

(6,119)
\$ 13,912

(114,175)
\$ (89,926)

(Continued)

City of Pittsburgh
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	SPECIAL REVENUE					
	COPS HIRING RECOVERY			PITTSBURG ARTS & COMMUNITY FOUNDATION		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	125,000	125,000	-	22,000	18,931	(3,069)
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	681	681
Special assessments	-	-	-	-	-	-
Service fees	-	-	-	72,000	54,846	(17,154)
Use of money and property	-	-	-	21,809	21,809	-
Other revenues	-	-	-	475,447	435,361	(40,086)
Total revenues	125,000	125,000	-	591,256	531,628	(59,628)
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	-	-	650,629	678,497	(27,868)
Public safety	-	-	-	-	-	-
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	-	-	650,629	678,497	(27,868)
REVENUES OVER (UNDER) EXPENDITURES	125,000	125,000	-	(59,373)	(146,869)	(87,496)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	-	-
Transfers out	(125,000)	(125,000)	-	-	-	-
Total other financing sources (uses)	(125,000)	(125,000)	-	-	-	-
Net change in fund balances	\$ -	-	\$ -	\$ (59,373)	(146,869)	\$ (87,496)
FUND BALANCES (DEFICITS):						
Beginning of year		-			551,501	
End of year		\$ -			\$ 404,632	

SPECIAL REVENUE								
HILLVIEW JR. HIGH ATHLETIC FIELD			PUBLIC, EDUCATION, AND GOVERNMENT FEES (PEG)			RAILROAD AVENUE SPECIFIC AREA PLAN		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ 150,000	\$ 161,242	\$ 11,242	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
50,000	32,606	(17,394)	-	-	-	-	-	-
-	2,419	2,419	1,600	5,806	4,206	-	-	-
-	-	-	-	-	-	-	-	-
50,000	35,025	(14,975)	151,600	167,048	15,448	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	207,963	143,879	64,084	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,484,043	7,196	3,476,847
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	14,064	(14,064)
-	-	-	207,963	143,879	64,084	3,484,043	21,260	3,462,783
50,000	35,025	(14,975)	(56,363)	23,169	79,532	(3,484,043)	(21,260)	3,462,783
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 50,000	35,025	\$ (14,975)	\$ (56,363)	23,169	\$ 79,532	\$ (3,484,043)	(21,260)	\$ 3,462,783
	140,113			386,059			180,107	
	\$ 175,138			\$ 409,228			\$ 158,847	

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	SPECIAL REVENUE					
	PROJECT AMENITIES MANAGEMENT			GOLF COURSE		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Service fees	-	-	-	-	-	-
Use of money and property	-	-	-	-	33	33
Other revenues	-	12,484	12,484	-	1	1
Total revenues	-	12,484	12,484	-	34	34
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	11,732	(11,732)	167,710	143,356	24,354
Public safety	-	-	-	-	-	-
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	11,732	(11,732)	167,710	143,356	24,354
REVENUES OVER (UNDER)						
EXPENDITURES	-	752	752	(167,710)	(143,322)	24,388
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	167,266	144,338	(22,928)
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	167,266	144,338	(22,928)
Net change in fund balances	\$ -	752	\$ 752	\$ (444)	1,016	\$ 1,460
FUND BALANCES (DEFICITS):						
Beginning of year		-			(366,254)	
End of year		\$ 752			\$ (365,238)	

DEBT SERVICE FUND			CAPITAL PROJECTS					
PENSION OBLIGATION			INCLUSIONARY HOUSING			TRAFFIC IMPACT FAIR SHARE		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
4,808,351	4,803,522	(4,829)	-	-	-	-	-	-
500	301	(199)	-	5,857	5,857	-	7,741	7,741
-	-	-	-	-	-	-	-	-
4,808,851	4,803,823	(5,028)	-	5,857	5,857	-	7,741	7,741
-	-	-	-	-	-	-	-	-
-	21,142	(21,142)	-	-	-	-	-	-
-	36,999	(36,999)	-	-	-	-	-	-
-	110,997	(110,997)	-	-	-	-	-	-
-	174,423	(174,423)	-	-	-	-	-	-
-	116,282	(116,282)	-	-	-	-	-	-
-	68,712	(68,712)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,540,169	1,955,000	585,169	-	-	-	-	-	-
2,263,353	2,263,352	1	-	-	-	-	-	-
4,803,522	4,746,907	56,615	-	-	-	-	-	-
5,329	56,916	51,587	-	5,857	5,857	-	7,741	7,741
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(27,048)	-	27,048
-	-	-	-	-	-	(27,048)	-	27,048
\$ 5,329	\$ 56,916	\$ 51,587	\$ -	\$ 5,857	\$ 5,857	\$ (27,048)	\$ 7,741	\$ 34,789
	2,699,024			381,635			504,414	
	\$ 2,755,940			\$ 387,492			\$ 512,155	

(Continued)

City of Pittsburgh
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	CAPITAL PROJECTS					
	KIRKER CREEK DRAINAGE FEES			TRAFFIC MITIGATION		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	85	-	(85)
Licenses, permits, and fees	-	14,232	14,232	-	205,316	205,316
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Service fees	-	-	-	-	-	-
Use of money and property	-	7,219	7,219	14,800	42,657	27,857
Other revenues	-	-	-	99,015	-	(99,015)
Total revenues	-	21,451	21,451	113,900	247,973	134,073
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	-	-	21,998	-	21,998
Public safety	-	-	-	-	-	-
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	-	-	-
Capital outlay and improvements	288,180	223,484	64,696	1,033,399	306,570	726,829
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	288,180	223,484	64,696	1,055,397	306,570	748,827
REVENUES OVER (UNDER)						
EXPENDITURES	(288,180)	(202,033)	86,147	(941,497)	(58,597)	882,900
OTHER FINANCING SOURCES (USES):						
Transfers in	31,800	15,407	(16,393)	-	-	-
Transfers out	(59,961)	(58,121)	1,840	(97,952)	-	97,952
Total other financing sources (uses)	(28,161)	(42,714)	(14,553)	(97,952)	-	97,952
Net change in fund balances	\$ (316,341)	(244,747)	\$ 71,594	\$ (1,039,449)	(58,597)	\$ 980,852
FUND BALANCES (DEFICITS):						
Beginning of year		668,963			2,827,060	
End of year		<u>\$ 424,216</u>			<u>\$ 2,768,463</u>	

CAPITAL PROJECTS

CAPITAL IMPROVEMENT			PARK DEDICATION			REGIONAL TRAFFIC MITIGATION		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	1,150,620	24,043	(1,126,577)	-	-	-
-	-	-	-	637,453	637,453	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	227,000	227,000	-	-	-	-
-	3,492	3,492	-	20,168	20,168	-	50,066	50,066
-	-	-	227,000	150,000	(77,000)	-	-	-
-	3,492	3,492	1,604,620	1,058,664	(545,956)	-	50,066	50,066
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
410,330	-	410,330	-	-	-	-	-	-
193,650	233,952	(40,302)	2,840,550	505,228	2,335,322	599,460	503	598,957
-	-	-	-	-	-	-	-	-
-	-	-	-	3,413	(3,413)	-	-	-
603,980	233,952	370,028	2,840,550	508,641	2,331,909	599,460	503	598,957
(603,980)	(230,460)	373,520	(1,235,930)	550,023	1,785,953	(599,460)	49,563	649,023
321,712	94,624	(227,088)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
321,712	94,624	(227,088)	-	-	-	-	-	-
\$ (282,268)	(135,836)	\$ 146,432	\$ (1,235,930)	550,023	\$ 1,785,953	\$ (599,460)	49,563	\$ 649,023
	288,037			357,300			5,650,204	
	\$ 152,201			\$ 907,323			\$ 5,699,767	

(Continued)

City of Pittsburg
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
Non-Major Governmental Funds
For the year ended June 30, 2016

	CAPITAL PROJECTS					
	INFRASTRUCTURE REPAIR & REPLACEMENT			COMMUNITY CAPITAL IMPROVEMENT		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
REVENUES:						
Franchise tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	690,115	40,872	(649,243)
Licenses, permits, and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Service fees	-	-	-	-	-	-
Use of money and property	-	18,259	18,259	-	13,232	13,232
Other revenues	-	-	-	-	305,372	305,372
Total revenues	-	18,259	18,259	690,115	359,476	(330,639)
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
City Manager and City Clerk	-	-	-	-	-	-
Human resources	-	-	-	-	-	-
Finance	-	-	-	-	-	-
Community services	-	50,176	50,176	1,461,043	162,425	1,298,618
Public safety	-	-	-	-	-	-
Public works - administration	-	-	-	-	-	-
Public works - streets	-	-	-	-	-	-
Capital outlay and improvements	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	-	50,176	50,176	1,461,043	162,425	1,298,618
REVENUES OVER (UNDER)						
EXPENDITURES	-	(31,917)	68,435	(770,928)	197,051	967,979
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	297,694	-	(297,694)
Transfers out	(853,767)	(111,642)	742,125	-	-	-
Total other financing sources (uses)	(853,767)	(111,642)	742,125	297,694	-	(297,694)
Net change in fund balances	\$ (853,767)	(143,559)	\$ 810,560	\$ (473,234)	197,051	\$ 670,285
FUND BALANCES (DEFICITS):						
Beginning of year		1,216,199			648,623	
End of year		<u>\$ 1,072,640</u>			<u>\$ 845,674</u>	

CAPITAL PROJECTS

BAILEY ROAD MAINTENANCE

Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -
-	-	-
-	-	-
165,000	115,892	(49,108)
-	-	-
-	-	-
-	-	-
-	11,922	11,922
-	-	-
<u>165,000</u>	<u>127,814</u>	<u>(37,186)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>165,000</u>	<u>127,814</u>	<u>(37,186)</u>
-	-	-
-	-	-
<u>\$ 165,000</u>	<u>127,814</u>	<u>\$ (37,186)</u>

704,186
\$ 832,000



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

City of Pittsburg
Combining Statement of Net Position
Internal Service Funds
June 30, 2016

	Fleet Maintenance	Building Maintenance	Insurance
ASSETS			
Current assets:			
Cash and investments	\$ 1,222,375	\$ 903,954	\$ 629,517
Receivables:			
Accounts	-	4,046	-
Inventory	38,558	15,725	-
Prepaid items	-	-	-
Total current assets	<u>1,260,933</u>	<u>923,725</u>	<u>629,517</u>
Noncurrent assets:			
Capital assets:			
Depreciable assets, net	1,184,968	142,013	-
Total noncurrent assets	<u>1,184,968</u>	<u>142,013</u>	<u>-</u>
Total Assets	<u><u>2,445,901</u></u>	<u><u>1,065,738</u></u>	<u><u>629,517</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	72,529	96,724	5,387
Salaries payable	-	-	-
Due to other funds	-	-	-
Claims and judgments payable - due within one year	-	-	150,497
Compensated absences - due within one year	20,588	29,175	-
Long-term-debt - due within one year	43,161	-	-
Advance from other funds	8,309	6,672	-
Total current liabilities	<u>144,587</u>	<u>132,571</u>	<u>155,884</u>
Noncurrent liabilities:			
Compensated absences - due in more than one year	6,862	9,725	-
Long-term-debt - due in more than one year	160,696	-	-
Total noncurrent liabilities	<u>167,558</u>	<u>9,725</u>	<u>-</u>
Total Liabilities	<u><u>312,145</u></u>	<u><u>142,296</u></u>	<u><u>155,884</u></u>
NET POSITION			
Net investment in capital assets	981,111	142,013	-
Unrestricted	1,152,645	781,429	473,633
Total Net Position	<u><u>\$ 2,133,756</u></u>	<u><u>\$ 923,442</u></u>	<u><u>\$ 473,633</u></u>

Information / Communication Services	Fringe Benefits	Other Post Employment Benefits	Total
\$ 1,028,497	\$ 685,813	\$ 161,785	\$ 4,631,941
-	404	2,094	6,544
419,592	-	-	473,875
-	22,400	-	22,400
1,448,089	708,617	163,879	5,134,760
165,425	-	-	1,492,406
165,425	-	-	1,492,406
1,613,514	708,617	163,879	6,627,166
102,038	55,713	(3,196)	329,195
-	-	-	-
-	-	-	-
-	-	-	150,497
5,013	-	-	54,776
36,257	-	-	79,418
4,010	-	-	18,991
147,318	55,713	(3,196)	632,877
1,671	-	-	18,258
-	-	-	160,696
1,671	-	-	178,954
148,989	55,713	(3,196)	811,831
129,168	-	-	1,252,292
1,335,357	652,904	167,075	4,563,043
\$ 1,464,525	\$ 652,904	\$ 167,075	\$ 5,815,335

City of Pittsburg
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended June 30, 2016

	Fleet Maintenance	Building Maintenance	Insurance
OPERATING REVENUES:			
Charges for services	\$ 1,680,462	\$ 1,514,769	\$ 973,753
Other operating revenues	16,254	97,491	98,554
Total operating revenues	1,696,716	1,612,260	1,072,307
OPERATING EXPENSES:			
Salaries and wages	277,299	266,625	-
Department supplies	645,040	75,600	-
Rentals	40,670	676	-
Utilities	7,152	318,451	-
Maintenance and operations	112,620	306,413	-
Depreciation and amortization	444,985	32,018	-
Insurance premiums	17,961	155,211	808,092
Insurance deductible	9,364	9,982	189,401
Fringe benefits	220,053	246,962	-
Other operating expenses	593	12,141	-
Total operating expenses	1,775,737	1,424,079	997,493
OPERATING INCOME (LOSS)	(79,021)	188,181	74,814
NONOPERATING REVENUES (EXPENSES):			
Gain (loss) on sale of assets	(82,523)	-	-
Investment income	(24,237)	-	-
Total nonoperating revenues	(106,760)	-	-
INCOME (LOSS) BEFORE TRANSFERS	(185,781)	188,181	74,814
TRANSFERS:			
Transfers in	-	-	-
Transfers out	(15,883)	(10,639)	-
Transfers in (out)	(15,883)	(10,639)	-
Change in net position	(201,664)	177,542	74,814
NET POSITION:			
Beginning of year	2,335,420	745,900	398,819
End of year	<u>\$ 2,133,756</u>	<u>\$ 923,442</u>	<u>\$ 473,633</u>

Information / Communication Services	Fringe Benefits	Other Post Employment Benefits	Total
\$ 1,094,349	\$ 1,337,913	\$ 1,482,376	\$ 8,083,622
39,089	163	-	251,551
1,133,438	1,338,076	1,482,376	8,335,173
63,131	-	-	607,055
96,066	-	-	816,706
-	-	-	41,346
-	-	-	325,603
560,287	13,496	10,415	1,003,231
57,414	-	-	534,417
-	-	-	981,264
2,114	-	-	210,861
47,743	1,414,919	1,918,195	3,847,872
5,549	-	518	18,801
832,304	1,428,415	1,929,128	8,387,156
301,134	(90,339)	(446,752)	(51,983)
-	-	-	(82,523)
(2,017)	-	-	(26,254)
(2,017)	-	-	(108,777)
299,117	(90,339)	(446,752)	(160,760)
-	-	523,962	523,962
(4,325)	(83,240)	-	(114,087)
(4,325)	(83,240)	523,962	409,875
294,792	(173,579)	77,210	249,115
1,169,733	826,483	89,865	5,566,220
\$ 1,464,525	\$ 652,904	\$ 167,075	\$ 5,815,335

City of Pittsburg
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2016

	Fleet Maintenance	Building Maintenance	Insurance
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers/ other funds	\$ 1,698,678	\$ 1,511,793	\$ 973,753
Cash payments to suppliers for goods and services	(852,410)	(882,795)	(1,097,948)
Cash payments to employees for services	(493,928)	(506,981)	-
Other operating revenues	16,254	97,491	98,554
Net cash provided (used) by operating activities	368,594	219,508	(25,641)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund payments	(13,697)	(9,176)	-
Transfers (out)	(15,883)	(10,639)	-
Net cash provided (used) by noncapital financing activities	(29,580)	(19,815)	-
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Payments made on capital lease	203,857	-	-
Proceeds from sale of capital assets	(82,523)	-	-
Net changes in capital assets	(308,002)	-	-
Net cash provided (used) by capital financing activities	(186,668)	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest revenue	(24,237)	-	-
Net cash provided (used) by investing activities	(24,237)	-	-
Net increase (decrease) in cash and cash equivalents	128,109	199,693	(25,641)
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,094,266	704,261	655,158
End of year	\$ 1,222,375	\$ 903,954	\$ 629,517
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (79,021)	\$ 188,181	\$ 74,814
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	444,985	32,018	-
Changes in operating assets and liabilities:			
Accounts receivable	18,216	(2,976)	-
Inventory	-	-	-
Accounts payable	(19,010)	(4,321)	(1,900)
Salaries and wages payable	-	-	-
Unearned revenue	-	-	-
Compensated absences	3,424	6,606	-
Insurance claims payable	-	-	(98,555)
Net cash provided (used) by operating activities	\$ 368,594	\$ 219,508	\$ (25,641)

Information / Communication Services	Fringe Benefits	Other Post Employment Benefits	Total
\$ 1,003,214	\$ 1,337,753	\$ 1,570,147	\$ 8,095,338
(574,514)	(6,381)	(14,129)	(3,428,177)
(108,973)	(1,415,066)	(1,918,195)	(4,443,143)
39,089	163	-	251,551
<u>358,816</u>	<u>(83,531)</u>	<u>(362,177)</u>	<u>475,569</u>
(3,730)	-	-	(26,603)
<u>(4,325)</u>	<u>(83,240)</u>	<u>523,962</u>	<u>409,875</u>
<u>(8,055)</u>	<u>(83,240)</u>	<u>523,962</u>	<u>383,272</u>
(35,263)	-	-	168,594
-	-	-	(82,523)
<u>(76,744)</u>	<u>-</u>	<u>-</u>	<u>(384,746)</u>
<u>(112,007)</u>	<u>-</u>	<u>-</u>	<u>(298,675)</u>
(2,017)	-	-	(26,254)
<u>(2,017)</u>	<u>-</u>	<u>-</u>	<u>(26,254)</u>
236,737	(166,771)	161,785	533,912
791,760	852,584	-	4,098,029
<u>\$ 1,028,497</u>	<u>\$ 685,813</u>	<u>\$ 161,785</u>	<u>\$ 4,631,941</u>

\$ 301,134	\$ (90,339)	\$ (446,752)	\$ (51,983)
57,414	-	-	534,417
3,875	(160)	537,858	556,813
(95,010)	-	-	(95,010)
89,502	7,115	(3,196)	68,190
-	(147)	0	(147)
-	-	(450,087)	(450,087)
1,901	-	-	11,931
-	-	-	(98,555)
<u>\$ 358,816</u>	<u>\$ (83,531)</u>	<u>\$ (362,177)</u>	<u>\$ 475,569</u>



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

FIDUCIARY FUND FINANCIAL STATEMENTS

Agency Funds:

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

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

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

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

City of Pittsburg
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance July 1, 2015	Additions	Deletions	Ending Balance June 30, 2016
<u>Assessment Districts Fund</u>				
Assets:				
Cash and investments	\$ 2,910,757	\$ 2,223,287	\$ 2,076,180	\$ 3,057,864
Cash and investments held by fiscal agent	2,032,428	2,119,349	2,098,176	2,053,601
Assessment receivable	2,191,330	-	122,764	2,068,566
Total assets	\$ 7,134,515	\$ 4,342,636	\$ 4,297,120	\$ 7,180,031
Liabilities:				
Accounts payable	\$ 27,994	\$ 46,467	\$ 46,589	\$ 27,872
Deferred assessment	2,191,330	-	122,764	2,068,566
Due to bondholders	4,915,191	1,368,402	1,200,000	5,083,593
Total liabilities	\$ 7,134,515	\$ 1,414,869	\$ 1,369,353	\$ 7,180,031
<u>Environmental Impact Fund</u>				
Assets:				
Cash and investments	\$ 1,057	\$ 18	\$ 2	\$ 1,073
Total assets	\$ 1,057	\$ 18	\$ 2	\$ 1,073
Liabilities:				
Due to bondholders	\$ 1,057	\$ 16	\$ -	\$ 1,073
Total liabilities	\$ 1,057	\$ 16	\$ -	\$ 1,073
<u>Other Impact Fees Fund</u>				
Assets:				
Cash and investments	\$ 806,732	\$ 4,743,917	\$ 5,234,850	\$ 315,799
Total assets	\$ 806,732	\$ 4,743,917	\$ 5,234,850	\$ 315,799
Liabilities:				
Accounts payable	\$ 793,399	\$ 4,738,841	\$ 5,261,783	\$ 270,457
Due to other parties	6,780	126,205	93,247	39,738
Due to bondholders	6,553	3,603	4,552	5,604
Total liabilities	\$ 806,732	\$ 4,868,649	\$ 5,359,582	\$ 315,799
<u>Vista Del Mar & San Marco CFD's</u>				
Assets:				
Cash and investments	\$ 121,451	\$ 1,504,968	\$ 268,820	\$ 1,357,599
Cash and investments held by fiscal agent	901,364	260,940	422,305	739,999
Total assets	\$ 1,022,815	\$ 1,765,908	\$ 691,125	\$ 2,097,598
Liabilities:				
Accounts payable	\$ 175,950	\$ 8,015	\$ 183,965	\$ -
Due to bondholders	846,865	2,498,592	1,247,859	2,097,598
Total liabilities	\$ 1,022,815	\$ 2,506,607	\$ 1,431,824	\$ 2,097,598

City of Pittsburg
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

<u>Total Agency Funds</u>	Beginning Balance July 01, 2015	Additions	Deletions	Ending Balance June 30, 2016
Assets:				
Cash and investments	\$ 3,839,997	\$ 8,472,190	\$ 7,579,852	\$ 4,732,335
Cash and investments held by fiscal agent	2,933,792	2,380,289	2,520,481	2,793,600
Assessment receivable	2,191,330	-	122,764	2,068,566
Total assets	\$ 8,965,119	\$ 10,852,479	\$ 10,223,097	\$ 9,594,501
Liabilities:				
Accounts payable	\$ 997,343	\$ 4,793,323	\$ 5,492,337	\$ 298,329
Deferred assessment	2,191,330	-	122,764	2,068,566
Due to other parties	6,780	126,205	93,247	39,738
Due to bondholders	5,769,666	3,870,613	2,452,411	7,187,868
Total liabilities	\$ 8,965,119	\$ 8,790,141	\$ 8,160,759	\$ 9,594,501



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

STATISTICAL SECTION

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

The major points of emphasis are:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

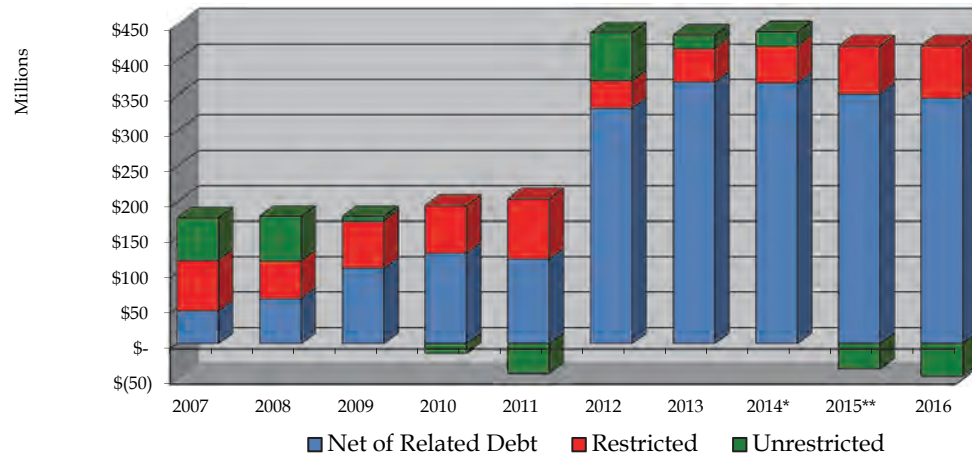
These schedules contain information about the City of Pittsburg's operations and resources to help the CAFR reader understand how the City's financial information relates to the services the City provides and the activities it performs.

*Due to the State of California's adoption of ABx1 26 on June 28, 2011, and amended by AB1484 on June 27, 2012, which suspended all new redevelopment activities except for limited specified activities as of that date and dissolves redevelopment agencies as of January 31, 2012, there will be large variances between the fiscal years 2010-2011 and fiscal year 2011-2012 for some of the statistical references. The City of Pittsburg has assumed the responsibilities as the Successor Agency to administer all post activities for the former Pittsburg Redevelopment Agency.



CITY OF PITTSBURG
Comprehensive Annual Financial Report
June 30, 2016

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



Fiscal Year Ended June 30,

	2007	2008	2009	2010	2011	2012	2013	2014*	2015**	2016
Governmental activities										
Net Investment in										
Capital Assets	\$ 3,247,946	\$ 18,733,410	\$ 32,357,570	\$ 59,908,182	\$ 46,442,103	\$ 252,487,708	\$ 281,680,787	\$ 275,604,919	\$ 268,580,073	\$ 255,982,568
Restricted	58,131,686	28,890,295	46,826,571	51,627,971	63,967,311	14,746,589	25,904,321	31,094,899	27,662,593	27,990,550
Unrestricted	28,994,097	50,069,992	(5,009,852)	(38,861,513)	(62,825,341)	58,656,185	6,994,639	8,632,467	(37,752,882)	(39,107,180)
Total governmental activities net position	<u>\$ 90,373,729</u>	<u>\$ 97,693,697</u>	<u>\$ 74,174,289</u>	<u>\$ 72,674,640</u>	<u>\$ 47,584,073</u>	<u>\$ 325,890,482</u>	<u>\$ 314,579,747</u>	<u>\$ 315,332,285</u>	<u>\$ 258,489,784</u>	<u>\$ 244,865,938</u>
Business-type activities										
Net Investment in										
Capital Assets	\$ 42,643,385	\$ 44,780,703	\$ 73,704,658	\$ 67,603,197	\$ 73,188,754	\$ 79,796,698	\$ 87,252,264	\$ 92,058,482	\$ 84,084,664	\$ 90,569,824
Restricted	13,474,928	24,190,306	20,189,744	16,057,202	20,709,344	23,822,298	21,659,904	21,038,895	39,342,518	45,659,407
Unrestricted	30,681,028	12,931,446	11,345,116	25,075,506	20,765,153	8,802,052	11,726,531	11,513,401	1,768,289	(6,475,018)
Total business-type activities net position	<u>\$ 86,799,341</u>	<u>\$ 81,902,455</u>	<u>\$ 105,239,518</u>	<u>\$ 108,735,905</u>	<u>\$ 114,663,251</u>	<u>\$ 112,421,048</u>	<u>\$ 120,638,699</u>	<u>\$ 124,610,778</u>	<u>\$ 125,195,471</u>	<u>\$ 129,754,213</u>
Primary government										
Net Investment in										
Capital Assets	\$ 45,891,331	\$ 63,514,113	\$ 106,062,228	\$ 127,511,379	\$ 119,630,857	\$ 332,284,406	\$ 368,933,051	\$ 367,663,401	\$ 352,664,737	\$ 346,552,392
Restricted	71,606,614	53,080,601	67,016,315	67,685,173	84,676,655	38,568,887	47,564,225	52,133,794	67,005,111	73,649,957
Unrestricted	59,675,125	63,001,438	6,335,264	(13,786,007)	(42,060,188)	67,458,237	18,721,170	20,145,868	(35,984,593)	(45,582,198)
Total primary government net position	<u>\$ 177,173,070</u>	<u>\$ 179,596,152</u>	<u>\$ 179,413,807</u>	<u>\$ 181,410,545</u>	<u>\$ 162,247,324</u>	<u>\$ 438,311,530</u>	<u>\$ 435,218,446</u>	<u>\$ 439,943,063</u>	<u>\$ 383,685,255</u>	<u>\$ 374,620,151</u>

* FY 2013-2014 Fund balances had been restated as a result of reclass of Golf Course Fund from Enterprise Fund to Special Revenue Fund. See FY 2014-15 Note 9E for details

** FY 2014-15, THE City adopted GASB 68 and 71. See FY 2014-15 Note 11 for details.

CITY OF PITTSBURG
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses										
Governmental Activities:										
General Government	\$ 14,254,413	\$ 21,504,808	\$ 11,842,142	\$ 18,568,935	\$ 14,788,317	\$ 7,933,936	\$ 6,684,607	\$ 7,027,878	\$ 10,232,271	\$ 8,089,040
Public Safety	16,949,031	19,147,330	37,075,329	20,844,081	20,111,317	22,929,002	20,955,624	22,683,125	24,833,843	26,746,601
Public Works	17,949,516	16,356,492	15,020,101	13,685,011	19,975,441	16,741,235	19,679,890	16,305,801	18,213,277	19,237,901
Community Development	25,815,463	31,332,797	37,032,108	22,565,100	25,958,714	26,418,644	23,214,430	18,705,444	21,998,387	23,752,847
Culture and Recreation	1,892,674	1,854,555	1,741,484	733,417	476,739	595,285	699,730	806,965	862,068	1,012,670
Interest on Long Term Debt	20,495,286	23,435,995	35,950,401	19,671,322	23,519,241	13,717,168	1,026,639	1,574,056	4,074,415	4,476,644
Total Governmental Activities Expenses	97,356,383	113,631,977	138,661,565	96,067,866	104,829,769	88,335,270	72,260,920	67,103,269	80,214,261	83,315,703
Business-Type Activities:										
Water	13,372,173	14,316,223	14,013,116	13,614,034	14,449,902	14,884,762	15,518,027	16,513,159	17,477,524	18,552,726
Wastewater	1,929,214	1,972,310	2,218,519	2,407,534	2,317,726	2,442,521	2,212,309	2,490,191	2,264,022	2,583,101
Marina	2,378,869	2,112,615	2,320,709	2,139,241	2,168,789	2,405,288	2,448,483	2,230,133	2,352,274	2,424,083
Pittsburg Power*	-	-	-	-	-	-	-	5,659,707	6,670,282	6,597,065
Other-Non-Major Enterprise Funds	6,663,142	7,430,302	7,607,155	7,563,600	5,552,384	5,147,173	4,984,797	821,344	750,765	972,469
Total Business-Type Activities Expenses	24,343,398	25,831,450	26,159,499	25,724,409	24,488,801	24,879,744	25,163,616	27,714,534	29,514,867	31,129,444
Total Primary Government Expenses	\$ 121,699,781	\$ 139,463,427	\$ 164,821,064	\$ 121,792,275	\$ 129,318,570	\$ 113,215,014	\$ 97,424,536	\$ 94,817,803	\$ 109,729,128	\$ 114,445,147
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 8,362,348	\$ 114,718	\$ 2,165,995	\$ 6,451,351	\$ 5,614,500	\$ 6,852,057	\$ 5,190,861	\$ 4,736,292	\$ 7,595,331	\$ 7,331,129
Public Safety	633,513	750,286	1,054,367	1,287,433	987,348	1,044,743	842,598	1,072,098	1,206,225	1,472,062
Public Works	4,077,620	2,930,076	1,186,331	5,733,983	2,755,943	3,596,128	4,356,858	905,135	524,555	772,724
Community Development	90,302	4,318,365	8,392,107	5,914,983	6,498,599	19,229,249	8,189,144	7,054,779	4,685,299	7,203,571
Culture and Recreation	533,114	419,320	198,873	212,184	257,627	420,047	685,418	762,357	733,235	834,970
Operating Grants and Contributions	19,357,391	18,175,592	15,252,456	14,022,072	16,926,790	12,661,954	12,104,023	13,133,883	12,699,542	13,641,846
Capital Grants and Contributions	948,905	5,243,189	2,193,823	1,119,989	929,465	3,997,403	314,203	979,706	48,709	545,127
Total Government Activities Program Revenues	34,003,193	31,951,546	30,443,952	34,741,995	33,970,272	47,801,581	31,683,105	28,644,250	27,492,896	31,801,429

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Business-Type Activities:										
Charges for Services:										
Water	15,974,805	15,780,234	15,121,036	16,695,089	16,880,039	17,276,044	19,605,199	19,640,140	18,979,002	19,559,288
Wastewater	3,864,420	3,305,065	3,846,151	4,471,813	4,373,309	4,566,645	5,049,987	4,918,873	5,123,475	5,264,897
Marina	1,653,350	1,732,960	1,829,397	1,681,500	1,850,375	1,942,681	1,914,502	2,020,396	2,071,214	1,931,707
Pittsburg Power Co.*	-	-	-	-	-	-	-	5,913,071	6,919,807	7,162,170
WaterFront Operations**	-	-	-	-	-	-	-	-	863,297	1,408,172
Other-Non-Major Enterprise Funds***	6,242,843	7,369,613	7,965,358	6,915,483	10,513,007	5,966,340	6,204,779	519,498	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	40,000	-	270,931
Capital Grants and Contributions	197,903	331,649	18,110,472	591,456	309,021	205,675	2,019,849	748,904	2,145,271	1,780,581
Total Business-Type Activities Program Revenue	27,933,321	28,519,521	46,872,414	30,355,341	33,925,751	29,957,385	34,794,316	33,800,882	36,102,066	37,377,746
Total Primary Government Program Revenues	\$ 61,936,514	\$ 60,471,067	\$ 77,316,366	\$ 65,097,336	\$ 67,896,023	\$ 77,758,966	\$ 66,477,421	\$ 62,445,132	\$ 63,594,962	\$ 69,179,175
Net (Expense)/Revenue										
Governmental Activities	\$ (63,353,190)	\$ (81,680,431)	\$ (108,217,613)	\$ (61,325,871)	\$ (70,859,497)	\$ (40,533,689)	\$ (40,577,815)	\$ (38,459,019)	\$ (52,721,365)	\$ (51,514,274)
Business-Type Activities	3,589,923	2,688,071	20,712,915	4,630,932	9,436,950	5,077,641	9,630,700	6,086,348	6,587,199	6,248,302
Total Primary Government Net Expense	\$ (59,763,267)	\$ (78,992,360)	\$ (87,504,698)	\$ (56,694,939)	\$ (61,422,547)	\$ (35,456,048)	\$ (30,947,115)	\$ (32,372,671)	\$ (46,134,166)	\$ (45,265,972)

*Pittsburg Power Co. was reported as Non-Major Enterprise Funds prior to FY 2014.

**Waterfront Operation was reported as Non-Major Enterprise Funds prior to FY 2015.

***Golf Course was reported as Non-Major Enterprise Funds prior to FY 2014 and had been reclassified to Special Revenue Fund in FY 2015.

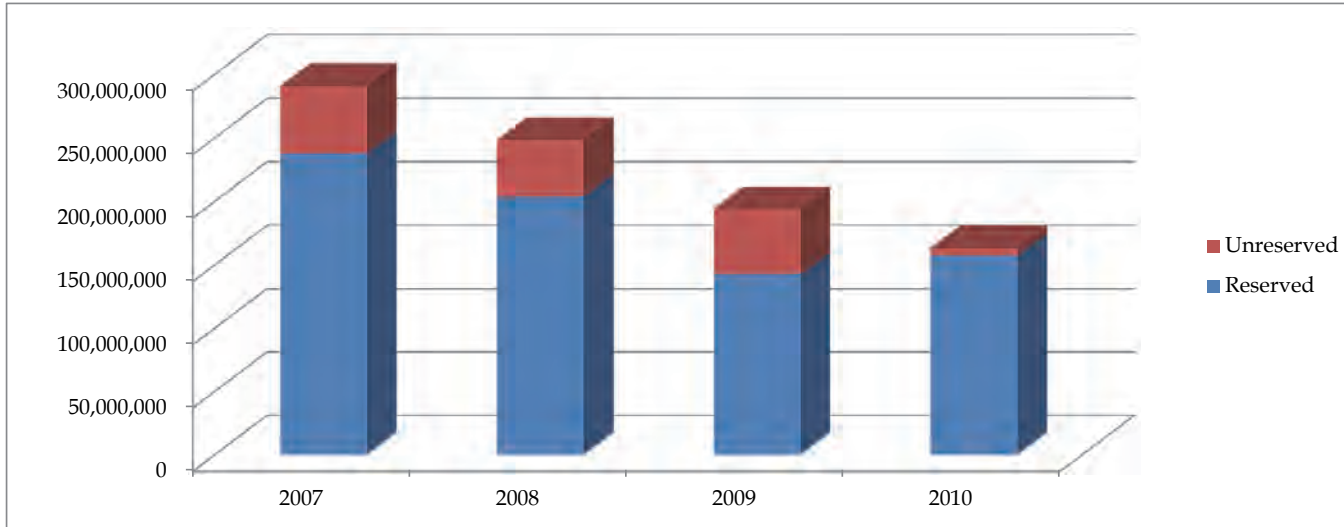
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CITY OF PITTSBURG
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 50,917,360	\$ 51,782,902	\$ 49,448,715	\$ 39,995,052	\$ 40,456,473	\$ 23,507,704	\$ 2,176,998	\$ 2,613,321	\$ 3,204,965	\$ 3,300,776
Sales Taxes	7,953,283	7,295,549	7,167,394	5,998,652	5,438,354	6,168,690	11,232,622	12,563,378	11,745,524	13,112,880
Motor Vehicle In-Lieu	6,042,275	4,871,681	4,714,411	4,019,459	3,936,649	4,470,104	3,727,494	3,795,560	4,169,031	4,422,099
Transient Occupancy Tax	149,393	172,734	185,120	256,226	279,852	361,238	447,537	503,265	645,115	710,501
Nonregulatory Franchise and Business	2,246,603	3,544,661	3,025,968	2,378,602	2,660,883	3,103,823	3,890,567	4,063,561	4,327,160	4,638,074
Interest Earnings	11,146,109	11,718,198	10,602,828	2,414,528	2,314,878	1,583,156	74,095	600,555	539,473	743,082
Other	2,134,499	940,352	1,166,245	3,309,593	7,375,344	6,822,671	8,252,592	13,172,704	8,556,333	8,608,044
Transfers	563,960	10,773,070	6,242,560	1,454,110	3,957,110	273,042,911	1,681,364	2,342,747	2,677,386	2,354,972
Gain (loss) on sale of assets	-	-	-	-	(18,539,878)	-	-	-	-	-
Total Government Activities	81,153,482	91,099,147	82,553,241	59,826,222	47,879,665	319,060,297	31,483,269	39,655,091	35,864,987	37,890,428
Business-Type Activities:										
Interest Earnings	2,263,490	1,961,224	1,093,600	321,967	447,506	400,199	268,315	129,786	440,462	665,412
Transfers	(563,960)	(8,688,861)	(6,242,560)	(1,454,110)	(3,957,110)	(7,720,043)	(1,681,364)	(2,342,747)	(2,677,386)	(2,354,972)
Gain (loss) on sale of assets	-	-	-	-	-	-	-	98,692	63,754	-
Total Business-Type Activities	1,699,530	(6,727,637)	(5,148,960)	(1,132,143)	(3,509,604)	(7,319,844)	(1,413,049)	(2,114,269)	(2,173,170)	(1,689,560)
Total Primary Government	\$ 82,853,012	\$ 84,371,510	\$ 77,404,281	\$ 58,694,079	\$ 44,370,061	\$ 311,740,453	\$ 30,070,220	\$ 37,540,822	\$ 33,691,817	\$ 36,200,868
Change in Net Position										
Governmental Activities	\$ 17,800,292	\$ 9,418,716	\$ (25,664,372)	\$ (1,499,649)	\$ (22,979,832)	\$ 278,126,409	\$ (9,094,546)	\$ 1,196,072	\$ (16,856,378)	\$ (13,623,846)
Business-Type Activities	5,289,453	(4,039,566)	15,563,955	3,498,789	5,927,346	(2,242,203)	8,217,651	3,972,079	4,414,029	4,558,742
Total Primary Government	23,089,745	5,379,150	(10,100,417)	1,999,140	(17,052,486)	275,884,206	(876,895)	5,168,151	(12,442,349)	(9,065,104)
Prior Period Adjustment (See Note 9F)	-	-	-	-	-	-	-	-	(44,258,992)	-
Total Primary Government after adjustment	\$ 23,089,745	\$ 5,379,150	\$ (10,100,417)	\$ 1,999,140	\$ (17,052,486)	\$ 275,884,206	\$ (876,895)	\$ 5,168,151	\$ (56,701,341)	\$ (9,065,104)

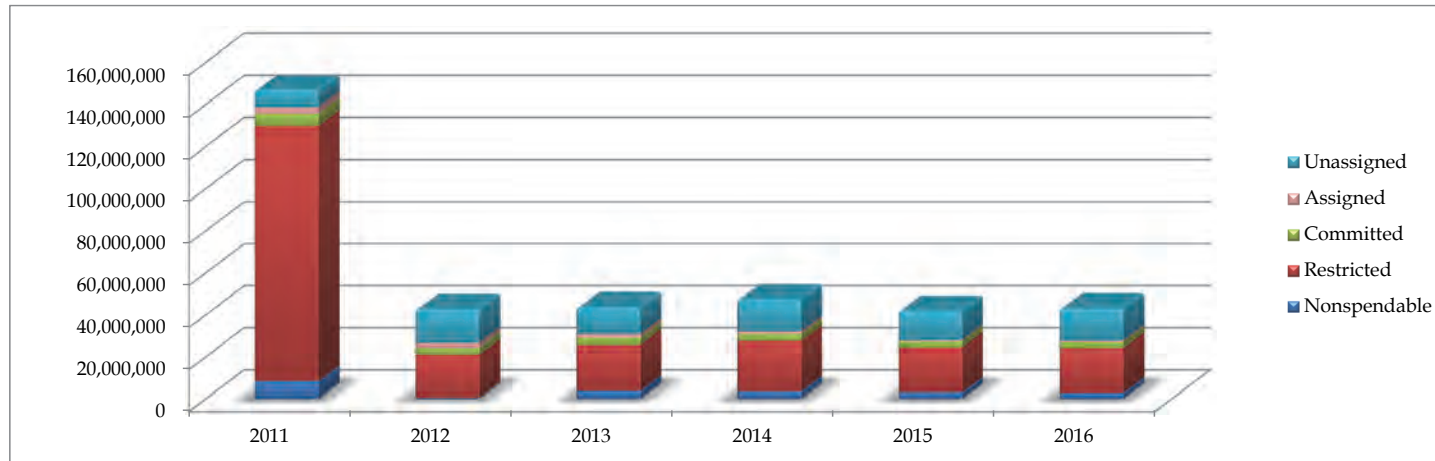
Due to the dissolution of Redevelopment Agency in Jan. 2012, trend information might be shrewd due to this one time event.
In FY 2014-15, implementation of GASB 68 & 71 resulted in prior period adjustments.

CITY OF PITTSBURG
Fund Balances of Governmental Funds
First Four Fiscal Years
(Modified Accrual Basis of Accounting)
(Pre GASB 54 Implementation)



	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund				
Reserved	\$ 492,681	\$ 208,767	\$ 202,586	\$ 215,249
Unreserved	9,566,686	10,793,012	6,428,850	6,798,062
Total General Fund	<u>10,059,367</u>	<u>11,001,779</u>	<u>6,631,436</u>	<u>7,013,311</u>
All Other Governmental Funds				
Reserved	236,888,018	203,272,346	142,074,124	156,737,984
Unreserved, designated	41,043,642	33,855,453	45,107,266	(777,130)
Unreserved, reported in:				
Special Revenue Funds	2,526,959	-	-	-
Capital Project Funds	-	-	-	-
Total all other governmental funds	<u>280,458,619</u>	<u>237,127,799</u>	<u>187,181,390</u>	<u>155,960,854</u>
Total Government Funds				
Reserved	237,380,699	203,481,113	142,276,710	156,953,233
Unreserved	53,137,287	44,648,465	51,536,116	6,020,932
Total Government Funds	<u>\$ 290,517,986</u>	<u>\$ 248,129,578</u>	<u>\$ 193,812,826</u>	<u>\$ 162,974,165</u>

CITY OF PITTSBURG
Fund Balances of Governmental Funds
Last Six Fiscal Years
(Post GASB 54 FY2011 Implementation)



	Fiscal Year Ended June 30,					
	2011	2012	2013	2014	2015	2016
General Fund						
Nonspendable	\$ 280,573	\$ 305,497	\$ 3,054,208	\$ 3,370,929	\$ 2,904,078	\$ 2,642,564
Assigned	2,058,442	2,254,797	1,574,732	1,057,673	538,194	666,486
Unassigned	16,456,660	16,513,473	13,544,751	16,185,068	14,613,983	15,957,212
Total General Fund	18,795,675	19,073,767	18,173,691	20,613,670	18,056,255	19,266,262
All Other Governmental Funds						
Nonspendable	8,169,424	288,763	823,003	294,491	291,360	272,138
Restricted	121,278,118 *	20,415,122	21,970,943	23,930,077	21,381,490	21,194,534
Committed	5,847,490	3,317,275	3,228,348	3,399,608	2,875,776	2,877,225
Assigned	1,025,382	86,405	220,995	56,642	47,972	14,354
Unassigned	(8,180,337)	(271,836)	(677,255)	(706,698)	(486,548)	(455,164)
Total all other governmental funds	128,140,077	23,835,729	25,566,034	26,974,120	24,110,050	23,903,087
Total Government Funds						
Nonspendable	8,449,997	594,260	3,877,211	3,665,420	3,195,438	2,914,702
Restricted	121,278,118	20,415,122	21,970,943	23,930,077	21,381,490	21,194,534
Committed	5,847,490	3,317,275	3,228,348	3,399,608	2,875,776	2,877,225
Assigned	3,083,824	2,341,202	1,795,727	1,114,315	586,166	680,840
Unassigned	8,276,323	16,241,637	12,867,496	15,478,370	14,127,435	15,502,048
Total Fund Balances	\$ 146,935,752 *	\$ 42,909,496	\$ 43,739,725	\$ 47,587,790	\$ 42,166,305	\$ 43,169,349

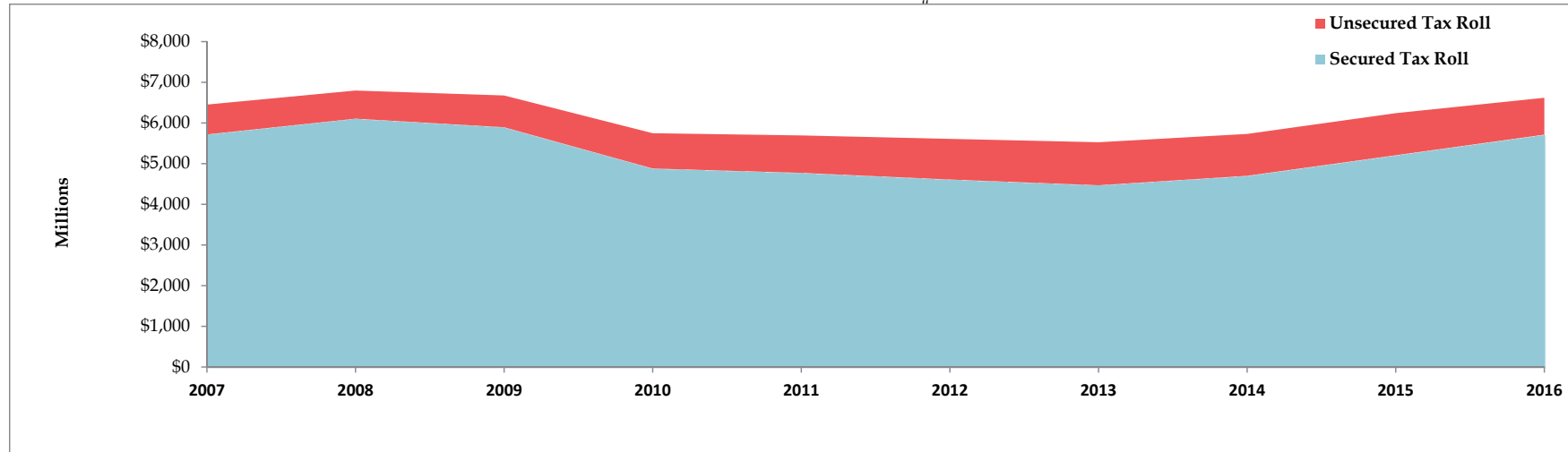
* See Note on Statistics Introduction Tab which explains the Jan 2012 RDA Dissolution by State of California
For additional Detail on Fund Classifications, see Note 9 of Notes to Basic Financial Statements

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

	Fiscal Year Ended June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Taxes	\$ 65,549	\$ 65,453	\$ 62,819	\$ 54,174	\$ 56,023	\$ 40,582	\$ 29,727	\$ 31,968	\$ 32,648	\$ 34,792
Licenses, permits and fees	8,620	2,091	599	1,145	2,120	2,794	3,633	1,888	1,635	2,566
Fines and forfeitures	249	880	670	185	175	187	168	187	172	325
Use of money and property	10,899	11,444	10,602	2,780	2,764	1,689	61	615	542	743
Intergovernmental revenues	21,277	25,119	23,692	21,089	23,118	27,584	17,627	16,060	14,135	15,455
Charges for services	5,584	4,810	5,705	4,879	6,205	4,071	7,333	7,400	9,984	10,126
Other	1,626	2,360	2,641	7,470	3,738	7,557	3,484	3,432	3,027	4,019
Total Revenues	113,804	112,157	106,728	91,722	94,143	84,464	62,033	61,550	62,143	68,026
Expenditures										
Current:										
General government	19,986	20,127	18,473	16,766	13,528	12,496	3,983	5,710	8,110	6,589
Public safety	16,572	18,141	18,819	19,334	19,253	19,536	20,842	20,842	23,149	24,797
Public works	10,998	8,889	8,295	8,394	11,947	6,609	5,849	7,371	8,469	7,107
Community development	24,232	37,243	33,465	23,809	38,541	29,535	27,909	22,388	22,286	22,393
Culture and recreation	1,893	1,855	1,741	733	476	595	1,741	477	807	1,013
Capital outlay	47,903	49,763	29,245	24,467	10,262	4,901	1,446	813	3,474	2,738
Debt service:	-	-	-	-	-	-	-	-	-	-
Principal repayment	4,960	7,550	9,311	8,269	9,667	11,485	375	450	589	2,016
Interest and fiscal charges	18,221	25,261	32,089	23,205	23,121	13,598	1,609	1,588	2,890	2,315
Total Expenditures	144,765	168,829	151,438	124,977	126,795	98,755	62,492	59,639	69,774	68,968
Excess (deficiency) of revenues over (under) expenditures	(30,961)	(56,672)	(44,710)	(33,255)	(32,652)	(14,291)	(459)	1,911	(7,631)	(942)
Other Financing Sources (Uses)										
Transfers in	75,014	94,537	87,911	111,605	68,170	45,327	7,235	5,084	6,547	6,814
Transfers (out)	(74,999)	(83,373)	(82,193)	(110,316)	(63,633)	(37,343)	(5,950)	(3,169)	(4,499)	(4,869)
Capital Contributions	(180)	(15)	-	-	-	-	-	-	-	-
Refunding tax allocation bonds	-	-	(79,665)	-	-	-	-	-	-	-
Payment to escrow Account	(44,218)	-	-	-	-	-	-	-	-	-
Tax allocation bonds issued	169,820	-	61,661	-	-	-	-	-	-	-
Bond Issuance Costs	(4,171)	(13)	-	-	-	-	-	-	-	-
Sale of capital assets	4,109	2,315	2,680	1,127	(18,553)	2,211	4	22	4	0
Total other financing sources (uses)	125,375	13,451	(9,606)	2,416	(14,016)	10,195	1,289	1,937	2,052	1,945
Net Change in fund balances before	\$ 94,414	\$ (43,221)	\$ (54,316)	\$ (30,839)	\$ (46,668)	\$ (4,096)	\$ 830	\$ 3,848	\$ (5,579)	\$ 1,003
<i>Extraordinary Items (Note 4)</i>										
Assets Transferred to Housing Successor						\$ (2,002)				
Liabilities Assumed by Successor Agency						(97,928)				
NET Change in Fund Balances						\$ (104,026)				
Debt service as a percentage of noncapital expenditures	23.6%	26.6%	29.2%	32.7%	31.9%	25.9%	3.3%	3.5%	5.2%	6.5%

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

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



Fiscal Year	Secured Tax Roll			Unsecured Tax Roll	GROSS Tax Roll	LESS: Exemptions		NET Assessed Valuation (a)	Total Direct Tax Rate (b)
	Land	Improvements	Personal Property			HOPTR (1)	Others		
2007	\$ 1,755,807,325	\$ 3,935,984,909	\$ 25,561,424	\$ 735,525,554	\$ 6,452,879,212	\$ 67,070,432	\$ 111,498,185	\$ 6,274,310,595	0.73326
2008	2,079,929,185	3,998,818,379	27,034,992	692,059,619	6,797,842,175	66,662,966	129,436,694	6,601,742,515	0.74171
2009	1,886,619,969	3,977,346,545	29,871,943	782,213,672	6,676,052,129	66,141,210	138,181,611	6,471,729,308	0.74057
2010	1,355,858,246	3,488,509,274	35,030,993	868,770,588	5,748,169,101	65,495,515	148,448,271	5,534,225,315	0.73534
2011	1,271,652,002	3,468,075,002	32,556,725	921,168,099	5,693,451,828	64,704,851	174,568,314	5,454,178,663	0.73265
2012	1,199,342,285	3,380,327,868	29,398,082	1,000,793,072	5,609,861,307	62,930,462	163,259,839	5,383,671,006	0.73307
2013	1,154,280,061	3,284,318,842	29,454,784	1,058,290,739	5,526,344,426	61,050,228	167,858,949	5,297,435,249	0.72809
2014	1,244,373,590	3,426,800,074	29,431,527	1,030,705,786	5,731,310,977	58,985,158	184,163,403	5,488,162,416	0.17411
2015	1,431,988,767	3,744,776,351	29,751,906	1,033,971,545	6,240,488,569	57,725,918	187,268,875	5,995,493,776	0.14854 ²
2016	1,596,856,457	4,088,152,986	28,100,163	905,755,131	6,618,864,737	57,212,685	195,920,004	6,365,732,048	0.15020

(1) Homeowners' Property Tax Relief

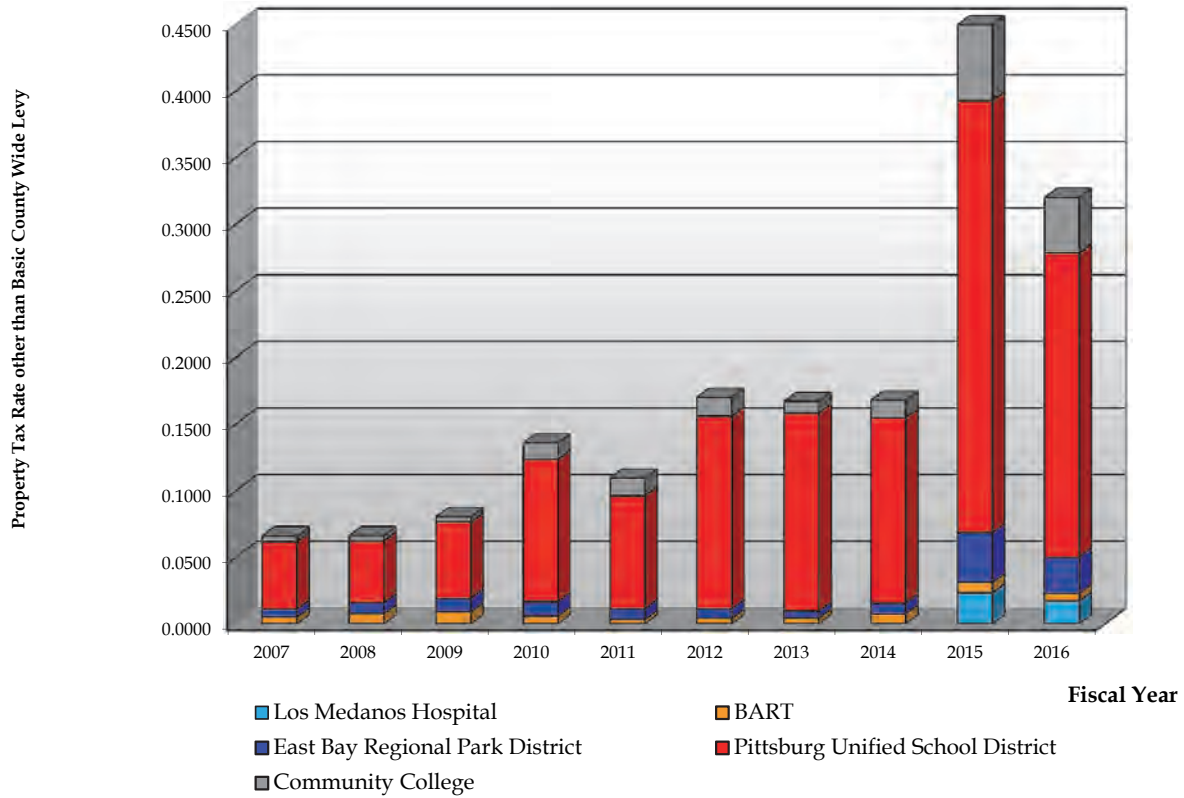
(2) Direct Tax Rate for FY 14-15 has been updated to reflect the AB8 adjustment for the first time on 2014-15 tax roll after CAFR was issued.

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

(b) California cities do not set their own direct tax rate. The state constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area. Beginning in 2013/14 the total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

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

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



Fiscal Year	Basic County Wide Levy	Pittsburg Direct Rate*	Los Medanos Hospital	Bay Area Rapid Transit	East Bay Regional Park District	Pittsburg Unified School District	Community College	Total
2007	1.0000	0.73326	0.0000	0.0050	0.0057	0.0508	0.0043	1.7941
2008	1.0000	0.74171	0.0000	0.0076	0.0080	0.0465	0.0038	1.8000
2009	1.0000	0.74057	0.0000	0.0090	0.0100	0.0571	0.0040	1.8117
2010	1.0000	0.73534	0.0000	0.0057	0.0108	0.1066	0.0126	1.8653
2011	1.0000	0.73265	0.0000	0.0031	0.0080	0.0848	0.0133	1.8388
2012	1.0000	0.73307	0.0000	0.0041	0.0071	0.1443	0.0144	1.8989
2013	1.0000	0.72809	0.0000	0.0043	0.0051	0.1487	0.0087	1.8906
2014	1.0000	0.17411	0.0000	0.0075	0.0078	0.1391	0.0133	1.3343
2015	1.0000	0.14854	0.0231	0.0079	0.0373	0.3241	0.0572	1.5902
2016	1.0000	0.15020	0.0170	0.0058	0.0273	0.2280	0.0419	1.4644

* Pittsburg Direct Rate = the weighted average of City's Share of 1% levy & Redevelopment Rate

1. Direct Tax Rate for FY 14-15 has been updated to reflect the AB8 adjustment for the first time on 2014-15 tax roll after CAFR was issued.

Source: Contra Costa County Assessors Office & Hdl Coren & Cone

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

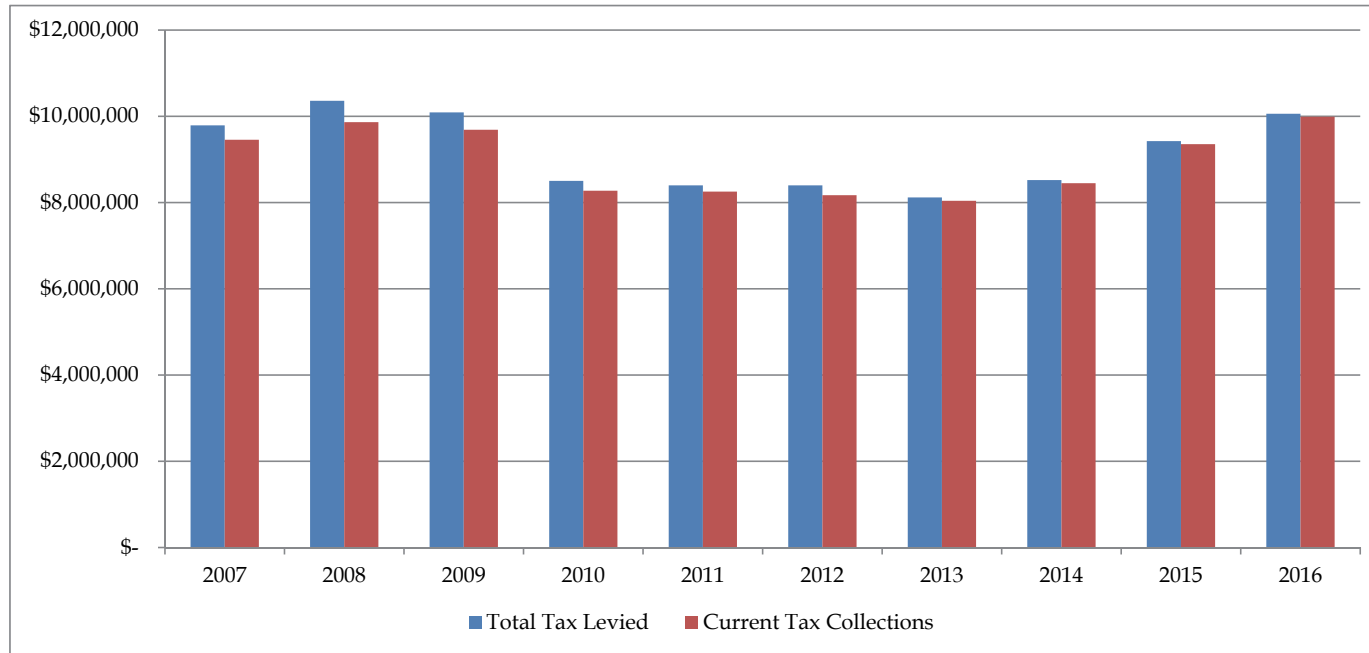
Taxpayer	2015-16			2006-07		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Dow Agrosiences LLC	\$ 362,637,418	1	5.65%	\$ 216,300,643	4	3.41%
Delta Energy Center	292,000,000	2	4.55%	438,200,000	1	6.91%
USS - Posco Industries	259,822,917	3	4.05%	391,314,731	3	6.17%
Calpine Corporation	243,000,000	4	3.78%	436,500,000	2	6.88%
K2 Pure Solution	134,892,022	5	2.10%			
Sierra Pacific Properties	107,388,938	6	1.67%	92,181,597	5	1.45%
KW Kirker Creek LLC	98,391,575	7	1.53%	74,571,408	6	1.18%
Century Plaza Corporation	67,309,948	8	1.05%	48,356,688	8	0.76%
United Spiral Pipe LLC	58,157,413	9	0.91%			
San Marco Properties LLC	57,614,707	10	0.90%			
GWF Power System Limited Partner				52,714,614	7	0.83%
Seecon Financial				40,336,401	9	0.64%
Fund VIII PR Pittsburg LLC				28,116,234	10	0.44%
Subtotal	\$ 1,681,214,938		26.18%	\$ 1,818,592,316		28.68%

Total Net Assessed Valuation:

Fiscal Year 2016-17	\$6,422,944,733
Fiscal Year 2006-2007	\$6,341,410,465

Source: Hdl Coren & Cone

CITY OF PITTSBURG
Property Tax Levies and Collections June 30
Last Ten Fiscal Years

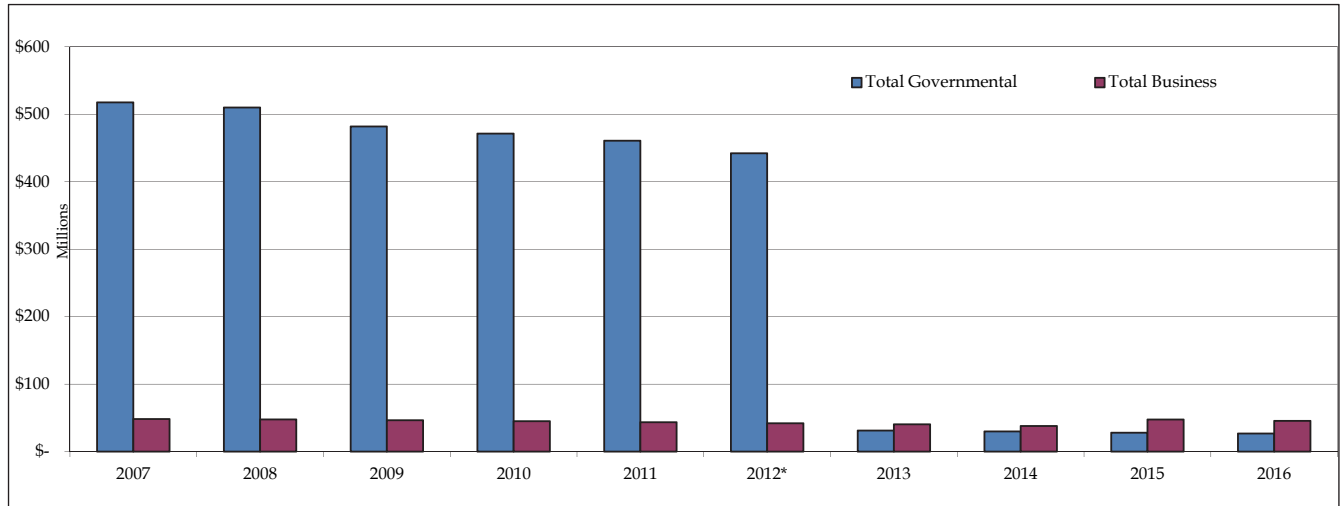


Fiscal Year	Total Tax Levied	Current Tax Collections	Percent of Levy County Collected¹	Delinquent Tax Collections¹	Total Tax Collections	Percent of Total Tax Collections To Tax Levy
2007	\$ 9,789,806	\$ 9,457,090	96.60%	-	\$ 9,457,090	96.60%
2008	10,360,164	9,863,684	95.21%	-	9,863,684	95.21%
2009	10,091,171	9,688,030	96.01%	-	9,688,030	96.01%
2010	8,502,712	8,275,123	97.32%	-	8,275,123	97.32%
2011	8,398,671	8,254,436	98.28%	-	8,254,436	98.28%
2012	8,399,298	8,171,100	97.28%	-	8,171,100	97.28%
2013	8,119,308	8,040,574	99.03%	-	8,040,574	99.03%
2014	8,520,700	8,448,650	99.15%	-	8,448,650	99.15%
2015	9,425,580	9,353,572	99.24%	-	9,353,572	99.24%
2016	10,060,215	9,991,126	99.31%	-	9,991,126	99.31%

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

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

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



Fiscal Year	Governmental Activities			
	Tax Allocation Bonds	Pass Through Obligations	Special Assessment Debt	Special Assessment Debt
2007	\$ 472,741,357	\$ 7,232,732	\$ 37,595,000	\$ 517,569,089
2008	465,191,354	8,186,499	36,655,000	510,032,853
2009	438,152,213	8,050,000	35,675,000	481,877,213
2010	430,167,213	6,488,051	34,650,000	471,305,264
2011	420,857,213	6,342,224	33,580,000	460,779,437
2012*	409,672,213	-	32,490,000	442,162,213
2013	-	-	31,175,000	31,175,000
2014	-	-	29,815,000	29,815,000
2015	-	-	27,975,000	27,975,000
2016	-	-	26,805,000	26,805,000

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)
	Water Revenue Bonds	Sewer Revenue Bonds	I-Bank Loan	Total			
2007	\$ 38,025,000	\$ 10,285,000	\$ -	\$ 48,310,000	\$ 565,879,089	0.00%	8,982
2008	37,945,000	9,740,000	-	47,685,000	557,717,853	0.00%	8,762
2009	37,260,000	9,185,000	-	46,445,000	528,322,213	0.00%	8,178
2010	36,425,000	8,615,000	-	45,040,000	516,345,264	0.00%	7,948
2011	35,515,000	8,025,000	-	43,540,000	504,319,437	0.00%	8,021
2012	34,580,000	7,420,000	-	42,000,000	484,162,213	0.00%	7,488
2013	33,620,000	6,800,000	-	40,420,000	71,595,000	0.00%	1,090
2014	32,610,000	5,342,000	-	37,952,000	67,767,000	0.00%	1,016
2015	31,575,000	4,601,000	11,387,398	47,563,398	75,538,398	0.00%	1,109
2016	30,485,000	3,864,000	11,167,171	45,516,171	72,321,171	0.00%	1,042

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

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

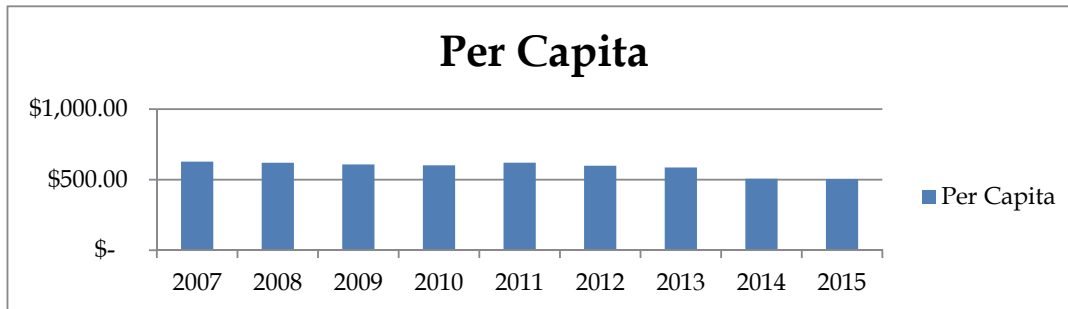
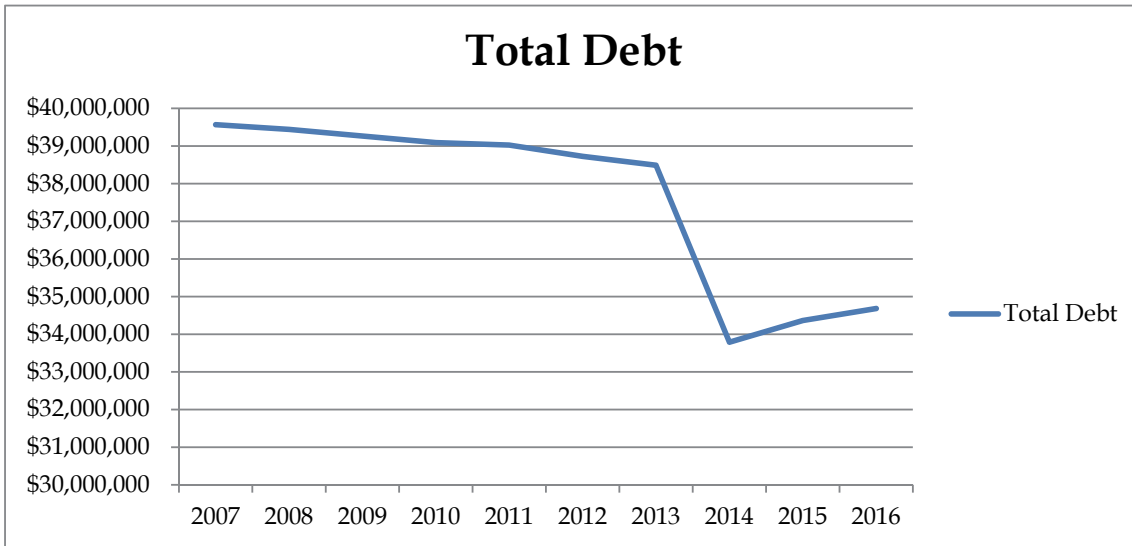
Sewer Revenue Bond was fully defeased as of June 30, 2014. It has been replaced with a private placement debt.

Please refer to Note 7 for further information.

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

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

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



General Government Debt Outstanding

Fiscal Year	General Government Debt Outstanding				Percentage of	
	POB Bonds	Capital Lease	CEC Energy	Total Debt	Total Gross Revenue	Per Capita
2007	\$ 39,566,056	\$ -	\$ -	\$ 39,566,056	34.77%	\$ 627.99
2008	39,441,056	-	-	39,441,056	35.17%	619.64
2009	39,266,056	-	-	39,266,056	36.79%	607.83
2010	39,091,056	-	-	39,091,056	42.62%	601.71
2011	39,026,056	-	-	39,026,056	41.45%	620.67
2012	38,726,056	-	-	38,726,056	45.85%	598.92
2013	38,351,056	139,171	-	38,490,227	62.05%	586.17
2014	33,157,051	105,815	526,313	33,789,179	54.90%	506.62
2015	33,826,975	71,520	467,166	34,365,661	55.30%	504.34
2016	34,036,850	240,114	406,268	34,683,232	50.99%	499.59

Pension Obligation Bonds (POB) issued June 2006.

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

CITY OF PITTSBURG
Computation of Direct and Overlapping Debt
June 30, 2016

2015-16 Assessed Valuation (2)

\$2,238,252,364

<u>Direct Debt</u>	Total Debt Outstanding 6/30/2016	Percentage Applicable To City of Pittsburg (1)	Amount Applicable To City of Pittsburg
2006 Pension Obligation Bonds	\$ 34,036,850	100.000%	\$ 34,036,850
Capital Lease - Street Sweeper / VOIP	240,114	100.000%	240,114
Loan - CEC Energy	406,268	100.000%	406,268
SUB-TOTAL Direct Debt			<u>34,683,232</u>
<u>Overlapping Debt</u>			
Contra Costa County Pension Debt	212,765,000	3.723%	7,921,915
CCC PFA 1998A Lease Revenue Bonds	12,670,000	3.723%	471,744
CCC PFS 1999A Lease Revenue Bonds	9,660,000	3.723%	359,672
CCC PFS 2002A Lease Revenue Bonds	6,800,000	3.723%	253,186
CCC PFS 2002B Lease Revenue Bonds	4,125,000	3.723%	153,587
CCC PFS 2003A Lease Revenue Bonds	5,860,000	3.723%	218,186
CCC PFS 2007A Lease Revenue Bonds	121,185,000	3.723%	4,512,101
CCC PFS 2007B Lease Revenue Bonds	17,730,000	3.723%	660,144
CCC PFS 2009A Lease Revenue Bonds	15,379,790	3.723%	572,638
CCC PFS 2010A-1 Lease Revenue Bonds	4,080,000	3.723%	151,911
CCC PFS 2010A-2 Lease Revenue Bonds	13,130,000	3.723%	488,871
CCC PFS 2010A-3 Lease Revenue Bonds	20,700,000	3.723%	770,727
CCC PFS 2010B Lease Revenue Bonds	12,320,000	3.723%	458,713
CCC PFS 2012 Lease Revenue Bonds	10,687,930	3.723%	397,945
CCC PFS 2015A Lease Revenue Bonds	18,500,000	3.723%	688,814
CCC PFS 2015B Lease Revenue Bonds	47,610,000	3.723%	1,772,671
Contra Costa Fire	84,695,000	8.100%	6,859,991
BART	172,046,226	3.723%	6,405,826
East Bay Regional Park Bond	65,804,219	3.723%	2,450,099
Antioch USD SFID 1	38,465,468	3.450%	1,326,957
Antioch USD SFID 1 2012	54,300,000	3.450%	1,873,206
Mt. Diablo 2002 Bond	325,125,000	3.484%	11,328,387
Mt. Diablo 2010 Bond	290,742,785	3.484%	10,130,401
Pittsburg Unified 1995	20,855,000	97.598%	20,354,154
Pittsburg Unified 2004	55,985,000	97.598%	54,640,485
Pittsburg Unified 2006	102,450,000	97.598%	99,989,599
Pittsburg Unified 2010	70,743,211	97.598%	69,044,268
Pittsburg Unified 2014	30,000,000	97.598%	29,279,531
Contra Costa Community College 2002 Bond	180,970,000	3.738%	6,763,859
Contra Costa Community College 2006 Bond	296,270,000	3.738%	11,073,264
Contra Costa Community College 2014 Bond	101,535,000	3.738%	3,794,930
Sub-Total Overlapping Debt			<u>355,167,782</u>
Total Direct and Overlapping Debt			<u>\$ 389,851,014</u>

DEBT TO ASSESSED VALUATION RATIOS

Direct Debt	1.55%
Overlapping Debt	15.87%
Total Debt	17.42%

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

(2) Net of \$4,184,692,369 Redevelopment Incremental Valuation

Source: HDL Coren & Cone, Contra Costa County Assessor and Auditor combined 2015/16 Lien Date Tax Rolls

CITY OF PITTSBURG
Computation of Legal Bonded Debt Margin
June 30, 2016

ASSESSED VALUATION:

All property assessed value, net of exempt real property	<u>\$ 2,238,252,364</u> (1)
---	-----------------------------

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$ 83,934,464</u>
---	----------------------

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	<u>-</u>
Amount of debt subject to limit	<u>-</u>

LEGAL BONDED DEBT MARGIN	<u>\$ 83,934,464</u>
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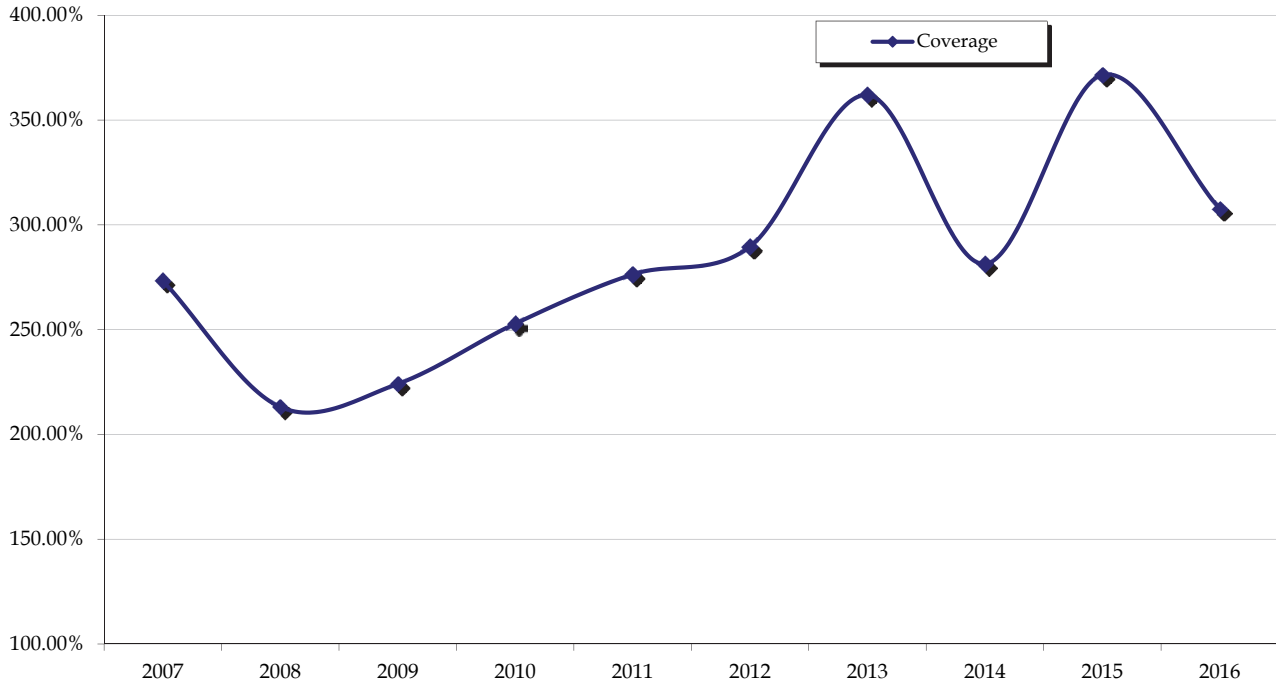
Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2007	\$ 78,807,669	\$ -	\$ 78,807,669	0.00%
2008	80,491,813	-	80,491,813	0.00%
2009	79,517,400	-	79,517,400	0.00%
2010	69,553,156	-	69,553,156	0.00%
2011	68,710,034	-	68,710,034	0.00%
2012	67,444,590	-	67,444,590	0.00%
2013	66,188,501	-	66,188,501	0.00%
2014	72,867,133	-	72,867,133	0.00%
2015	80,190,642	-	80,190,642	0.00%
2016	83,934,464	-	83,934,464	0.00%

NOTE:

(1) Net of \$4,184,692,369 Redevelopment Incremental Valuation

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

CITY OF PITTSBURG
Revenue Bond Coverage
Wastewater Revenue Bonds

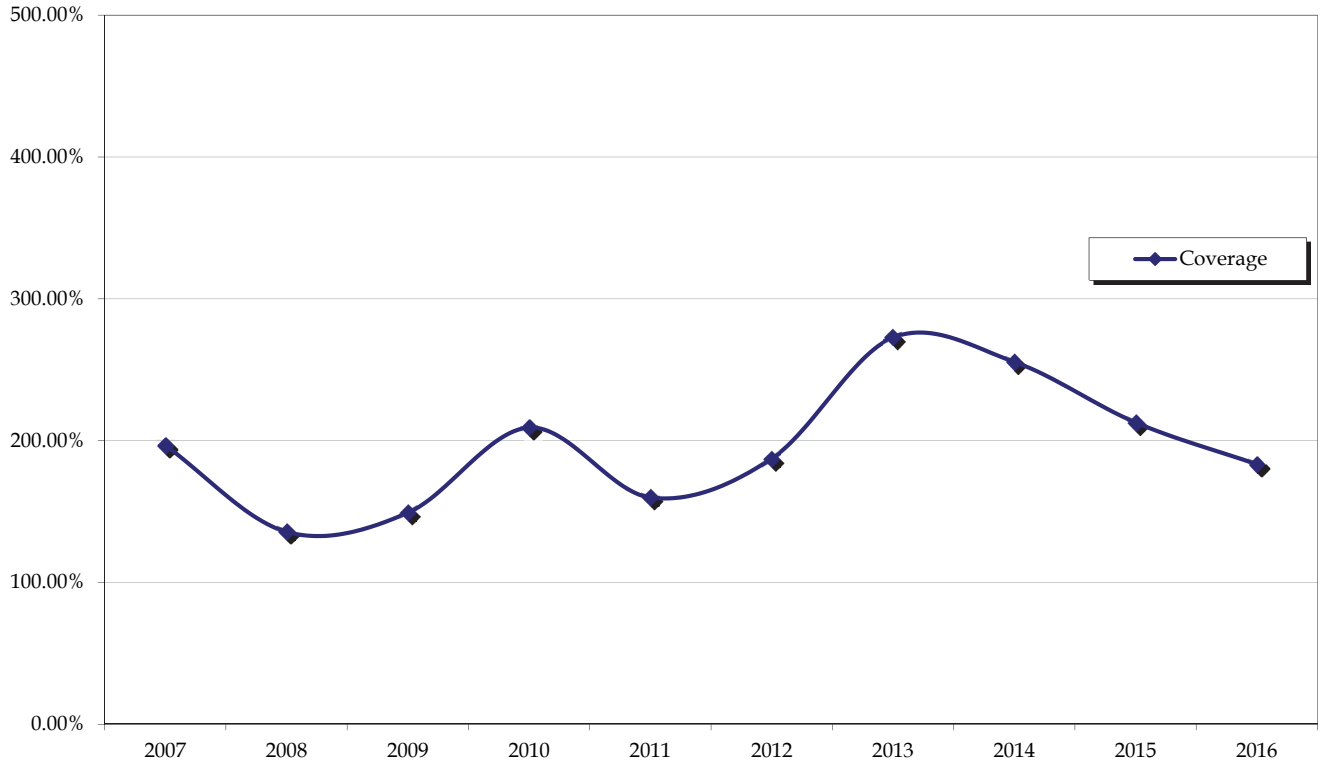


Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	\$ 4,104,374	\$ 1,557,192	\$ 2,547,182	\$ 530,000	\$ 401,640	\$ 931,640	2.73
2008	3,534,174	1,571,582	1,962,592	545,000	376,049	921,049	2.13
2009	3,951,296	1,887,607	2,063,689	555,000	365,802	920,802	2.24
2010	4,431,558	2,032,469	2,399,089	570,000	378,784	948,784	2.53
2011	4,407,092	1,846,762	2,560,330	590,000	336,436	926,436	2.76
2012	4,651,016	1,971,734	2,679,282	605,000	320,198	925,198	2.90
2013	5,111,678	1,799,354	3,312,324	620,000	295,207	915,207	3.62
2014	4,917,728	1,992,182	2,925,546	640,000	399,786	1,039,786	2.81
2015	5,022,745	1,965,165	3,057,580	741,000	81,986	822,986	3.72
2016	5,024,185	2,547,410	2,476,775	737,000	68,464	805,464	3.07

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

Source: City of Pittsburgh Annual Financial Statements as analyzed by Finance Division Revenue Manager

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

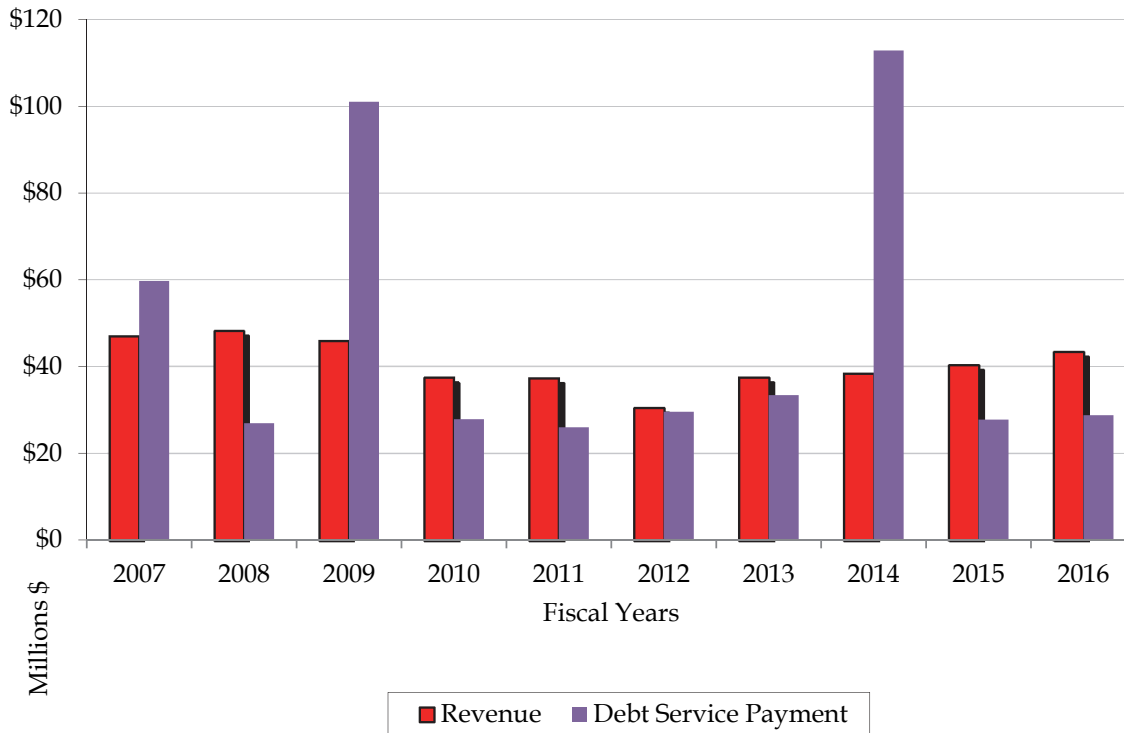


Fiscal Year	Gross Revenue	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2007	\$ 15,675,745	\$ 11,075,094	\$ 4,600,651	\$ 720,000	\$ 1,618,683	\$ 2,338,683	1.97
2008	15,416,932	11,777,521	3,639,411	450,000	2,231,718	2,681,718	1.36
2009	15,261,927	11,776,223	3,485,704	450,000	1,887,100	2,337,100	1.49
2010	16,489,040	11,380,669	5,108,371	685,000	1,756,422	2,441,422	2.09
2011	16,622,010	11,087,014	5,534,996	835,000	2,626,509	3,461,509	1.60
2012	17,149,663	12,120,679	5,028,984	910,000	1,773,709	2,683,709	1.87
2013	19,205,915	12,279,325	6,926,590	960,000	1,580,278	2,540,278	2.73
2014	18,991,247	12,777,146	6,214,101	1,010,000	1,421,992	2,431,992	2.56
2015	18,272,979	12,379,283	5,893,696	1,035,000	1,734,374	2,769,374	2.13
2016	18,592,332	13,088,660	5,503,672	1,310,226	1,691,311	3,001,537	1.83

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

Source: City of Pittsburgh Annual Financial Statements as Analyzed by the Finance Division Revenue Manager

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



Fiscal Year	Tax	Debt Service Requirements			Coverage
	Increment Revenue	Principal	Interest ³	Total	
2007	\$ 47,087,969	\$ 44,845,000 ¹	\$ 14,888,380	\$ 59,733,381	0.79
2008	48,211,302	7,550,000	19,390,241	26,940,241	1.79
2009	45,913,508	84,335,000 ²	16,727,258	101,062,260	0.45
2010	37,493,101	7,985,000	19,873,150	27,858,150	1.35
2011	37,342,837	9,310,000	16,683,580	25,993,580	1.44
2012	30,497,707	11,185,000	18,391,950	29,576,950	1.03
2013	37,580,423	15,595,000	17,812,924	33,407,924	1.12
2014	38,486,428	93,635,000 ⁴	19,250,447	112,885,447	0.34
2015	40,387,530	13,355,000 ³	14,415,839	27,770,839	1.45
2016	43,371,250	16,655,000	12,113,046	28,768,046	1.51

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

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

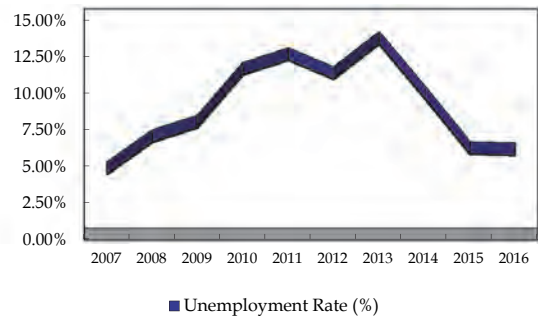
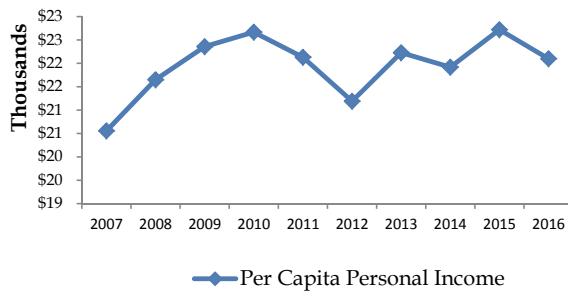
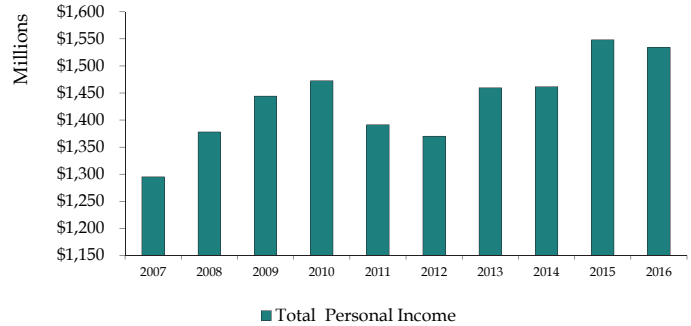
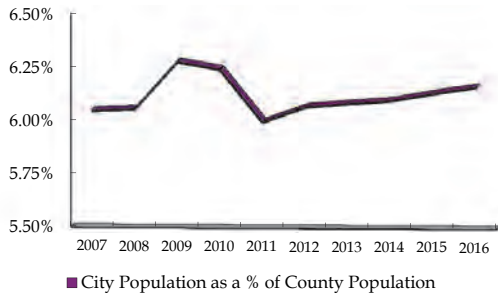
³ The interest amount excludes the Letter of Credit fees and costs associated with 2016 bond refunding

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

The 2016 Refunding Bond was excluded for trending purpose

Source: City of Pittsburgh Annual Financial Statements

CITY OF PITTSBURG Demographic and Economic Statistics Last Ten Fiscal Years



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment* Rate (%)	Contra Costa County Population	Pittsburg Population % of County
2007	63,004	\$ 1,295,140,000	\$ 20,556	4.5%	1,042,341	6.04%
2008	63,652	1,378,043,000	21,650	6.7%	1,051,674	6.05%
2009	64,600	1,444,296,000	22,358	7.7%	1,029,703	6.27%
2010	64,967	1,472,579,000	22,667	11.3%	1,041,274	6.24%
2011	62,877	1,391,528,000	22,131	12.3%	1,049,025	5.99%
2012	64,660	1,370,214,000	21,191	11.0%	1,066,096	6.07%
2013	65,664	1,459,608,000	22,228	13.4%	1,079,597	6.08%
2014	66,695	1,461,822,000	21,918	9.7%	1,094,000	6.10%
2015	68,140	1,548,229,000	22,721	5.9%	1,111,339	6.13%
2016	69,424	1,534,225,000	22,099	5.8%	1,126,745	6.16%

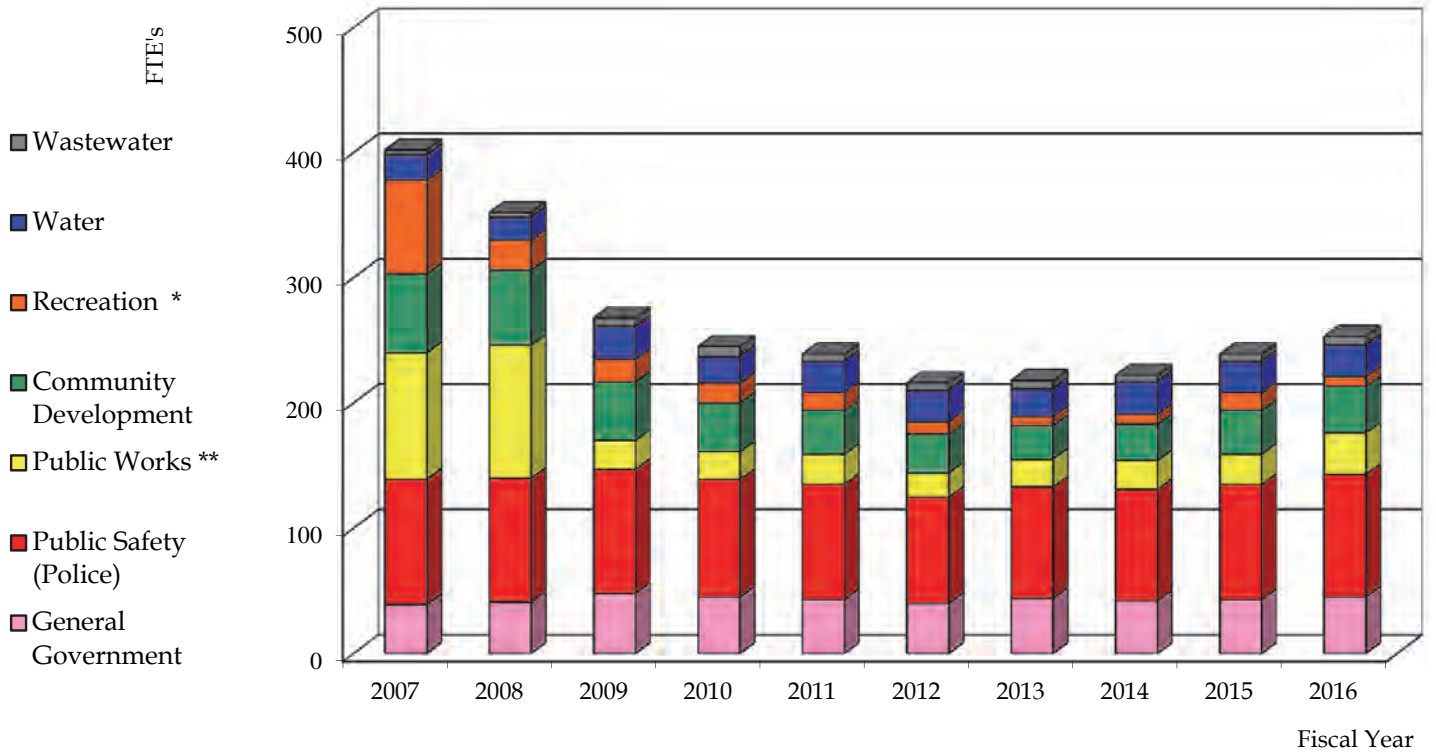
Source: Quickfacts.census.gov
 * from homefacts.com
 ** from HDL Coren Report

CITY OF PITTSBURG
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2015-16</u>			<u>2006-07</u>	
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Number of Employees</u>	<u>Rank</u>
Pittsburg Unified School District	1,274	1	3.4%	1,400	1
Los Medanos Community College	719	2	1.9%	640	3
USS - Posco Industries	634	3	1.7%	1,000	2
Dow Chemical Company	370	4	1.0%	380	4
City of Pittsburg	255	5	0.7%		
Walmart	250	6	0.7%	220	5
Ramar Foods	187	7	0.5%		
Angelica Corporation (Laundry)	180	8	0.5%		
Target	163	9	0.4%	170	8
WinCo Foods	145	10	0.4%		
Mi Pueblo Foods					
Home Depot				180	7
Safeway				150	10
Redwood Painting					
Bio Zone				200	6
Loctite Aerospace				160	9
Subtotal	<u>4,177</u>		<u>11.3%</u>	<u>4,500</u>	
Employees in the City of Pittsburg	<u>37,098</u>				

Source: Telephone Survey by Finance Staff
2006-07 data from CAFR (Chamber of Commerce)

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



Function	Actual for Fiscal Year Ended June 30, 2015									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government	39	41	48	45	43	40	44	42	42	45
Public Safety (Police)	100	99	99	94	92	85	89	89	95	98
Public Works **	101	106	23	22	24	19	22	23	31	33
Community Development	63	60	47	39	35	31	27	29	33	37
Recreation *	75	24	18	16	14	10	7	8	8	8
Water	20	18	26	21	25	25	22	26	25	25
Wastewater	4	4	7	8	6	6	7	5	5	7
Total	402	352	268	245	239	216	218	222	239	253

* Prior Years (2006-2007) Included Summer Staff

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

Source: City of Pittsburgh

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

Function/Program	Fiscal Year			
	2007	2008	2009	2010
Public safety:				
Police:				
Police calls for Service	71,643	70,707	74,487	69,078
Law violations:				
Part I and Part II crimes	8,923	8,117	8,545	7,568
Physical arrests (adult and juvenile)	4,042	3,955	4,406	3,512
Traffic violations (VC14601 & VC12500)	901	1,163 ⁽¹⁾	1,613	1,502
 (1) Do not include Dec 2006 DOJ Monthly Report Traffic Violations reported to 12/18/06				
 (Fire Protection is Contra Costa County)				
Public works				
Street Re-surfacing (Miles)				
Streets Repaired (square feet)	76,240	133,103	86,553	71,809
Leisure Services:				
Community Services:				
Swim Participants	9,135	9,134	*	*
Softball Participants	429	465	*	*
Small World Park Gate Attendance	18,660	17,376	*	15,833
Senior Center Nutrition/Exercise Class Participants	18,777	15,735	*	16,777
Water				
Number of Meters Served	16,731	16,579	16,718	17,097
Water Main Breaks	102	76	65	74
Average Daily Consumption (millions of gallons)	10.3	10.4	8.9	8.5
Wastewater				
Miles of Sewer Line (Excluding line operated by Delta Diablo District 7-A)	159	159	159	171
Average daily treatment (thousands of gallons)	34	34	34	34
Solid Waste				
Refuse Landfilled (tons per year)	68,000	85,700	77,817	49,978
Recyclables Processed (tons per year)	42,000	43,425	25,750	33,948

*Leisure Services Data not Available due to City Reorganization and Early Retirement.
to reflect number of Participants.

** FY 2013 & FY 2014 Number corrected. Prior CAFR reported number of classes, updated

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

Fiscal Year

2011	2012	2013	2014	2015	2016
70,623	67,779	64,573	73,915	77,947	72,918
8,084	8,044	7,412	7,477	8,168	705
4,708	4,558	3,401	3,227	3,204	7,550
1,986	1,950	1,007	935	735	3,173
84,420	84,001	14.26 82,314	13.41 24,404	1.55 46,905	0.80 52,503
*	264	1,980	2,320	3,100	5,500
*	2,300	580	850	731	590
*	19,783	24,732	25,780	28,420	27,666
18,186	13,786	14,980 **	19,339 **	22,423 **	20,014
17,254	17,444	17,664	17,880	18,094	18,359
45	60	50	59	71	80
7.9	8.5	9.1	8.2	7.8	7.3
172	172	175	177	171	176
34	34	34	34	195	
45,106	46,892	52,722	53,753	51,564	63,500
35,868	37,784	42,213	44,213	39,313	48,500

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

Function/Program	Fiscal Year				
	2007	2008	2009	2010	2011
Public safety:					
Police stations	1	1	1	1	1
Police patrol units (Includes Unmarked)	52	52	52	52	52
Public works					
Miles of streets (Center Line)	154.80	156.80	156.80	157.00	157.00
Street lights (Total)	3,975	4,008	4,107	4,194	4,278
Traffic Signals	59	60	60	61	61
Culture and recreation:					
Community services:					
City Parks	21	21	21	21	21
City parks acreage	145	145	145	145	145
Roadway landscaping acreage	13	15	17	19	19
Regional park acreage	56	56	56	56	56
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	3	3
Water					
Storage capacity (millions of gallons)	16.9	16.9	16.3	19.3	19.3
Miles of Water Mains		219	221	222	222
Wastewater					
Miles of Storm Drains	87	89	91	92	93

Note: n/a denotes information is not available.

*FY 2012 # OF City Parks Corrected. 2-School Soccer Fields not included in City parks number.

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

Fiscal Year

2012	2013	2014	2015	2016
1	1	1	1	1
52	55	63	64	67
165.35	165.35	165.35	163.79	164.63
2,041	2,122	4,331	4,358	4,287
61	60	61	61	63
23 *	23	23	24	24
145	145	145	147	147
19	19	20	22	22
56	56	56	56	56
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
1	1	1	1	1
3	3	3	3	3
19.3	19.3	19.3	19.3	19.3
224	225	227	229	224
94	95	95	101	101



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