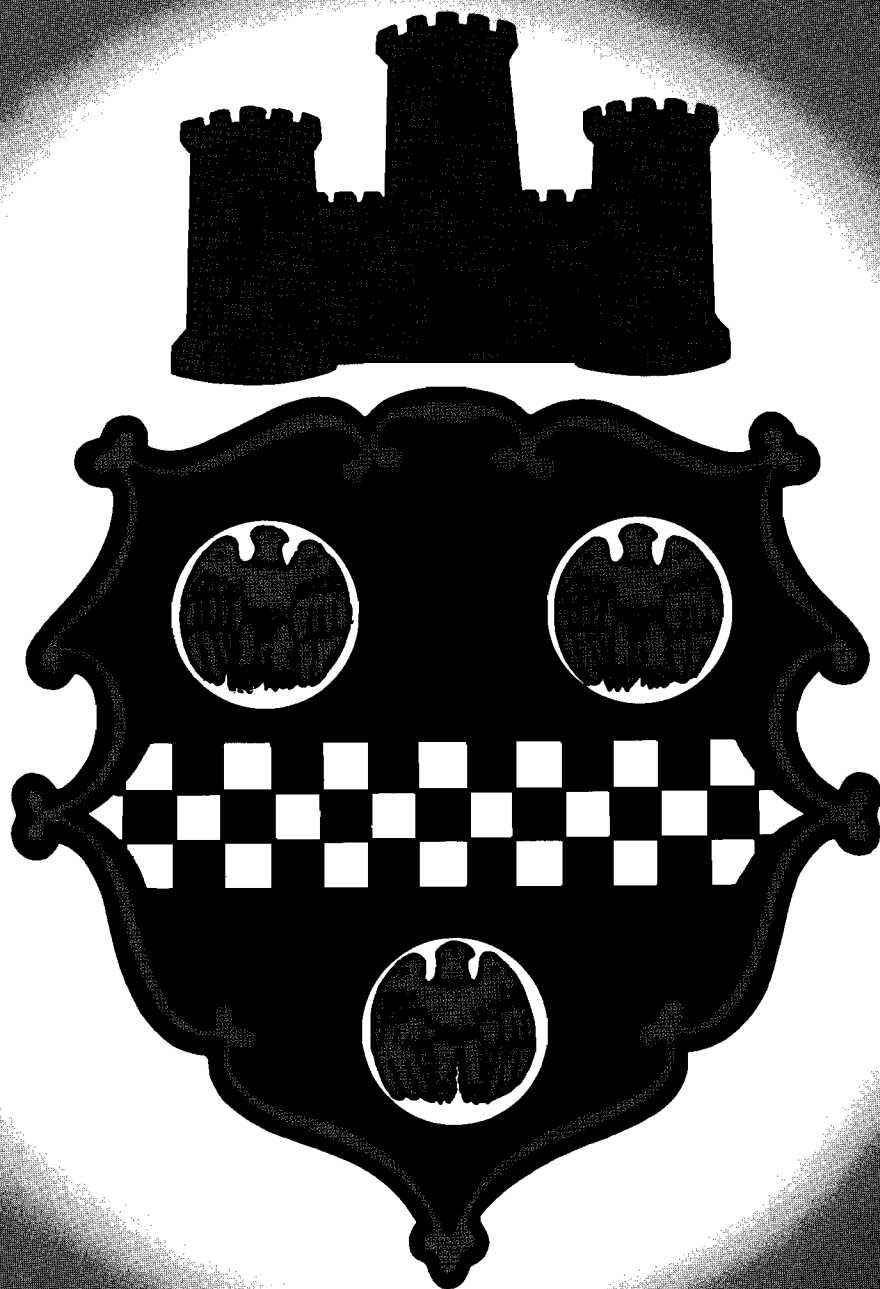


CITY OF PITTSBURGH PENNSYLVANIA

Comprehensive Annual Financial Report

December 31, 1986



TOM FLAHERTY
City Controller



CITY OF PITTSBURGH, PENNSYLVANIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

DECEMBER 31, 1986



CITY OF PITTSBURGH, PENNSYLVANIA
Comprehensive Annual Financial Report
Year Ended December 31, 1986

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Letter of Transmittal	v
City Officials	xiii
Table of Organization	xiv
FINANCIAL SECTION:	
Audit Report	1
General Purpose Financial Statements (Combined Statements):	
Combined Balance Sheet - All Fund Types and Account Groups	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds	5
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General and Special Revenue Fund Types	6
Combined Statement of Revenues, Expenses and Changes in Accumulated Deficit/Fund Balances - Proprietary Fund Type and Pension Trust Funds	7
Combined Statement of Changes in Contributed Capital - Proprietary Fund Type	8
Combined Statement of Changes in Financial Position - Proprietary Fund Type and Pension Trust Funds	9
Notes to Financial Statements	10
Financial Statements of Individual Funds:	
General Fund:	
Balance Sheet	57
Statement of Revenues, Expenditures and Changes in Fund Balance	58
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Data on the Budgetary Basis	60
Statement of Expenditures Compared with Budget (Budgetary Basis)	61
Special Revenue Funds:	
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67
Federal Revenue Sharing Funds:	
Balance Sheet	68
Statement of Revenues, Expenditures and Changes in Fund Balance	69
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Data on the Budgetary Basis	70

CITY OF PITTSBURGH, PENNSYLVANIA

TABLE OF CONTENTS, continued

	<u>Page</u>
Equipment Leasing Authority:	
Balance Sheet	72
Statement of Revenues, Expenditures and Changes in Fund Balance	73
Liquid Fuel Tax Fund:	
Balance Sheet	74
Statement of Revenues, Expenditures and Changes in Fund Balance	75
CETA/JTPA Funds:	
Balance Sheet	76
Statement of Revenues, Expenditures and Changes in Fund Balance	77
Law Enforcement Funds:	
Balance Sheet	78
Statement of Revenues, Expenditures and Changes in Fund Balance	79
Housing Funds:	
Balance Sheet	80
Statement of Revenues, Expenditures and Changes in Fund Balance	81
Civic and Cultural Enrichment Funds:	
Balance Sheet	82
Statement of Revenues, Expenditures and Changes in Fund Balance	83
Non-Resident Charges Fund:	
Balance Sheet	84
Statement of Revenues, Expenditures and Changes in Fund Balance	85
Debt Service Funds:	
Combining Balance Sheet	88
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	89
Capital Projects Funds:	
Combining Balance Sheet	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	93
Special Assessment Funds:	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	97

CITY OF PITTSBURGH, PENNSYLVANIA

TABLE OF CONTENTS, continued

	<u>Page</u>
Enterprise Funds:	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenses and Changes in Accumulated Deficit	102
Combining Statement of Changes in Contributed Capital	103
Combining Statement of Changes in Financial Position	104
Trust and Agency Funds:	
Combining Balance Sheet	106
Pension Trust Funds:	
Combining Statement of Revenues, Expenses and Changes in Fund Balances	107
Combining Statement of Changes in Financial Position	108
Expendable Trust Funds:	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	109
Gifts and Donations Trust Fund:	
Balance Sheet	110
Statement of Revenues, Expenditures and Changes in Fund Balance	111
Workers' Compensation Trust Fund:	
Balance Sheet	112
Statement of Revenues, Expenditures and Changes in Fund Balance	113
Parks Endowments Trust Fund:	
Balance Sheet	114
Statement of Revenues, Expenditures and Changes in Fund Balance	115
Agency Funds:	
Combining Balance Sheet	116
Combining Statement of Changes in Assets and Liabilities	117
General Long-Term Debt Account Group:	
Statement of General Long-Term Debt	123

CITY OF PITTSBURGH, PENNSYLVANIA

TABLE OF CONTENTS, continued

	<u>Page</u>
STATISTICAL SECTION:	
Principal Real Estate Taxpayers	125
General Fund Revenues and Other Financing Sources by Source - Last Ten Fiscal Years	126
General Fund Expenditures and Operating Transfers by Function - Last Ten Fiscal Years	127
Assessed Value, Tax Rates, Levy and Collections - Last Ten Fiscal Years	128
Property Tax Rates - All Overlapping Governments - Last Ten Fiscal Years	129
Special Assessments Outstanding and Collections - Last Ten Fiscal Years	130
Schedule of Bonds and Notes Payable	131
Net Debt and Remaining Debt Incurring Margin	141
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	143
Computation of Direct and Overlapping Debt	144
Schedule of Insurance in Force	145
Salaries and Surety Bonds of Principal Officials	146
City Employment - Last Ten Fiscal Years	147
Territorial Growth of Pittsburgh	148

City of Pittsburgh



Pennsylvania

DEPARTMENT OF CITY CONTROLLER
TOM FLAHERTY, CONTROLLER

The Honorable Mayor and Members of Council
of the City of Pittsburgh, Pennsylvania:

The Comprehensive Annual Financial Report of the City of Pittsburgh, Pennsylvania for the year ended December 31, 1986 is submitted herewith. The report was prepared by the Office of the City Controller. In our opinion, the data as presented are accurate in all material respects. The report is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Accounting System and Budgetary Control

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management.

Our evaluation of the controls falls within the above framework. In our opinion, the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the line item level on a departmental basis by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which would result in an excess of expenditures over budget authorizations on a particular line item are not released until appropriations are transferred from other line items. Open encumbrances are reported as reservations of fund balances.

The Reporting Entity and Its Services

The report includes all of the funds and account groups of the City and also incorporates the financial statements of the related organizations which have been determined to be part of the City's reporting entity. Determination of the reporting entity was made in accordance with the provisions of National Council on Governmental Accounting (NCGA) Statement 3, Defining the Governmental Reporting Entity. Statement 3 provides that the criteria for determining whether to include a governmental organization in the City's general purpose financial statements are:

- . The exercise of oversight responsibility over such entities by the City's officials,
- . The scope of public service, and
- . Special financing relationships

Based on these criteria, the financial statements of the City of Pittsburgh Equipment Leasing Authority (ELA), the Pittsburgh Water and Sewer Authority, the Stadium Authority of the City of Pittsburgh (Stadium Authority) and the Pension Trust Funds (Police, Fire and Municipal) have been included in the City's 1986 financial statements.

The City of Pittsburgh Equipment Leasing Authority serves as a financing vehicle by which equipment is leased by the Authority to the City. Activity is accounted for in the Special Revenue and Debt Service Funds, its outstanding debt is included in the General Long-Term Debt Account Group.

The Pittsburgh Water and Sewer Authority and the Stadium Authority comprise the Enterprise Fund of the City.

The Pittsburgh Water and Sewer Authority was created to assume responsibility for the operation and rehabilitation of the water and sewer system of the City.

The Stadium Authority was established to construct and operate Three Rivers Stadium.

The Pension Trust Funds, included under the Trust and Agency Fund, accounts for all the activities of these plans which cover substantially all city employees.

The Public Parking Authority of Pittsburgh, The Public Auditorium Authority of Pittsburgh and Allegheny County Sanitary Authority, Urban Redevelopment Authority of Pittsburgh and Housing Authority of the City of Pittsburgh did not meet the criteria of Statement 3 and are not included in the City's reporting entity. For informational purposes, summarized unaudited financial data have been presented in Note 2 to the financial statements in the accompanying report. Audited financial statements are available upon request from each of these authorities.

The City provides the full range of municipal services contemplated by the Pittsburgh Home Rule Charter adopted in 1976. These include public safety (police, fire, and emergency medical services), highways and streets, sanitation, recreation and cultural programs, urban redevelopment and housing, and general administrative services.

General Governmental Functions

Revenues for general governmental functions (General Fund, Special Revenue Funds and Debt Service Funds) totaled \$289.1 million in 1986, an increase of \$14.0 million over 1985's comparable total of \$275.1 million. The amount of revenues from various sources, the percent of total revenue and the increase (decrease) from 1985, are shown in the tabulation below.

REVENUES					
<u>Revenue Source</u>	<u>1986</u>		<u>1985</u>		Increase (Decrease) '85 to '86
	Amount (in millions)	Per Cent of Total	Amount (in millions)	Per Cent of Total	
Taxes	\$199.3	68.9%	\$192.8	70.1%	\$6.5
Penalties & interest	2.2	.8	2.3	.8	(.1)
Interest earnings	9.3	3.2	11.7	4.3	(2.4)
Fines and forfeits	4.1	1.4	4.1	1.5	-
Licenses	2.6	.9	2.8	1.0	(.2)
Rental revenues	3.1	1.1	4.1	1.5	(1.0)
Pittsburgh Zoo receipts	1.2	.4	1.2	.4	-
Public Parking Authority	.7	.2	.7	.3	-
Intergovernmental revenues	60.3	20.9	49.2	17.9	11.1
Charges for user services	3.8	1.3	3.4	1.2	.4
Miscellaneous	2.5	.9	2.8	1.0	(.3)
Total	<u>\$289.1</u>	<u>100.0%</u>	<u>\$275.1</u>	<u>100.0%</u>	<u>\$14.0</u>

An increase in tax revenues is due to increased collections in the Earned Income Tax, the Deed Transfer Tax and the City Parking Tax. There was a significant increase in Intergovernmental Revenues in 1986 in the amount of \$11.1 million due to the increased receipt of Federal Grant funds principally Urban Development Action Grants (UDAG) which are reflected in Special Revenue - Housing Funds.

Tax rates were unchanged from the prior year and consist of the following:

Real Estate - Real property in the City is assessed by the Allegheny County Board of Property Assessment, Appeals & Review at a rate of 25% of its fair market value. The millage rate is 27.0 on buildings and 151.5 on land. All real estate in the County is reassessed annually.

Earned Income - This tax is levied at the rate of 2 1/8% on the wages or net profits earned by residents of the City.

Business Privilege - The City taxes the gross receipts from operating or conducting a service business, trade or profession in, or attributable to, the City at a rate of 6 mills.

Parking - A tax equal to 25% of the consideration paid for each parking transaction is levied on the patrons of non-residential parking places in the City.

Amusement - This tax is levied at the rate of 10% on the admission price paid by patrons of all manner and forms of amusement.

Mercantile License - A tax of 1 mill is levied on the gross receipts of wholesale dealers of goods, wares, and merchandise. A 2 mill tax is levied on retail vendors of goods, wares, and merchandise.

Occupation Privilege - A \$10 annual tax is levied upon each individual whose principal place of employment is located in the City.

Deed Transfer - A tax of 1.5% of the consideration paid for real property transfers is levied upon the transfer of an interest in real property situated in the City.

Personal Property - A levy of 4 mills is made upon certain classes of personal property based upon assessments made by the County.

Institution Service Privilege - Certain receipts of non-profit, charitable organizations conducting or operating a service or service institution in the City are taxed at a rate of 6 mills.

Real estate taxes are payable quarterly, but a 2% discount is granted if paid in January. If a quarterly payment is not made by the last day of the calendar quarter, a penalty of 1/2% per month and interest at the rate of 1% per month is imposed on the balance of the tax due for the year. The 1986 total assessed valuation of land and buildings increased by \$36.0 million over the 1985 valuation.

All non-real estate taxes, except the Deed Transfer Tax which is payable at the time of transfer and the Personal Property tax, which is due August 31, are payable annually by April 15 or are payable quarterly or monthly. Consequently, the City is in a strong cash position early in its fiscal year.

Revenue from the Public Parking Authority of Pittsburgh is a result of an agreement between the Authority and the City under which excess parking meter revenues are transferred to the City's General Fund.

The decline in interest earnings is primarily due to lower market interest rates available on the short term certificates of deposit and repurchase agreements that comprise the City's investment portfolio.

Expenditures for general governmental purposes totaled \$326.0 million, a increase of \$44.6 million over 1985's comparable total of \$281.4 million. Changes in levels of expenditures for major functions of the City from the preceding year are shown in the following tabulation:

EXPENDITURES

<u>Functions</u>	<u>1986</u>		<u>1985</u>		Increase (Decrease) '85 to '86
	Amount (in millions)	Per Cent of Total	Amount (in millions)	Per Cent of Total	
General government	\$46.4	14.3%	\$26.2	9.3%	\$20.2
Public safety	92.7	28.4	89.4	31.8	3.3
Public works	35.2	10.8	35.0	12.4	.2
Sanitation	12.7	3.9	12.5	4.4	.2
Recreation & cultural programs	40.3	12.4	25.9	9.2	14.4
Employee benefits	36.2	11.1	34.1	12.1	2.1
Claims & judgements	.4	.1	.5	.2	(.1)
Miscellaneous	.4	.1	.8	.4	(.4)
Intergovernmental programs	16.6	5.1	16.2	5.7	.4
Debt service/Authority debt subsidies	38.8	11.9	35.3	12.6	3.5
Capital projects	<u>6.3</u>	<u>1.9</u>	<u>5.5</u>	<u>1.9</u>	<u>.8</u>
Total	<u>\$326.0</u>	<u>100.0%</u>	<u>\$281.4</u>	<u>100.0%</u>	<u>\$ 44.6</u>

The increase in expenditures for 1986 is evidenced principally in the functions of General Government and Recreation & Cultural Programs. General Government expenditures were increased primarily by expenditure of Federal (UDAG) grant money.

The increase in expenditures for Recreation & Cultural Programs is caused by the extraordinary expenditure in the amount of \$20,000,000.00 to the Urban Redevelopment Authority of Pittsburgh (URA) to facilitate the purchase of the Pittsburgh Athletic Company, Inc. (owner of the Pittsburgh Pirates) as discussed in Note 13 of the notes to the financial statements.

Debt Administration

At December 31, 1986, the City's general obligation debt, exclusive of debt of the Enterprise Fund, was as follows:

Gross bonded general obligation debt	\$408,170,000
Less debt service fund	<u>10,730,045</u>
Net bonded debt	<u>397,439,955</u>
Ratio of net bonded debt to assessed value	22.03%
Ratio of net bonded debt to market value	5.51%
Net bonded debt per capita	\$937

The gross bonded debt of the City consists of \$367,185,000 of general obligation bonds, \$31,500,000 of Equipment Leasing Authority (ELA) equipment revenue bonds and \$9,485,000 of Public Auditorium revenue bonds. Under an agreement with the ELA the City has agreed to make annual rental payments, for equipment leased to the City by the ELA, to cover the debt service on (ELA) bonds.

In 1986 General Obligation Bonds, Series A of 1986 in the amount of \$63,510,000 were issued for projects in the capital improvement program. In addition in 1986 the City issued \$190,000,000 of General Obligation Bonds, Series B of 1986, to provide funding for certain projects in the City's capital improvement program and to refund \$160,605,000 of the City's General Obligation Bonds, Series of 1985.

The City's bonds are presently rated Aaa by Moody's Investors Service and AAA by Standard & Poor's.

Cash Management

Due to fluctuating market conditions, cash temporarily idle during the year is invested in certificates of deposit and repurchase agreements in various local banks and savings and loan associations. Note 4 of the notes to Financial Statements classifies and describes the categories of investment in accordance with Governmental Accounting Standards Board (GASB) Statement 3.

There was a general decline in interest income during the year 1986 due to lower market interest rates available on the investments that comprise the City's investment portfolio.

Capital Projects Funds

Proceeds of general obligation bond issues to be used for general governmental purposes are accounted for in the Capital Projects Funds until improvement projects are completed.

During 1986, Capital Projects Funds expenditures totaled \$31.4 million, which represents a \$.4 million decrease from 1985.

At December 31, 1986 cash and short-term investments balances in the Capital Projects Funds totaled \$79.5 million. These funds are expected to be expended or encumbered during 1987.

Enterprise Fund

The Pittsburgh Water and Sewer Authority began operation on May 1, 1984 to assume responsibility for operating and improving the water and sewer system of the City. The Authority has leased the two systems from the City for a term of fifty years with renewal provisions. The City, acting as agent for the Authority will manage, operate and maintain the systems and the Authority will reimburse the City for all related direct and indirect expenses, plus an additional payment for the City's management services. Also, payment for \$30 million of the City's General Obligation Debt related to the funding of water projects completed prior to the creation of the Authority is now being made to the City by the Authority. The Authority to date has issued the following bonds:

Daily Adjustable Demand Water & Sewer Authority Revenue Bonds Series of 1984 (July)	\$93,600,000.00
Adjustable Rate Tender Revenue Bonds, Series of 1985 (April)	100,000,000.00
Adjustable Rate Tender Revenue Bonds, Series of 1986 (June)	134,700,000.00
Revenue Refunding Bonds Series of 1986 (July)	264,090,000.00

The April 1985 issue and the July 1986 issue were issued primarily to refund prior issues and the amounts of \$88.6 million and \$241.4 million were placed in escrow for this purpose.

At December 31, 1986 all Water and Sewer Authority issues totaled \$592.3 million less escrow funds of \$328.0 million and discount on bonds of \$15.9 million. Bonds payable at December 31, 1986 totaled \$248.4 million.

These bonds are not guaranteed by the City.

There were also \$34,095,000 of Stadium Authority bonds outstanding at March 31, 1986. An additional \$21,000,000 were issued after the end of the Stadium Authority's March 31 fiscal year. The City has agreed to pay the principal and interest on these bonds to the extent that the revenues of the Stadium Authority do not cover the debt service requirements.

Independent Audit

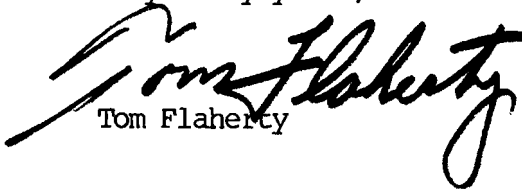
The City's financial statements have been audited by Peat, Marwick, Main & Company, whose opinion is included in this report.

Acknowledgements

The Comprehensive Annual Financial Report of the City of Pittsburgh represents the official annual report of the City and embraces the complete reporting entity thereof.

I would like to express my appreciation to the entire staff of the Controller's Office who assisted in the preparation of this report by their able and dedicated service.

Very truly yours,


Tom Flaherty

CITY OF PITTSBURGH

CITY OFFICIALS

December 31, 1986

MAYOR

Richard S. Caliguiri

MEMBERS OF COUNCIL

Ben Woods, President
James O'Malley, Finance Committee

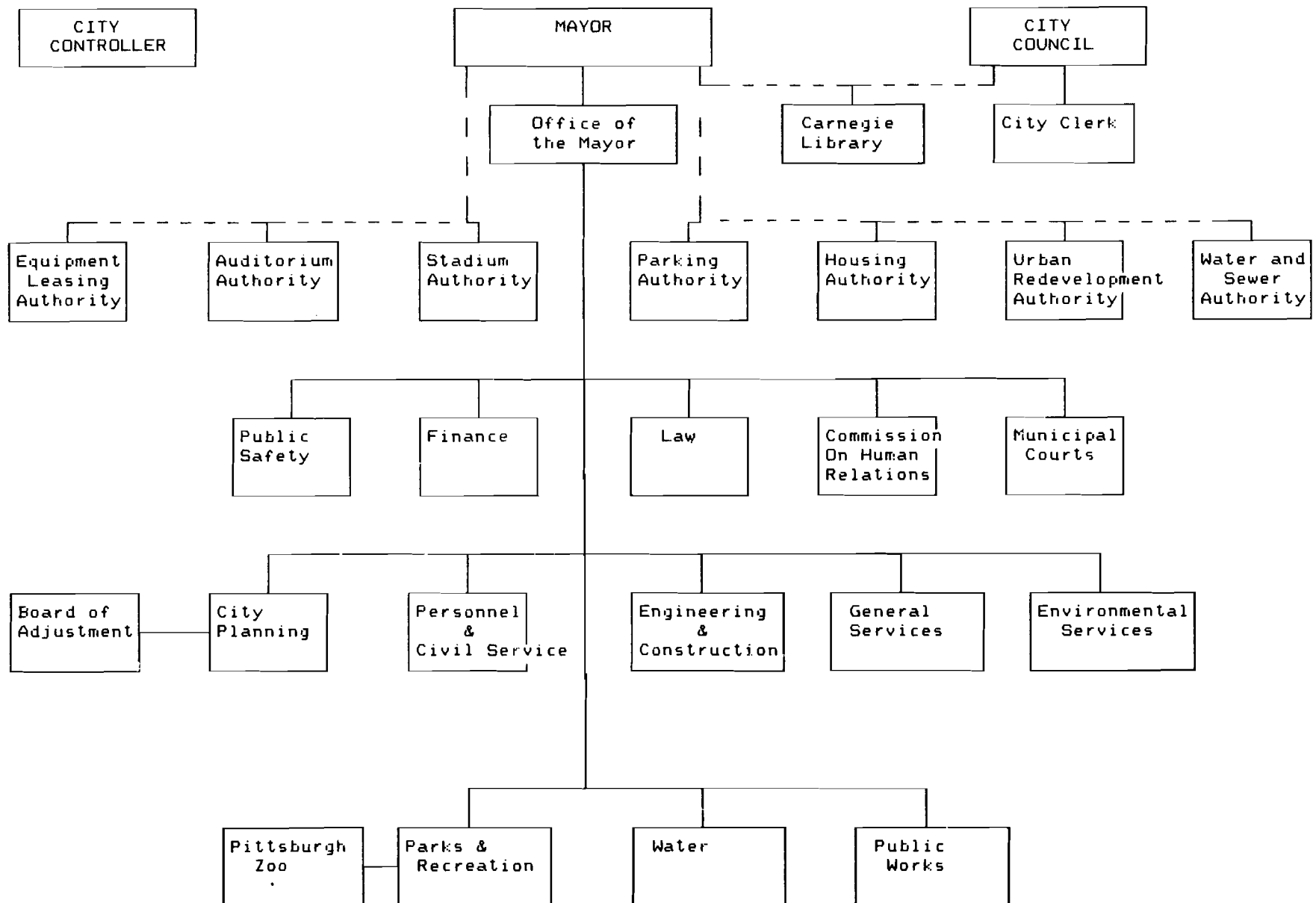
Richard E. Givens
Stephen Grabowski
Michelle Madoff

Sophie Masloff
Mark Pollock
Eugene DePasquale
Jack Wagner

CONTROLLER

Tom Flaherty

CITY OF PITTSBURGH - TABLE OF ORGANIZATION



To the Honorable Members of Council of
the City of Pittsburgh, Pennsylvania:

We have examined the general purpose financial statements of the City of Pittsburgh, Pennsylvania as of and for the year ended December 31, 1986 as listed in the accompanying table of contents. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We did not examine the financial statements of the Stadium Authority of the City of Pittsburgh or the Pittsburgh Water and Sewer Authority, component units of the City's reporting entity, which comprise the Enterprise Fund. These component units' financial statements comprise the entire Enterprise Fund. These financial statements were audited by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for them, is based solely upon the report of the other auditors.

As described in note 7, the City has vested pension benefit obligations which are significantly in excess of related available assets.

Records with respect to the historical cost of general purpose fixed assets and a comprehensive inventory of such assets are not available (see note 1). Consequently, a general fixed asset account group is not included in the accompanying financial statements.

In our opinion, based upon our examination and the reports of other auditors, except for the effect on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly the financial position of the City of Pittsburgh, Pennsylvania at December 31, 1986 and the results of its operations and changes in contributed capital of its enterprise funds and changes in financial position of its enterprise funds and pension trust funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

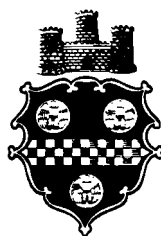
To the Honorable Members of Council of
the City of Pittsburgh, Pennsylvania
Page 2

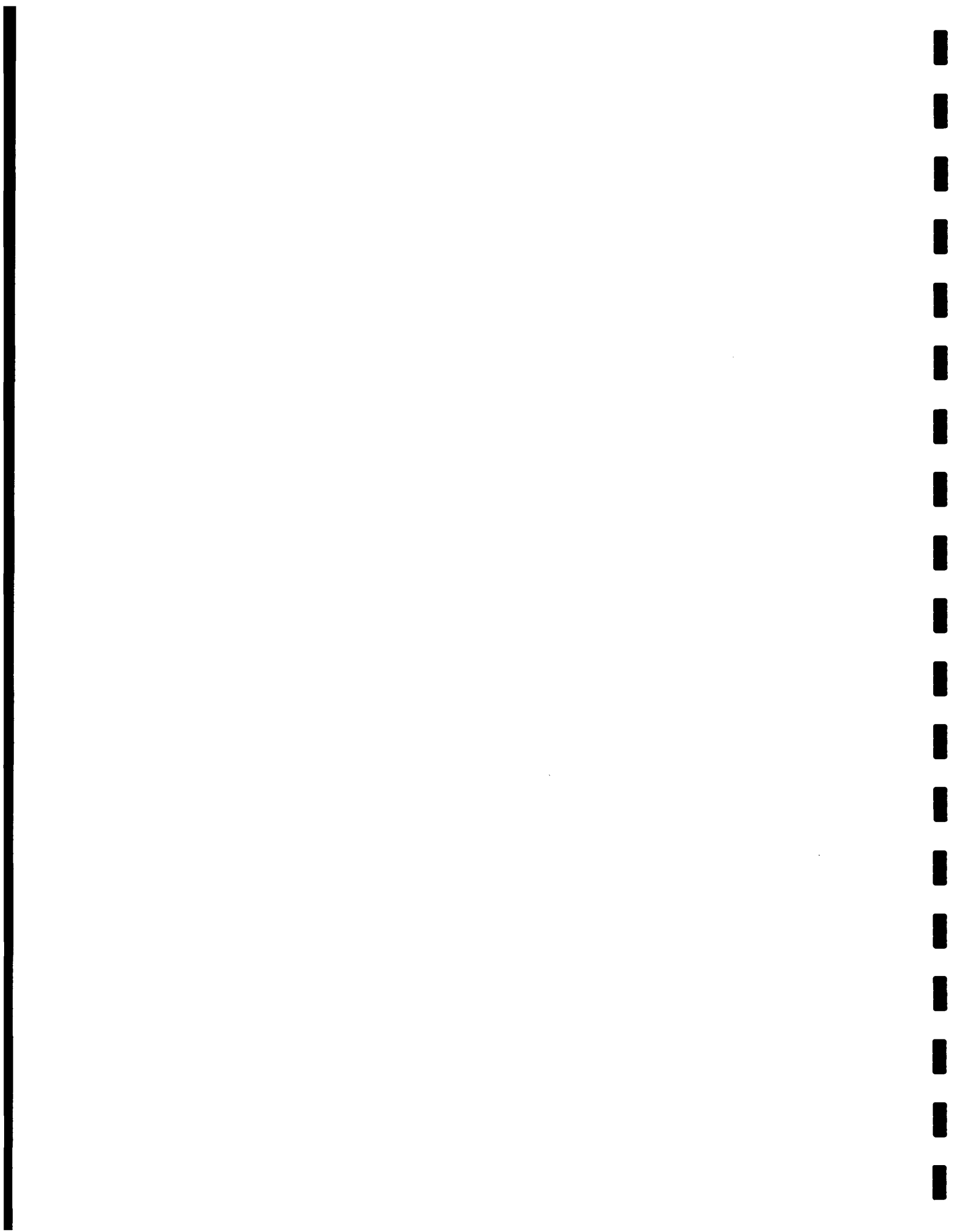
Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Pittsburgh, Pennsylvania. The current year's information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, based upon our examination and the reports of other auditors, except for the effect of the matter discussed in the second preceding paragraph, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

We did not examine the introductory and statistical section as set forth in the table of contents and, therefore, express no opinion thereon.

Peat Marwick Main & Co.

May 31, 1987





CITY OF PITTSBURGH

Combined Balance Sheet - All Fund Types and Account Groups

December 31, 1986

	Governmental Fund Types					Proprietary Fund Type	Fiduciary Fund Types	Account Group	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Special Assessment	Enterprise	Trust and Agency	General Long-Term Debt	1986	1985
Assets:										
Cash and short-term investments at cost, which approximates market (note 4)	\$ 29,261,439	35,538,386	8,752,946	79,523,832	42,981	4,916,409	33,223,966	-	191,259,959	150,507,440
Cash with fiscal agent (note 4)	-	-	400,000	-	-	-	-	-	400,000	-
Investments, at cost (note 4)	-	-	-	-	-	1,000,000	32,993,579	-	33,993,579	31,667,011
Receivables:										
Real estate taxes (net of al- lowance for uncollectible accounts of \$7,300,000)	3,008,997	-	-	-	-	-	-	-	3,008,997	2,184,245
Sewage charges (net of al- lowance for uncollectible accounts of \$3,130,000)	1,737,767	-	-	-	-	-	-	-	1,737,767	974,057
Personal property taxes (net of allowance for uncollec- tible accounts of \$245,000)	26,000	-	-	-	-	-	-	-	26,000	21,865
Accounts receivable (net of allowance for uncollectible accounts of \$12,890,000)	-	-	-	-	-	7,199,472	-	-	7,199,472	6,784,600
Contributions - participants	-	-	-	-	-	-	345,759	-	345,759	309,800
Special assessments	-	-	-	-	-	-	-	-	-	7,155
Accrued interest	1,021,000	307,618	82,233	-	-	-	489,146	-	1,899,997	1,334,004
Other	1,299,805	295,667	-	-	-	-	-	-	1,595,472	662,319
Prepaid expenses and other assets	4,552,282	-	-	-	-	543,770	-	-	5,096,052	3,950,593
Due from other funds (note 9)	4,932,631	192,856	2,700,895	1,134,506	-	370,000	244,496	-	9,575,384	11,354,646
Due from other governments	-	2,703,333	-	8,713,386	-	-	-	-	11,416,719	10,178,972
Inventories, at cost	1,853,711	-	-	-	-	-	-	-	1,853,711	1,515,338
Restricted cash, investments and receivables and deferred bond expenses - construction purposes (note 4)	-	-	-	-	-	216,323,889	-	-	216,323,889	95,727,984
Property, plant and equipment, net (note 6)	-	-	-	-	-	61,594,481	-	-	61,594,481	40,551,844
Amount available in Debt Service Funds for retirement of bonds	-	-	-	-	-	-	-	10,730,045	10,730,045	7,684,845
Amount to be provided for retirement of bonds	-	-	-	-	-	-	-	397,439,955	397,439,955	307,132,655
Amount to be provided for other long-term obligations	-	-	-	-	-	-	-	258,046,569	258,046,569	241,385,898
Totals	\$ 47,693,632	39,037,860	11,936,074	89,371,724	42,981	291,948,021	67,296,946	666,216,569	1,213,543,807	913,935,271

(Continued)

CITY OF PITTSBURGH

Combined Balance Sheet - All Fund Types and Account Groups
(continued)

	Governmental Fund Types					Proprietary Fund Type	Fiduciary Fund Types	Account Group General Long-Term Debt	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Special Assessment	Enterprise	Trust and Agency		1986	1985
Liabilities:										
Accounts payable	\$ 7,133,514	3,095,593	-	2,737,332	-	586,450	16,982	-	13,569,871	9,127,126
Retainage payable	-	-	-	436,892	-	-	-	-	436,892	463,524
Accrued interest payable	-	-	691,029	-	-	-	-	-	691,029	1,596,814
Accrued liabilities	6,974,428	325,204	515,000	192,303	-	-	5,232,712	-	13,239,647	13,349,776
Deferred compensation payable	-	-	-	-	-	-	5,172,590	-	5,172,590	3,807,593
Due to other funds (note 9)	3,488,882	3,208,337	-	19,365	-	189,000	2,669,800	-	9,575,384	11,354,646
Advance from Stadium Authority (notes 10 and 13)	5,657,303	-	-	-	-	-	-	-	5,657,303	-
Due to other governments	989,402	-	-	-	-	-	-	-	989,402	1,215,689
Deposits held in trust	-	-	-	-	-	-	441,162	-	441,162	265,008
Liabilities payable from restricted assets (including \$530,000 of long-term debt)	-	-	-	-	-	5,196,941	-	-	5,196,941	4,246,509
Bonds payable, net (note 8)	-	-	-	-	-	282,019,000	-	408,170,000	690,189,000	456,050,500
Capital lease obligations (note 8)	-	-	-	-	-	-	-	3,691,569	3,691,569	1,481,898
Deferred loan (note 8)	-	-	-	-	-	-	-	426,000	426,000	-
Accrued pension costs (notes 7 and 8)	-	-	-	-	-	-	-	198,449,000	198,449,000	186,464,000
Accrued workers' compensation (note 8)	10,000,000	-	-	-	-	-	-	55,000,000	65,000,000	64,000,000
Accrued compensated absences (note 8)	9,480,000	-	-	-	-	-	-	480,000	9,960,000	9,500,000
Deferred revenue	3,872,764	-	-	-	-	-	-	-	3,872,764	2,401,133
Total liabilities	47,596,293	6,629,134	1,206,029	3,385,892	-	287,991,391	13,533,246	666,216,569	1,026,558,554	765,324,216
Fund equity:										
Contributed capital (including \$7,396,566 restricted for construction purposes) (note 10)	-	-	-	-	-	27,016,263	-	-	27,016,263	27,015,592
Retained earnings (accumulated deficit):										
Restricted for debt service	-	-	-	-	-	22,685,000	-	-	22,685,000	12,945,000
Unrestricted	-	-	-	-	-	(45,744,633)	-	-	(45,744,633)	(36,197,681)
Fund balances:										
Reserved for:										
Endowments	-	-	-	-	-	-	228,494	-	228,494	234,838
Encumbrances	1,470,077	5,921,442	-	9,707,054	-	-	-	-	17,098,573	18,615,611
Inventory	1,853,711	-	-	-	-	-	-	-	1,853,711	1,515,338
Employee benefits	1,643,837	-	-	-	-	-	53,251,247	-	54,895,084	43,366,458
Unreserved:										
Designated for debt service	-	-	10,730,045	-	-	-	-	-	10,730,045	7,684,845
Designated for subsequent years' expenditures	2,816,692	3,703	-	76,278,778	-	-	-	-	79,099,173	47,558,770
Undesignated	(7,686,978)	26,483,581	-	-	42,981	-	283,959	-	19,123,543	25,872,284
Total fund equity	97,339	32,408,726	10,730,045	85,985,832	42,981	3,956,630	53,763,700	-	186,985,253	148,611,055
Total liabilities and fund equity	\$ 47,693,632	39,037,860	11,936,074	89,371,724	42,981	291,948,021	67,296,946	666,216,569	1,213,543,807	913,935,271

See accompanying notes to financial statements.

CITY OF PITTSBURGH

Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - All Governmental Fund Types and Expendable Trust Funds

For the Year Ended December 31, 1986

	Governmental Fund Types					Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Special Assessment		1986	1985
Revenues:								
Taxes	\$ 199,259,869	-	-	-	-	-	199,259,869	192,754,769
Penalties and interest	2,226,187	-	-	-	-	-	2,226,187	2,340,879
Interest and dividends	6,299,898	1,730,595	1,249,711	-	-	680,548	9,960,752	12,431,543
Fines and forfeits	4,133,933	-	-	-	-	-	4,133,933	4,144,328
Licenses	2,599,254	-	-	-	-	-	2,599,254	2,800,985
Rentals	2,997,315	55,750	-	-	-	-	3,053,065	4,087,234
Pittsburgh Zoo receipts	1,225,863	-	-	-	-	-	1,225,863	1,207,777
Public Parking Authority	700,000	-	-	-	-	-	700,000	700,000
Intergovernmental revenues	2,609,692	57,691,772	-	10,830,618	-	-	71,132,082	58,629,494
Charges for user services	-	3,793,629	-	-	-	-	3,793,629	3,437,096
Miscellaneous	1,751,825	759,946	-	246,471	349	465,754	3,224,345	3,325,054
Total revenues	223,803,836	64,031,692	1,249,711	11,077,089	349	1,146,302	301,308,979	285,859,159
Expenditures:								
Current operating:								
General government	19,389,491	26,973,008	-	-	-	-	46,362,499	26,246,917
Public safety	79,525,777	13,144,903	-	-	-	-	92,670,680	89,454,842
Public works	28,160,219	7,058,747	-	-	-	-	35,218,966	34,929,236
Sanitation	12,541,140	116,729	-	-	-	-	12,657,869	12,511,768
Water	-	412	-	-	-	-	412	15,047
Community, recreation and cultural programs	38,402,332	1,903,884	-	-	-	843,444	41,149,660	26,811,541
Employee benefits	36,154,195	-	-	-	-	-	36,154,195	34,075,482
Claims and judgments	405,043	-	-	-	-	-	405,043	478,392
Miscellaneous	362,962	-	2,558	-	-	20,154	385,674	909,226
Intergovernmental programs	-	16,651,301	-	-	-	-	16,651,301	16,172,513
Capital projects	-	6,319,616	-	31,400,147	-	-	37,719,763	37,296,253
Debt service:								
Principal retirement	-	-	10,110,000	-	-	-	10,110,000	8,183,000
Interest and fiscal charges	-	-	24,246,691	-	-	-	24,246,691	24,036,018
Authorities debt subsidies	3,806,342	-	-	-	-	-	3,806,342	2,675,615
Lease payments	-	685,314	-	-	-	-	685,314	460,970
Total expenditures	218,747,501	72,853,914	34,359,249	31,400,147	-	863,598	358,224,409	314,256,820
Excess (deficiency) of revenues over expenditures	5,056,335	(8,822,222)	(33,109,538)	(20,323,058)	349	282,704	(56,915,430)	(28,397,661)
Other financing sources (uses):								
Bond sale proceeds	-	10,510,523	189,627,092	50,155,944	-	-	250,293,559	241,044,494
Payment to refunded bond escrow agent	-	-	(189,627,092)	-	-	-	(189,627,092)	(194,486,220)
Capital lease obligation proceeds	3,003,747	-	-	-	-	-	3,003,747	1,881,192
Deferred loan proceeds	-	426,000	-	-	-	-	426,000	-
Operating transfers from other funds	5,462,777	2,848,394	36,181,027	-	-	135,000	44,627,198	40,412,638
Operating transfers to other funds	(38,176,140)	(529,356)	(26,289)	(317,225)	(1,777)	(115,411)	(39,166,198)	(35,599,638)
Total other financing sources (uses)	(29,709,616)	13,255,561	36,154,738	49,838,719	(1,777)	19,589	69,557,214	53,252,466
Excess (deficiency) of revenues and other sources over expenditures and other uses	(24,653,281)	4,433,339	3,045,200	29,515,661	(1,428)	302,293	12,641,784	24,854,805
Fund balances, beginning of year	10,407,923	27,975,387	7,684,845	56,470,171	44,409	3,943,034	106,525,769	81,641,998
Equity transfer between funds	14,342,697	-	-	-	-	-	14,342,697	28,966
Fund balances, end of year	\$ 97,339	32,408,726	10,730,045	85,985,832	42,981	4,245,327	133,510,250	106,525,769

See accompanying notes to financial statements.

CITY OF PITTSBURGH

Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual Data on the Budgetary
Basis - General and Special Revenue Funds

For the Year Ended December 31, 1986

	General Fund			Special Revenue Funds (Federal Revenue Sharing Funds Only (note 1-E))		
	Budget	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
Revenues:						
Taxes	\$ 204,926,336	202,177,782	(2,748,554)	-	-	-
Penalties and interest	2,500,000	2,226,187	(273,813)	-	-	-
Interest earnings	7,300,000	5,907,090	(1,392,910)	200,000	88,644	(111,356)
Fines and forfeits	4,500,000	4,143,100	(356,900)	-	-	-
Licenses	2,665,000	3,078,323	413,323	-	-	-
Rentals	3,800,000	3,247,482	(552,518)	-	-	-
Pittsburgh Zoo receipts	1,200,000	1,225,863	25,863	-	-	-
Public Parking Authority	700,000	700,000	-	-	-	-
Water and Sewer Authority reimbursements and transfers	25,114,902	22,285,197	(2,829,705)	-	-	-
Intergovernmental revenues	24,826,322	23,714,732	(1,111,590)	10,800,000	9,380,445	(1,419,555)
Miscellaneous	2,292,848	3,035,608	742,760	-	-	-
Total revenues	279,825,408	271,741,364	(8,084,044)	11,000,000	9,469,089	(1,530,911)
Expenditures:						
Current operating:						
General government	19,469,974	15,653,662	3,816,312	-	-	-
Public safety	81,073,424	74,107,536	6,965,888	11,000,000	9,501,979	1,498,021
Public works	37,017,431	31,334,298	5,683,133	-	-	-
Sanitation	13,239,984	10,953,222	2,286,762	-	-	-
Water	15,624,299	13,346,334	2,277,965	-	-	-
Community, recreation and cultural programs	40,502,209	38,445,477	2,056,732	-	-	-
Employee benefits	48,226,270	44,728,233	3,498,037	-	-	-
Claims and judgments	1,298,178	405,097	893,081	-	-	-
Miscellaneous	13,884,760	11,401,793	2,482,967	-	-	-
Debt Service:						
Interest	22,248,530	22,248,530	-	-	-	-
Principal	10,110,000	10,110,000	-	-	-	-
Stadium Authority subsidy	3,567,000	2,672,000	895,000	-	-	-
Public Auditorium Authority subsidy	1,300,000	1,134,342	165,658	-	-	-
Total expenditures	307,562,059	276,540,524	31,021,535	11,000,000	9,501,979	1,498,021
Excess (deficiency) of revenues over expenditures	(27,736,651)	(4,799,160)	22,937,491	-	(32,890)	(32,890)
Fund balance - budgetary basis, beginning of year	27,736,651	33,098,829	5,362,178	46,650	46,650	-
Fund balance - budgetary basis, end of year	\$ -	28,299,669	28,299,669	46,650	13,760	(32,890)
Adjustments to generally accepted accounting principles (GAAP) basis (note 3):						
Cumulative difference between budgetary basis and GAAP basis, beginning of year		(22,690,906)			2,673,982	
Net effect of GAAP basis recognition of revenues		1,330,012			(2,673,982)	
Net effect of GAAP basis recognition of expenditures		(1,184,133)			(8,057)	
Advance from Stadium Authority budgeted as revenues (note 13)		(5,657,303)			-	
Fund balance - GAAP basis, end of year		\$ 97,339			5,703	

CITY OF PITTSBURGH
ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and
Changes in Accumulated Deficit

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Water and Sewer Authority	Stadium Authority	Totals	
			1986	1985
Operating revenues:				
Water charges	\$ 23,468,000	-	23,468,000	21,419,000
Rentals	-	1,992,469	1,992,469	2,260,517
Medallions	-	1,320,000	1,320,000	1,312,500
Stadium bond service charges	-	687,966	687,966	686,066
Concessions	-	668,535	668,535	626,456
Miscellaneous	-	238,810	238,810	244,486
Total operating revenues	23,468,000	4,907,780	28,375,780	26,549,025
Operating expenses:				
Salaries, wages and benefits	7,158,000	1,047,721	8,205,721	7,672,887
Utilities	2,870,000	533,340	3,403,340	3,710,445
Allocation of City indirect expenses	2,392,000	-	2,392,000	2,319,000
Depreciation and amortization	81,000	1,453,912	1,534,912	1,444,365
Purification chemicals	1,491,000	-	1,491,000	1,252,000
Payments to non-City water agencies	2,877,000	-	2,877,000	2,523,000
Repairs and maintenance	259,000	1,000,164	1,259,164	1,236,064
Materials, supplies and rentals	320,000	-	320,000	704,000
Administrative and other operating expenses	998,000	951,094	1,949,094	1,790,723
Miscellaneous	617,000	-	617,000	142,000
Total operating expenses	19,063,000	4,986,231	24,049,231	22,794,484
Operating income	4,405,000	(78,451)	4,326,549	3,754,541
Nonoperating revenues and (expenses):				
Interest income	1,854,000	244,587	2,098,587	969,190
Interest expense	(1,579,000)	(2,754,161)	(4,333,161)	(3,261,593)
Amortization of bond issue costs	(1,099,000)	-	(1,099,000)	(606,000)
Total nonoperating revenues and (expenses)	(824,000)	(2,509,574)	(3,333,574)	(2,898,403)
Income (loss) before operating transfers and extraordinary gain	3,581,000	(2,588,025)	992,975	856,138
Operating transfers to General Fund	(5,461,000)	-	(5,461,000)	(4,813,000)
Income before extraordinary income	(1,880,000)	(2,588,025)	(4,468,025)	(3,956,862)
Extraordinary gain	-	4,661,073	4,661,073	-
Net income (loss)	(1,880,000)	2,073,048	193,048	(3,956,862)
Accumulated deficit, beginning of year	(3,359,000)	(19,893,681)	(23,252,681)	(19,266,853)
Transfers to General Fund	-	-	-	(28,966)
Accumulated deficit, end of year	\$ (5,239,000)	(17,820,633)	(23,059,633)	(23,295,819)

CITY OF PITTSBURGH

Combined Statement of Changes in Contributed Capital -
Proprietary Fund Type

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Balance, beginning of year	\$ <u>27,015,592</u>	<u>23,344,377</u>
Contributions from:		
General Fund	-	3,640,000
Other - for construction purposes	<u>671</u>	<u>31,215</u>
Total contributions	<u>671</u>	<u>3,671,215</u>
Balance, end of year	\$ <u><u>27,016,263</u></u>	<u><u>27,015,592</u></u>

See accompanying notes to financial statements.

CITY OF PITTSBURGH

Combined Statement of Changes in Financial Position -
Proprietary Fund Type and Pension Trust Funds

For the Year Ended December 31, 1986

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Pension Trust	1986	1985
Sources (uses) of working capital:				
Income (loss) before extraordinary gain	\$ (4,468,025)	11,195,998	6,727,973	1,206,054
Add items not affecting working capital:				
Depreciation and amortization	<u>2,633,912</u>	-	<u>2,633,912</u>	<u>2,050,365</u>
Working capital from operations	(1,834,113)	11,195,998	9,361,885	3,256,419
Extraordinary gain on bond refinancing	4,661,073	-	4,661,073	-
Bond and note proceeds and advances	415,639,000	-	415,639,000	100,000,000
Less: Funds deposited in escrow	(241,411,000)	-	(241,411,000)	(88,604,000)
Additions to contributed capital	671	-	671	3,671,215
Increase in current liabilities payable from restricted assets, net of defeased bonds	<u>1,815,432</u>	-	<u>1,815,432</u>	<u>1,069,000</u>
Decrease in restricted assets	<u>7,161,155</u>	-	<u>7,161,155</u>	<u>1,591,366</u>
Total working capital provided	<u>\$ 186,032,218</u>	<u>11,195,998</u>	<u>197,228,216</u>	<u>20,984,000</u>
Uses of working capital:				
Equity transfers to other funds	-	-	-	28,966
Additions to property, plant and equipment	22,559,609	-	22,559,609	4,996,427
Repayment of debt due to refinancing and current maturities	6,000,000	-	6,000,000	865,000
Closing costs and bond charges	1,455,224	-	1,455,224	-
Amounts escrowed for defeased bonds	30,949,776	-	30,949,776	-
Decrease in current liabilities payable from restricted assets	-	-	-	21,891
Increase in restricted assets	124,776,000	-	124,776,000	2,442,000
Increase in working capital	<u>291,609</u>	<u>11,195,998</u>	<u>11,487,607</u>	<u>12,629,716</u>
Total working capital used	<u>\$ 186,032,218</u>	<u>11,195,998</u>	<u>197,228,216</u>	<u>20,984,000</u>
Changes in the components of working capital:				
Increase (decrease) in current assets:				
Cash and short-term investments	885,595	11,148,528	12,034,123	8,984,394
Receivables	414,872	42,374	457,246	920,339
Prepaid expenses and other assets	295,115	-	295,115	122,126
Due from other funds	<u>(1,159,000)</u>	-	<u>(1,159,000)</u>	<u>1,529,000</u>
	436,582	11,190,902	11,627,484	11,555,859
Increase (decrease) in current liabilities:				
Accounts payable	144,973	(5,096)	139,877	(131,352)
Accrued liabilities	-	-	-	(48,505)
Due to other funds	-	-	-	(894,000)
	<u>144,973</u>	<u>(5,096)</u>	<u>139,877</u>	<u>(1,073,857)</u>
Increase in working capital	<u>\$ 291,609</u>	<u>11,195,998</u>	<u>11,487,607</u>	<u>12,629,716</u>

See accompanying notes to financial statements.

CITY OF PITTSBURGH

Notes to Financial Statements

December 31, 1986

(1) Summary of Significant Accounting Policies

The City of Pittsburgh (the City) was incorporated on July 20, 1816 and chartered as a home-rule municipality on January 5, 1976. The City operates under a strong mayor form of government and provides the following services as authorized by its charter: public safety (police, fire and emergency medical services), sanitation, culture and recreation, public improvements, planning and zoning, and general administrative services.

The major accounting principles and practices followed by the City are presented below to assist the reader in evaluating the financial statements and the accompanying notes.

A. Determination of the Reporting Entity

The criteria specified in NCGA Statement 3, Defining the Governmental Reporting Entity, are used to determine the scope of the City's entity for financial reporting purposes.

B. Fund Accounting Structure

The City's accounting structure embraces "fund" accounting which is the standard for governmental accounting as promulgated by the Governmental Accounting Standards Board.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or fund balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The fund accounting structure for the City is as follows:

Governmental Fund Types

General Fund - The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the Enterprise Funds).

Special Assessment Funds - Special Assessment Funds are used to account for the financing of improvements deemed to benefit the properties against which special assessments have been levied.

Proprietary Fund Type

Enterprise Funds - The Enterprise Funds are used to account for operations of the Stadium Authority of the City of Pittsburgh and the Pittsburgh Water and Sewer Authority. These are financed and operated in a manner similar to private business enterprises - where the intent is that the costs of managing the operations of the stadium complex and providing water to the general public are financed or recovered primarily through user charges.

Fiduciary Fund Types

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. These include Expendable Trust, Pension Trust and Agency Funds. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is the primary measurement focus. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Group

General Long-term Debt - This account group is established to account for all long-term obligations of the City, including general obligations bonds, capital lease obligations, accrued unfunded pension expense, and the noncurrent portion of accrued compensated absences and workers' compensation expense.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

C. Measurement Focus

All governmental funds and expendable trust funds are accounted for on a spending or "financial flow" measurement focus. Accordingly, only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, these operating statements present a summary of sources and uses of "available spendable resources" during the year. Expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities.

Proprietary funds and pension trust funds are accounted for on a "capital maintenance" measurement focus. Accordingly, all assets and all liabilities are included on their balance sheets, and reported fund equity provides an indication of the economic net worth of the fund. Operating statements for proprietary funds and pension trust funds report increases (revenues) and decreases (expenses) in total economic net worth.

D. Basis of Accounting

Governmental fund types, expendable trust funds and agency funds use the modified accrual basis of accounting. Revenues are recorded when they become susceptible to accrual, that is, both measurable and available. Available means expected to be collected within the next two months for property taxes and the next 12 months for other revenues. Revenues not considered available are recorded as deferred revenues.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, expenditures must be made for the specific purpose or project before any amounts will be paid to the City; therefore, revenues are recognized based upon the expenditures recorded. In the other, receipts are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Revenues which have been treated as susceptible to accrual include certain property taxes, federal and state revenues and interest earnings. All other revenues are recognized when received in cash.

Expenditures are recorded when the liability is incurred if it is expected to be paid within the next 12 months, except for interest on general long-term obligations which is recorded when due. Liabilities expected to be paid after 12 months are recorded in the general long-term debt account group.

The financial statements of the proprietary fund type and the pension trust funds are presented on the accrual basis of accounting. Under this method of accounting, all revenues are recorded when earned and expenses are recorded at the time liabilities are incurred without regard to receipt or payment of cash.

E. Budgetary Data

1. General Budget Policies - As required by the Home Rule Charter, the City follows these procedures in establishing the budgetary data reflected in the financial statements:
 - a. On the second Monday of November preceding the fiscal year, the Mayor presents to City Council an operating budget and a capital budget for the succeeding fiscal year.
 - b. Public hearings are conducted to obtain the advice of other officials and citizens as part of the preparation of both budgets.
 - c. Before the beginning of the fiscal year, City Council adopts, by resolution, both budgets.
 - d. The adoption of the operating and capital budgets constitutes an appropriation or setting apart of funds from general resources of the City for purposes set forth in the budgets.
 - e. City Council may amend, by resolution, the operating budget within five weeks after the beginning of the fiscal year, but not thereafter except with the approval of the Mayor. The capital budget may, by resolution, be amended by Council at any time.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

- f. City Council at all times may, by resolution, transfer funds from one account to another if the total budget amount is not exceeded. No revision to the budget may be made without City Council approval. The operating budget shall, in any event, remain balanced at all times.
 - g. The capital budget is based on a proposed six-year capital program which must be updated each year and submitted to Council by the Mayor at least 30 days prior to the day the operating budget is submitted.
 - h. Formal budgetary integration is employed as a management control device for the General Fund, Federal Revenue Sharing - Special Revenue Fund and the Capital Projects Funds. Formal budgetary integration is not employed for the Debt Service Fund since effective budgetary control is alternatively achieved through general obligation bond indenture provisions; the other Special Revenue Funds since control is achieved through grant provisions or legislative action; and Special Assessment Funds since activity is limited to collection of prior year assessments.
 - i. All budgets are prepared and controlled on a line item basis. For financial statement purposes, budgets have been summarized on a departmental basis.
 - j. Appropriations lapse at year end. City Council can, however, authorize, by ordinance, the carryover of appropriations to the following year.
2. Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments for future expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed in all governmental funds of the City. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

3. Budget Basis of Accounting - Budgets for the General and Federal Revenue Sharing - Special Revenue Funds are adopted on a cash basis. Budgets are not adopted for other Special Revenue Funds. Accordingly, the Special Revenue Funds column on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis includes only the Federal Revenue Sharing Funds. Encumbrances for purchase commitments are treated as restrictions of available cash and not as expenditures. Budgets in Capital Projects Funds are also adopted on a cash basis, except that budgets for each project are adopted on a project basis which may encompass a period longer than one year. Accordingly, budgetary comparisons for Capital Projects Funds have been omitted from the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis.

F. Investments

Investments in all funds are carried at cost. Short-term investments consist of direct obligations of the U. S. government, certificates of deposit, money market trust funds and repurchase agreements and are recorded at cost or amortized cost plus accrued interest, which approximates market value.

G. Inventories

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories in the General Fund, consisting of expendable supplies held for consumption and materials necessary for the maintenance and repair of the City's water purification and distribution system, are accounted for using the consumption method. General Fund inventories are equally offset by a fund balance reserve to indicate that a portion of the fund balance is not available for future expenditure.

H. Other Assets

Other assets consist of premium deposits with insurance companies which are available to reduce future employee benefit expenses.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

I. Fixed Assets

Records with respect to the historical cost of general fixed assets and a comprehensive inventory of such assets are not available. Consequently, a general fixed asset group of accounts is not included in the accompanying financial statements.

The stadium complex and utility plant are stated at cost and include all repairs that materially extend the life of the property. All ordinary maintenance and repairs are charged to current operations. The balance sheet does not include any value for land conveyed by the Urban Redevelopment Authority of Pittsburgh to the Stadium Authority. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful life of the stadium complex is 40 years.

J. Compensated Absences

The City provides for compensated absences in the following manner:

- . Fourteen sick days are accumulated for those employees, hired before the adoption of the insured sick leave plan in 1982, who have elected not to participate in the plan. Since accumulated sick leave does not vest until retirement it qualifies as severance pay and, therefore, does not meet the recognition criteria of FASB Statement No. 43 and has not been accrued by the City.
- . Personal days are accumulated for all employees, except firefighters, who were hired after the adoption of the insured sick leave plan in 1982 or for those who were hired before 1982 who have elected to participate in the plan. Under the plan, authorized time off, which includes both sick and personal days, is accumulated in accordance with the criteria established in contracts with each of the City's nine bargaining units and the City's policy for its nonunion employees. Employees can accumulate up to nine days (twelve days for police and emergency medical services personnel) before the City reimburses them for the additional days. The City has accrued an amount for accumulated personal days, because the days vest as they are earned and the vested amount is reasonably estimable.
- . Vacation pay earned varies with job classification and years of service and is accrued as a current liability in the general fund to the extent that it will be liquidated with expendable available resources. The noncurrent portion is recorded in the General Long-term Debt Account Group.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

K. Pensions

Provisions for pension cost are based on actuarial calculations of normal cost plus amortization of past service liability over a 30-year period. These provisions, less employee contributions, amounts provided by the Commonwealth of Pennsylvania and the amount recorded in the General Long-term Debt Account Group are recorded as expenditures of the General Fund.

L. Deferred Compensation Plan

The City of Pittsburgh offers its employees a deferred compensation plan sponsored by the Allegheny League of Municipalities created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provisions of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The assets and liabilities of the deferred compensation plan are accounted for in the City's agency funds.

M. Workers' Compensation

The City is self-insured for purposes of workers' compensation benefits. Provisions are recorded in the General Fund for benefits estimated to be payable from available spendable financial resources. Amounts not payable currently are reported in the General Long-term Debt Account Group; as noncurrent amounts mature, they are liquidated from General Fund resources.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

In order to qualify for and maintain self-insurance status, the City must comply with certain Commonwealth of Pennsylvania requirements. The requirements for 1986 are as follows:

- . Maintain an irrevocable trust fund. The City's contribution to the fund is determined annually in negotiations with the Commonwealth of Pennsylvania Department of Labor.
- . Maintain a \$5,000,000 surety bond.
- . Establish liability reserves based upon expected future payouts for all claims outstanding one year or more at the end of any fiscal year.

Presently, the Trust Fund may be used only in the event of default by the City under the self-insurance regulations. Accordingly, the fund balance in the Expendable Trust has been reserved in the accompanying financial statements.

N. Enterprise Fund Operating Transfers

Annual operating transfers are made from the Enterprise Fund to the General Fund to assist in servicing the City's general obligation indebtedness and to provide a fair return on the City's general fixed assets dedicated to water operations.

O. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

Certain 1985 amounts have been reclassified to conform to classifications adopted in 1986.

P. Total Columns on Combined Statements

Total columns on the Combined Statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund eliminations have not been made in their aggregation.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(2) Determination of the Reporting Entity

NCGA Statement 3, Defining the Governmental Reporting Entity, established the criteria for determining which activities, organizations and functions of government ("potential component units") should be included in the financial statements of the reporting entity (the City). These criteria include:

- . The exercise of oversight responsibility over such potential component units by the City's officials,
- . The scope of public service, and
- . Special financing relationships.

The manifestations of oversight responsibility are described as:

- . Selection of the governing authority,
- . Designation of management,
- . Ability to significantly influence operations, and
- . Accountability for fiscal matters.

The scope of public service criterion considers whether the activity of the potential component unit is for the benefit of the City and/or its residents and whether the activity is conducted within the geographic boundaries of the City and is generally available to City residents.

Specific information on the nature of the various potential component units and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such units in the City's financial statements are provided in the following paragraphs.

The Stadium Authority of the City of Pittsburgh (Stadium Authority)

The Stadium Authority was established to construct and operate Three Rivers Stadium. The Stadium Authority is administered by a five-member board, all of whom are appointed by the Mayor.

The principal revenue sources are from rentals of the stadium and parking facilities and from service charges on event tickets. The City has guaranteed the subsidization of operating deficits and the debt service requirements of the outstanding debt of the Stadium Authority.

The Stadium Authority has been included as a component unit of the City's reporting entity because of the City's significant accountability for fiscal matters. The Stadium Authority operates on a fiscal year ending March 31. Operations of the Stadium Authority are included in the Enterprise Fund.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Under an agreement dated June 24, 1982, the Stadium Authority and the Three Rivers Management Corporation (Three Rivers) as well as the Pittsburgh Athletic Company, Inc. and the Pittsburgh Steelers Sports, Inc. amended a basic agreement, management lease, baseball lease and football lease (Stadium agreement) whereby the Stadium Authority assumed all the rights and responsibilities under the Stadium agreements effective January 1, 1982.

These operating leases provide for guaranteed payments of approximately \$1,160,000 annually for a 40-year period beginning April 1, 1971. Payments from leases to the Authority are secured by escrow deposits from Three Rivers Management Corporation and Alco Parking Corporation of \$1,000,000 and \$500,000, respectively.

Public Parking Authority of Pittsburgh (Parking Authority)

The Parking Authority was created for the purpose of acquiring, developing and maintaining a coordinated system of public parking facilities. The Parking Authority is administered by a five-member board, all of whom are appointed by the Mayor.

The Parking Authority obtains its revenue from user charges and from street parking meter revenues. Under an agreement between the Parking Authority and the City, street parking revenues are allocated 52% to the Parking Authority and 48% to the City.

Management of the Parking Authority is not designated by the City nor does the City have the ability to significantly influence its operations. The City does not subsidize the operations of the Parking Authority and does not guarantee its debt. The scope of public service, while generally available to City residents, is not exclusively for their benefit.

The Parking Authority has not been included as a component unit of the City's reporting entity because of the lack of significant oversight responsibility and the lack of accountability for fiscal matters.

The Public Auditorium Authority of Pittsburgh and Allegheny County (Auditorium Authority)

The City of Pittsburgh and the County of Allegheny jointly created the Auditorium Authority to build and operate the Pittsburgh Civic Arena. In 1981, the operation of the Civic Arena was turned over to a privately owned company under terms of a lease agreement with an initial term of 50 years. Annual rentals under the lease are equal to the annual debt service requirements on outstanding Auditorium Authority bonds.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(2) Determination of the Reporting Entity

NCGA Statement 3, Defining the Governmental Reporting Entity, established the criteria for determining which activities, organizations and functions of government ("potential component units") should be included in the financial statements of the reporting entity (the City). These criteria include:

- . The exercise of oversight responsibility over such potential component units by the City's officials,
- . The scope of public service, and
- . Special financing relationships.

The manifestations of oversight responsibility are described as:

- . Selection of the governing authority,
- . Designation of management,
- . Ability to significantly influence operations, and
- . Accountability for fiscal matters.

The scope of public service criterion considers whether the activity of the potential component unit is for the benefit of the City and/or its residents and whether the activity is conducted within the geographic boundaries of the City and is generally available to City residents.

Specific information on the nature of the various potential component units and a description of how the aforementioned criteria have been considered in determining whether or not to include or exclude such units in the City's financial statements are provided in the following paragraphs.

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The Stadium Authority has been included as a component unit of the City's reporting entity because of the City's significant accountability for fiscal matters. The Stadium Authority operates on a fiscal year ending March 31. Operations of the Stadium Authority are included in the Enterprise Fund.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Under an agreement dated June 24, 1982, the Stadium Authority and the Three Rivers Management Corporation (Three Rivers) as well as the Pittsburgh Athletic Company, Inc. and the Pittsburgh Steelers Sports, Inc. amended a basic agreement, management lease, baseball lease and football lease (Stadium agreement) whereby the Stadium Authority assumed all the rights and responsibilities under the Stadium agreements effective January 1, 1982.

These operating leases provide for guaranteed payments of approximately \$1,160,000 annually for a 40-year period beginning April 1, 1971. Payments from leases to the Authority are secured by escrow deposits from Three Rivers Management Corporation and Alco Parking Corporation of \$1,000,000 and \$500,000, respectively.

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The Parking Authority was created for the purpose of acquiring, developing and maintaining a coordinated system of public parking facilities. The Parking Authority is administered by a five-member board, all of whom are appointed by the Mayor.

The Parking Authority obtains its revenue from user charges and from street parking meter revenues. Under an agreement between the Parking Authority and the City, street parking revenues are allocated 52% to the Parking Authority and 48% to the City.

Management of the Parking Authority is not designated by the City nor does the City have the ability to significantly influence its operations. The City does not subsidize the operations of the Parking Authority and does not guarantee its debt. The scope of public service, while generally available to City residents, is not exclusively for their benefit.

The Parking Authority has not been included as a component unit of the City's reporting entity because of the lack of significant oversight responsibility and the lack of accountability for fiscal matters.

The Public Auditorium Authority of Pittsburgh and Allegheny County (Auditorium Authority)

The City of Pittsburgh and the County of Allegheny jointly created the Auditorium Authority to build and operate the Pittsburgh Civic Arena. In 1981, the operation of the Civic Arena was turned over to a privately owned company under terms of a lease agreement with an initial term of 50 years. Annual rentals under the lease are equal to the annual debt service requirements on outstanding Auditorium Authority bonds.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

In addition, the Department of General Services of the Commonwealth of Pennsylvania has financed and constructed the David L. Lawrence Convention Center. The Convention Center has been leased to the Auditorium Authority for a term of 30 years at a nominal rent. The City and County have agreed to pay one-half of any operating deficits; however, in 1986, the City had no expenditures for this purpose.

The Auditorium Authority is administered by a five-member board. The City and County each appoint two board members. One member is appointed jointly. The City does not designate the management of the Auditorium Authority nor does the City have the ability to significantly influence operations. The scope of public service, while generally available to City residents, is not exclusively for their benefit.

The Auditorium Authority has not been included as a component unit of the City's reporting entity because of the limited oversight responsibility and limited accountability for fiscal matters. The Auditorium Authority operates on a fiscal year ending June 30.

Urban Redevelopment Authority of Pittsburgh (URA)

The URA administers federal, state and local grants designed to provide a broad range of urban renewal and maintenance programs within the City of Pittsburgh.

The URA is administered by a five-member board, all of whom are appointed by the Mayor. Management of URA is not designated by the City nor does the City have the ability to significantly influence operations. The City does not subsidize the operations of the URA and does not guarantee its debt service.

The URA has not been included as a component unit of the City's reporting entity because there is a lack of significant oversight responsibility and there is no accountability for fiscal matters.

Housing Authority of the City of Pittsburgh (Housing Authority)

The Housing Authority was established to acquire and maintain properties for the purpose of providing low-income housing for residents of the City. Rental charges and subsidies from Federal Housing and Urban Development grants are the principal revenue sources.

The Housing Authority is administered by a seven-member board, all of whom are appointed by the Mayor. City Council approves five of the seven appointments. The City does not designate the management of the Housing Authority nor does the City have the ability to significantly influence operations. The City does not subsidize the operations of the Housing Authority and does not guarantee its debt service.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The Housing Authority has not been included as a component unit of the City's reporting entity because, although it operates within the City's boundaries, there is a lack of significant oversight responsibility and there is no accountability for fiscal matters.

Allegheny County Sanitary Authority (Alcosan)

Alcosan provides sewage treatment services to the City and numerous other municipalities in the County of Allegheny. Operating expenses and debt service are not guaranteed by the City. The City, however, is charged for its usage of the sewage facilities at the normal rates applicable to other customers. In addition, delinquent sewage charges on properties in the City are purchased by the General Fund for collection because the City has the power to file liens on such properties.

Alcosan has not been included as a component unit of the City's reporting entity because there is no oversight responsibility and no significant accountability for fiscal matters.

Employees Pension Plans

The City has three defined benefit pension plans, the Policemen's Relief and Pension Fund (Police), the Firemen's Relief and Pension Fund (Fire) and the Municipal Pension Fund (Municipal), which together cover substantially all City employees. The plans are administered by separate boards which include, for all plans, the president of the City Council and the City Controller and, additionally, in the case of the Municipal and Fire plans, the Mayor. Funding and other information for all three plans is presented in note 7.

The pension plans have been included as component units of the City's reporting entity because of the City's oversight responsibility and its accountability for fiscal matters.

Pittsburgh Water and Sewer Authority (Water and Sewer Authority)

The Water and Sewer Authority was incorporated in February 1984 under the Municipality Authorities Act of 1945 of the Commonwealth of Pennsylvania pursuant to Resolution No. 36 of the Council of the City of Pittsburgh. The Water and Sewer Authority entered into a lease and management agreement effective May 1, 1984 (agreement) with the City. Under the terms of the lease, the Water and Sewer Authority assumed responsibility for the operation and rehabilitation of the water and sewer system of the City.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The agreement provides for the Water and Sewer Authority to lease the water and sewer system (system) from the City and then contract the City to operate and maintain the system for a 50-year period. Under the agreement, the Water and Sewer Authority reimburses the City for the direct operating costs of, and indirect costs allocated to, the system; debt service on existing City debt related to the system prior to the effective date of the lease and management agreement, and an "additional payment" in consideration of the lease which is determined by the City each year. The "additional payment" is limited to a maximum of \$3,091,000 in 1986 increased by 7% annually through 1989 and by a specified price index thereafter. The "additional payment" also includes up to 600 million gallons of water to be provided to the City annually at no charge. The agreement also requires the Water and Sewer Authority to reimburse the City for payments to other non-City water agencies representing the differences in rates between the City and those agencies related to water provided to City customers by those non-City water agencies. Payments under the agreement, with the exception of direct costs, are subordinated to the Water and Sewer Authority's obligations under its trust indenture.

The Water and Sewer Authority accounts for the lease as an operating lease. Costs related to the management agreement and the lease are recognized as operating expenses by the Water and Sewer Authority based upon billings by the City. Future obligations of the Water and Sewer Authority in consideration of the lease are the payment of the City's debt and the "additional payment," which are treated as operating transfers. The "additional payment" can vary annually based on the City's discretion subject to certain limitations discussed above. For 1987, the "additional payment" has been budgeted at \$1,025,714. Debt service obligations of the City which are to be funded by the Water and Sewer Authority are as follows:

<u>Year ended December 31,</u>	<u>Amount</u>
1987	\$ 3,866,000
1988	3,794,000
1989	3,745,000
1990	3,610,000
1991	3,338,000
Later years	<u>43,475,000</u>
Total minimum future lease payments	<u>\$ 61,828,000</u>

The City is also responsible to hold the Water and Sewer Authority harmless against any claims or judgments against the City or the Water and Sewer Authority related to the operation and maintenance of the system.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The Water and Sewer Authority is a component unit of the City's reporting entity. Its operations are included in the Enterprise Fund.

City of Pittsburgh Equipment Leasing Authority (Equipment Leasing Authority)

The Equipment Leasing Authority was incorporated in 1980 to serve as a financing vehicle for the acquisition of equipment. The Equipment Leasing Authority has issued \$31,500,000 of Equipment Revenue Bonds and has simultaneously entered into lease agreements with the City pursuant to which the City has agreed to make annual rental payments to the Equipment Leasing Authority of varying amounts to cover debt service on the bonds.

The Equipment Leasing Authority is a component unit of the City's reporting entity. Its operations are included in the Special Revenue Fund, the Debt Service Fund and the General Long-term Debt Account Group.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The following table presents unaudited summary financial data based on the most recent published financial statements of the entities that are not part of the City's reporting entity:

	(In thousands)				
	<u>Parking Authority</u>	<u>Auditorium Authority</u>	<u>URA</u>	<u>Housing Authority</u>	<u>Alcosan</u>
<u>Assets</u>					
Cash and temporary investments	\$ 8,150	16,841	2,686	(286)	-
Investments at cost, which approximates market	81,796	-	113,873	9,353	12,222
Property, plant and equipment	52,548	74,995	3,804	209,356	97,316
Cost of projects in process	-	-	229,257	-	-
Contributions, loans and accounts receivable	866	2,514	122,486	15,861	6,381
Other	<u>3,112</u>	<u>253</u>	<u>258</u>	<u>611</u>	<u>107,681</u>
	<u>\$ 146,472</u>	<u>94,603</u>	<u>472,364</u>	<u>234,895</u>	<u>223,600</u>
<u>Liabilities and Fund Equity</u>					
Bonds and notes payable	106,955	33,370	164,637	122,913	133,750
Other liabilities	4,736	2,830	19,194	9,164	5,090
Fund equity	<u>34,781</u>	<u>58,403</u>	<u>288,533</u>	<u>102,818</u>	<u>84,760</u>
	<u>\$ 146,472</u>	<u>94,603</u>	<u>472,364</u>	<u>234,895</u>	<u>223,600</u>
 Revenues	16,946	3,572	258	14,364	22,861
Expenses	(16,487)	(3,423)	(6,245)	(33,011)	(29,653)
Transfer to City of Pittsburgh	(700)	-	-	-	-
Other changes in fund equity	<u>-</u>	<u>824</u>	<u>45,677</u>	<u>27,538</u>	<u>(586)</u>
	<u>\$ (241)</u>	<u>973</u>	<u>39,690</u>	<u>8,891</u>	<u>(7,378)</u>
 Fiscal period ended	9-30-86	6-30-86	12-31-85	12-31-85	12-31-86

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(3) Reconciliation of Generally Accepted Accounting Principles (GAAP) Basis to Budgetary Basis

The budget of the City is prepared differently from generally accepted accounting principles. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General and Special Revenue Fund Types is reconciled below to the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Expendable Trust Funds presented on a GAAP basis:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses - GAAP basis	\$ (24,653,281)	4,433,339
Excess of revenues and other sources over expenditures and other uses attributable to nonappropriated funds	-	(7,148,268)
Revenues:		
Decrease (increase) in revenues susceptible to accrual recorded when received in cash on the budgetary basis	(1,330,012)	2,673,982
Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis	20,826,926	-
Refunds budgeted as expenditures and recognized as a reduction of revenues on a GAAP basis	2,977,837	-
Operating transfers budgeted as revenues	5,462,777	-
Equity transfer and advance from Stadium Authority budgeted as revenues	20,000,000	-
Total	<u>47,937,528</u>	<u>2,673,982</u>
Expenditures:		
Increase in expenditures recognized on a GAAP basis recorded when paid in cash on the budgetary basis	1,184,133	8,057
Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis	(20,826,926)	-
Refunds budgeted as expenditures and recognized as a reduction of revenues on a GAAP basis	(2,977,837)	-
Capitalized lease not budgeted	3,003,747	-
Operating transfers budgeted as expenditures	(38,176,140)	-
Total	<u>(57,793,023)</u>	<u>8,057</u>
Other financing (sources) uses:		
Capital lease obligation proceeds not budgeted	(3,003,747)	-
Operating transfers budgeted as revenues and expenditures	32,713,363	-
Total	<u>29,709,616</u>	<u>-</u>
Deficiency of revenues and other sources over expenditures and other uses - budgetary basis	\$ <u>(4,799,160)</u>	<u>(32,890)</u>

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(4) Cash and Investments

Cash and investments of the City and its component units are classified into three categories to give an indication of the level of risk assumed at year-end. Category 1 includes investments insured or registered or securities which are held by a City entity or its agent in a City entity's name. Category 2 includes uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in a City entity's name. Category 3 includes uninsured and unregistered investments with the securities held by the counterparty or by its trust department or agent but not in a City entity's name.

A. Governmental Funds, Expendable Trust Funds and Agency Funds

Cash balances available for investment by most City funds are maintained in pooled bank and investment accounts to improve investment opportunities. Income from investment of pooled cash is recorded in the general fund. Certain unrestricted and restricted cash and short-term investment balances in the accompanying combined balance sheet represent the undivided interest of each respective fund in the pooled accounts.

Under the Pittsburgh City Code, the Director of Finance is responsible for the overall management of the investment program. Policies established by the Director of Finance permit the City to invest in the following:

1. U.S. Treasury Securities (bills, notes, bonds).
2. Obligations of specific agencies of the Federal Government where principal and interest is guaranteed by the U.S. Government.
3. Fully insured or collateralized certificates of deposit at commercial banks and savings and loan associations accepted as depository institutions under the Pittsburgh City Code.
4. Money market mutual funds authorized by City Council whose portfolio consists of government securities issued by the U.S. Government and that are fully guaranteed as to principal and interest.
5. Local government investment pools and or trusts as approved by the state legislature or Pittsburgh City Council from time to time.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

6. Repurchase agreements collateralized by U.S. Treasury Securities and marked to market. In order to participate in the repurchase agreement market, a depository must execute the Public Securities Association Master Repurchase Agreement Contract with the City.

To ensure adequate liquidity, at least 10% but no more than 40% of the portfolio shall be in overnight repurchase agreements, money market funds, or other secure and liquid forms of acceptable investments. Unless specifically matched to a cash flow at least 20% of the portfolio shall mature within 91 days with the maximum maturity of any investment to be no longer than one year from the date of purchase unless specifically approved in writing by the Director of Finance.

The cost of all investments and uninvested cash balances at December 31, 1986 for all governmental funds (except the funds of the Equipment Leasing Authority included in the special revenue and debt service funds), expendable trust and agency funds (except deferred compensation assets of \$5,172,590) is presented in the accompanying table. Underlying balances are predominantly short-term investments.

	Category			Carrying amount
	1	2	3	
Cash	\$ 4,526,671	-	-	4,526,671
Certificates of deposit	<u>90,357,000</u>	-	-	<u>90,357,000</u>
Deposits	<u>94,883,671</u>	-	-	<u>94,883,671</u>
Repurchase agreements	-	-	16,153,000	16,153,000
Money market trust funds	-	10,957,600	-	10,957,600
U.S. government and agency obligations	<u>-</u>	<u>16,000,078</u>	<u>-</u>	<u>16,000,078</u>
Cash and short-term investments	<u>94,883,671</u>	<u>26,957,678</u>	<u>16,153,000</u>	<u>137,994,349</u>
U.S. government and agency obligations	<u>144,000</u>	<u>1,897,264</u>	<u>-</u>	<u>2,041,264</u>
	<u>\$ 95,027,671</u>	<u>28,854,942</u>	<u>16,153,000</u>	<u>140,035,613</u>

Cost approximates market for all of the foregoing investments, and all short-term investments mature within one year.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The City's cash and certificates of deposit at year end were entirely covered by federal depository insurance or by collateral held by the financial institutions' trust departments or custodial agents for the benefit of the City. Certificates of deposit and time accounts are fully collateralized pursuant to agreements with substantially all participating financial institutions to pledge assets on a pooled basis to secure public deposits according to Act No. 72 of the Commonwealth of Pennsylvania, August 6, 1971.

The City maintains compensating balances with its depository banks to offset specific charges for check clearing and other services.

B. Equipment Leasing Authority

Trust indentures authorize the Equipment Leasing Authority to invest in obligations of the U.S. Government; repurchase agreements for government obligations; and certificates of deposit, fully insured or collateralized. Throughout the year ended December 31, 1986, the Equipment Leasing Authority invested its funds in only one or more of the above authorized investments.

The cost of all investments and uninvested cash balances at December 31, 1986 for the funds of the Equipment Leasing Authority included in special revenue funds and debt service funds is presented in the accompanying table. Underlying balances are predominantly short-term investments.

	Category			Carrying
	1	2	3	amount
Cash	\$ (1,507,148)	-	-	(1,507,148)
Certificates of deposit	-	4,980,849	-	4,980,849
Deposits	(1,507,148)	4,980,849	-	3,473,701
Repurchase agreements	-	-	100,000	100,000
Money market trust funds	-	7,824,227	-	7,824,227
U.S. government and agency obligations	-	13,941,760	-	13,941,760
Cash and short-term investments	\$ (1,507,198)	26,746,836	100,000	25,339,688

Cost approximates market for all of the foregoing investments and all investments mature within one year.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

C. Enterprise Funds

The trust indentures authorize the Water and Sewer Authority to invest in obligations of the U.S. Treasury, agencies and instrumentalities; certificates of deposit, fully insured or collateralized; commercial paper of the highest rating; and repurchase agreements. Throughout the year ended December 31, 1986, the Water and Sewer Authority invested its funds in only one or more of the above authorized investments.

The Water and Sewer Authority's investments are categorized below to give an indication of the level of risk assumed by the entity at year end.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>amount</u>	<u>value</u>
Repurchase agree-					
ments	\$ -	-	113,597,000	113,597,000	113,597,000
U. S. Government					
securities	-	378,781,000	-	378,781,000	377,872,000
Commercial paper	-	16,979,000	-	16,979,000	16,979,000
Certificates of					
deposit	-	<u>26,235,000</u>	<u>-</u>	<u>26,235,000</u>	<u>26,235,000</u>
Total invest-					
ments	\$ -	<u>421,995,000</u>	<u>113,597,000</u>	<u>535,592,000</u>	<u>534,683,000</u>

Deposits and investments of the Stadium Authority were not classified into these categories in its separately issued financial statements which predate the City's transition to the disclosures required by Statement 3 of the Governmental Accounting Standards Board.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

D. Pension Trust

The Pension Trust Funds, whose deposits and investments are held separately from those of the City, are assigned to professional money managers with certain restrictions as to investment alternatives.

Cash and investments of the Pension Trusts at December 31, 1986 were comprised of the following:

	Category			Carrying amount	Market value
	1	2	3		
Cash	\$ 2,392,608	-	-	2,392,608	2,392,608
Certificates of deposit	4,115,000	-	-	4,115,000	4,115,000
Repurchase agree- ments	-	-	2,700,000	2,700,000	2,700,000
Money market trust funds	-	13,801,905	-	13,801,905	13,801,905
Cash and short- term invest- ments	6,507,608	13,801,905	2,700,000	23,009,513	23,009,513
Preferred and common stocks	-	8,056,261	-	8,056,261	8,803,108
U.S. government and agency obliga- tions	-	15,647,535	-	15,647,535	17,074,486
Corporate and other obligations	-	2,075,929	-	2,075,929	2,014,313
Investments	-	25,779,725	-	25,779,725	27,891,907
	<u>\$ 6,507,608</u>	<u>39,581,630</u>	<u>2,700,000</u>	<u>48,789,238</u>	<u>50,901,420</u>

(5) Property Tax

The City has the power to levy and collect ad valorem taxes on all taxable real estate within its boundaries. Real estate is assessed by the Board of Property Assessment, Appeals and Review of the County of Allegheny pursuant to the terms of the General County Assessment Law and the Second Class County Assessment Law, which require property to be assessed at actual market value. In practice, property is assessed by the Board at 25% of fair market value. All real property in the County is required to be reassessed annually.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Two tax levies, based on separate rates for land and buildings, are made annually on January 1, and collected by the City. Taxes are payable quarterly, but if paid in the month of January, a 2% discount is permitted. If a quarterly payment is not made by the last day of the calendar quarter, a penalty of 1/2% per month, plus interest at the rate of 1% per month, is imposed on the balance of the tax due for the year.

Properties with delinquent taxes or water and sewage charges are subject to Treasurer's sales, which are held with respect to properties for which taxes or charges are delinquent one year or more. Delinquent taxes may be liened up to three years after the levy date.

The City provides programs of tax abatement for new construction and rehabilitation of residential and commercial/industrial properties pursuant to Commonwealth legislative authority. The residential abatement program provides for the abatement of taxes for a period of three years on the increased assessment attributable to new construction or rehabilitation up to an annually indexed average housing construction cost ceiling. The City makes tax abatements available for commercial/industrial properties for the assessment increase attributable to new construction or rehabilitation. There is no ceiling on the value of construction eligible for abatement under this program. The abatement is available for a period of three years from the date of issuance of the building permit for the construction or rehabilitation.

(6) Property, Plant and Equipment

A summary of Enterprise Fund property, plant and equipment at December 31, 1986 follows:

Stadium complex	\$ 50,525,585
Utility plant	5,282,000
Construction in progress (utility plant)	<u>20,548,000</u>
Total	76,355,585
Less: accumulated depreciation	<u>14,761,104</u>
Net	<u>\$ 61,594,481</u>

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(7) Pension Plans

The City has three defined benefit pension plans (Municipal, Police and Fire) which are administered by pension boards, the majority of whose members are elected by the employees. The Police and the Fire plans cover all employees of the Bureau of Police and the Bureau of Fire, respectively. Each full-time employee not covered under either the Police or Fire plan is required to join the Municipal pension plan after serving a 90-day probationary period.

Employees in the Police and Fire plans are required to contribute to the plans at the rate of 6% of their monthly salary, plus \$1.00 per month. Employees in the Municipal plan contribute 5% of their monthly salary. The Commonwealth of Pennsylvania contributes to the City's pension plans under the "Municipal Pension Plan and Funding Standard and Recovery Act" (Act 205). Under the Act, the City is eligible for distributions of state general fund appropriations and taxes on non-Commonwealth casualty and fire insurance companies.

The following is a summary of participants, City and Commonwealth contributions:

Source of contribution	Year ended December 31, 1986					Total
	Municipal	Police	Fire	Act 205	Retirees' Trust	
Participants	\$ 2,722,485	2,066,407	2,064,588	-	-	6,853,480
City	7,772,012	5,131,235	2,991,358	-	700,000	16,594,605
Commonwealth	-	-	-	12,227,707	-	12,227,707
Total	<u>\$ 10,494,497</u>	<u>7,197,642</u>	<u>5,055,946</u>	<u>12,227,707</u>	<u>700,000</u>	<u>35,675,792</u>

The most recent actuarial reports disclosed the following information with respect to the plans as of January 1, 1986:

	Municipal	Police	Fire
Actuarial present value of accumulated plan benefits:			
Vested	\$ 131,488,694	125,725,155	96,167,697
Nonvested	15,061,611	38,979,947	24,996,929
Total	<u>\$ 146,550,305</u>	<u>164,705,102</u>	<u>121,164,626</u>
Assumed rate of return used in actuarial calculations	7.50%	7.50%	7.50%
Assets available for benefits	<u>\$ 27,300,050</u>	<u>1,641,508</u>	<u>1,518,528</u>

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

In 1982, the City instituted changes in its funding policy to gradually move from pay-as-you-go funding to funding based on amounts accrued. Police and Fire employees hired after December 31, 1981 have been separately classified within their respective plans and annual contributions are being made to fund on a current basis the benefits available to such employees. In 1976, a similar modification was made to the Municipal plan for participants hired after January 1, 1975. For these groups of employees there are no prior service costs under the actuarial method used. In addition, the City funds the amount required to pay current benefits to retirees and related operating expenses, less the aforementioned employee and state contributions.

Net pension cost for 1986, including amortization of the Plans' unfunded accrued liabilities, was \$27,879,597 of which \$15,894,597 was recorded in the General Fund. The balance of \$11,985,000, representing the excess of pension expense accrued in the General Fund over contributions made to the plans in 1986, has been recorded in the General Long-term Debt Account Group, since it does not represent a current obligation of the General Fund. The unfunded accrued liability for each plan is being amortized based on a level percent of payroll which is assumed to increase at 4% per year. Components of the unfunded accrued liability for each plan are being amortized as follows:

<u>Component</u>	<u>Date established</u>	<u>Amortization Period</u>	
		<u>Initial</u>	<u>Remaining</u>
Initial	1/01/85	30	29
Retiree increase	1/01/86	10	10
Actuarial gain	1/01/86	15	15

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(8) Long-term Debt

The maximum amount payable for future maturities of bond principal and interest on general long-term debt at December 31, 1986 and changes in bond principal for the year then ended are summarized below:

	Principal				Interest
	Outstanding at December 31, 1985	Bonds paid or defeased during 1986	Bonds issued during 1986	Outstanding at December 31, 1986	
Council and Public Election General Obligation Bonds:					
Nineteen general obligation bond issues with rates ranging from 4.00% to 8.40%. The bonds are payable from general revenues:					
1986	\$ 10,110,000	10,110,000	-	-	-
1987	10,000,000	-	2,445,000	12,445,000	23,232,745
1988	9,730,000	-	10,000	9,740,000	22,785,094
1989	9,865,000	-	10,000	9,875,000	22,219,742
1990	11,650,000	-	10,000	11,660,000	21,569,901
1991	11,375,000	-	1,565,000	12,940,000	21,596,914
1992-1996	57,635,000	-	9,345,000	66,980,000	94,411,013
1997-2001	60,390,000	56,970,000	67,105,000	70,525,000	69,968,682
2002-2006	87,635,000	87,635,000	93,450,000	93,450,000	41,896,875
2007-2011	16,000,000	16,000,000	49,115,000	49,115,000	15,781,750
2012-2014	-	-	30,455,000	30,455,000	2,813,850
Totals	284,390,000	170,715,000	253,510,000	367,185,000	336,276,566

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

	Principal				
	Outstanding at December 31, 1985	Bonds paid or defeased during 1986	Bonds issued during 1986	Outstanding at December 31, 1986	Interest
Equipment Leasing Authority Revenue Bonds:					
Two revenue bond issues with interest rates ranging from 5.0% to 9.5%, one bond issue with an interest ceiling of 7.5% and two bond issues with an interest ceiling of 9.5%. The bonds are payable from general resources transferred from the General Fund:					
1987	\$ 9,225,000	-	1,105,000	10,330,000	2,238,926
1988	5,275,000	5,275,000	6,930,000	6,930,000	1,703,938
1989	-	-	1,770,000	1,770,000	1,189,563
1990	6,300,000	-	1,905,000	8,205,000	1,059,343
1991	-	-	2,050,000	2,050,000	316,831
1992	-	-	2,215,000	2,215,000	156,175
Totals	20,800,000	5,275,000	15,975,000	31,500,000	6,664,776
Public Auditorium Authority Revenue Bonds:					
Two bond issues with fixed interest rates ranging from 5.50% to 11.00%. The City's share of debt service on these bonds is payable from general revenues:					
1986	142,500	142,500	-	-	-
1987	287,500	-	-	287,500	853,964
1988	305,000	-	-	305,000	834,339
1989	330,000	-	-	330,000	812,155
1990	355,000	-	-	355,000	786,649
1991	382,500	-	-	382,500	758,281
1992-1996	2,452,500	-	-	2,452,500	3,235,826
1997-2001	2,837,500	-	-	2,837,500	1,868,465
2002-2006	2,535,000	-	-	2,535,000	725,400
Totals	9,627,500	142,500	-	9,485,000	9,875,079
General Long-term Debt Account Group	\$ 314,817,500	176,132,500	269,485,000	408,170,000	352,816,421

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Future maturities of bonds principal on Stadium Authority indebtedness at March 31, 1986 is as follows:

	Principal			
	Outstanding at beginning of year	Bonds paid or defeased during the year	Bonds issued during the year	Outstanding at end of year
Stadium Authority Revenue Bonds and Note:				
One revenue bond issue and one note issue with interest rates ranging from 5.00% to 9.00% and \$420,000 received in advance on an issue dated April 1, 1986. The bonds and note are payable from revenues from Stadium operations:				
1986	\$ 865,000	865,000	-	-
1987	920,000	640,000	670,000	950,000
1988	990,000	685,000	605,000	910,000
1989	1,055,000	725,000	635,000	965,000
1990	1,130,000	775,000	670,000	1,025,000
1991	825,000	825,000	720,000	720,000
1992-1996	5,110,000	5,110,000	4,425,000	4,425,000
1997-2001	7,455,000	7,455,000	6,495,000	6,495,000
2002-2006	8,445,000	8,445,000	8,390,000	8,390,000
2007-2011	9,930,000	9,930,000	10,215,000	10,215,000
2012	2,420,000	2,420,000	-	-
Totals	\$ 39,145,000	37,875,000	32,825,000	34,095,000

Future maturities of bonds principal on Water and Sewer Authority indebtedness at December 31, 1986 is as follows:

Water and Sewer Authority Revenue Bonds:				
Four revenue bond issues due on demand; one variable rate issue with an interest ceiling of 12.132%; one revenue bond issue with an initial variable rate of 6.875% with a ceiling of 15%; one with a fixed interest rate of 4.625% until June 1, 1987; and one with fixed interest rates ranging from 5.9% to 7.625%:				
1987	1,700,000	-	-	1,700,000
1988	1,900,000	-	-	1,900,000
1989	2,000,000	-	-	2,000,000
1990	2,200,000	-	-	2,200,000
1991	2,300,000	-	4,500,000	6,800,000
1992-1996	15,600,000	-	34,415,000	50,015,000
1997-2001	23,800,000	-	48,620,000	72,420,000
2002-2006	37,000,000	-	69,810,000	106,810,000
2007-2011	57,700,000	-	99,695,000	157,395,000
2012-2016	49,400,000	-	141,750,000	191,150,000
Totals	\$ 193,600,000	-	398,790,000	592,390,000

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

A. Council and Public Election General Obligation Bonds

On August 28, 1986, the City issued \$190 million in general obligation bonds with an average interest rate of 6.96 percent to advance refund \$160,605,000 of outstanding Series of 1985 bonds (refunded bonds) with an average interest rate of 9.08 percent. The net proceeds of approximately \$184,352,000 (after payment of approximately \$5,648,000 in underwriting fees, insurance and other issuance costs) were used to purchase U. S. government securities. Those securities are being held in escrow under irrevocable trust agreements with banks to provide for all future debt service payments on the Series of 1985 bonds. Accordingly, the refunded bonds are considered defeased, and the liability for those bonds has been removed from the general long-term debt account group.

The City advance refunded the Series of 1985 bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$5,224,000. The advance refunding extended the repayment term from 8.5 to 27.5 years and increased aggregate debt service requirements by approximately \$95,432,000.

In 1983 and 1985, the City defeased certain general obligation and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, neither the assets held in trust nor the refunded bonds appear in the accompanying financial statements. At December 31, 1986, bonds outstanding of \$14,720,000, \$183,085,000 and \$160,605,000 refunded by the 1983, 1985 and 1986 issues, respectively, are considered defeased.

B. Equipment Leasing Authority

On August 26, 1986, the Equipment Leasing Authority issued \$5,275,000 in bonds secured by equipment with an interest rate of 52% of Pittsburgh National Bank's prime rate, not to exceed 7.5% to advance refund \$5,275,000 of outstanding 1982 A Series bonds with an average interest rate of 8.25%. The proceeds were used to retire the 1982 A Series bonds. The obligation to the bondholders was fully satisfied as of October 1, 1986.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

C. Public Auditorium Authority

In 1981, Civic Arena Corporation (CAC), a wholly owned subsidiary of The Edward J. DeBartolo Corporation, assumed operation of the Civic Arena under a sublease (the Sublease). Under the Sublease, CAC makes rental payments equivalent to the net amount needed to meet the debt service requirements on the Auditorium Authority's Auditorium Bonds, Series C, presently outstanding in the amount of \$14,115,000. The bonds are guaranteed by the City and Allegheny County. The initial term of the Sublease is for 50 years, with five consecutive renewal periods of 10 years each. However, upon the occurrence of certain events, CAC has the option to terminate the Sublease upon six months' written notice to the Auditorium Authority, including certain events relating to the feasibility of the economic operation of the Civic Arena.

D. Stadium Authority

In December 1985, the Stadium Authority issued \$32,405,000 face value Guaranteed Stadium Refunding Bonds, Series of 1985. Proceeds from this issue were used to establish an irrevocable trust to defease all of the Stadium Authority's outstanding bonds (prior Stadium bonds). The defeasance of the indenture which permitted the issuance of the prior Stadium bonds permitted the Authority to eliminate certain restrictive covenants contained therein, eliminated certain obstacles to the sale of the Stadium, and permitted the Stadium Authority to restructure certain operating procedures. Neither the trust, which has sufficient amounts on deposit to retire the prior Stadium bonds, nor the related bonds are included on the Authority's balance sheet. The defeasance of the prior Stadium bonds resulted in an extraordinary gain of \$4,661,073. The total principal amount of defeased bonds at March 31, 1986 was \$37,010,000.

In April 1986, subsequent to its fiscal year end, the Stadium Authority issued \$21,000,000 of Guaranteed Funding Bonds, Series 1986. The bonds are due October 15, 1988 through October 15, 2005 in installments ranging from \$635,000 to \$1,995,000. The bonds bear interest at a variable rate increasing throughout the term of the obligation from 5.6% to 7.625%.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The proceeds of the bond issue were used to repay the City of Pittsburgh for grants owed and for expected future grants, and for additional operating capital.

The City of Pittsburgh has guaranteed full payment of the principal, interest and call premiums, if any, of the issue and has pledged its full faith credit and taxing power for the payment of the obligation under a Guarantee Agreement with the Stadium Authority.

At March 31, 1986 the Stadium Authority had received a \$420,000 advance on the Guaranteed Funding Bonds, Series 1986.

The note payable represents a bank borrowing made to finance the construction of 22 new lounge boxes and the remodeling of 15 already constructed. Medallion revenue amounting to \$500,000 and all amounts receivable from purchases and remodeling of the lounge boxes have been assigned to the bank for payment of the note. Interest on the note payable ranges from 7.75% to 8.75% per annum. The Authority is to make aggregate principal and interest payments of approximately \$390,000 annually through 1989.

Long-term debt principal payments in the aggregate for the five years subsequent to March 31, 1986 are as follows:

Year Ending March 31,

1987	\$ 520,000
1988	910,000
1989	1,600,000
1990	1,695,000
1991	1,430,000

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Certain restricted accounts have been created by the Stadium Authority as a result of the governing trust indentures and by Board of Directors' resolutions. The following is a summary of restricted assets as of March 31, 1986:

	<u>Cash</u>	<u>Investments</u>	<u>Accounts receivable</u>	<u>Accrued interest</u>	<u>Other assets</u>	<u>Total</u>
Clearing	\$ 120,381	366,986	-	4,982	-	492,349
Lounge box financing	-	-	-	5,805	23,152	28,957
Lounge box notes	101	87,247	1,089,530	-	-	1,176,878
Medallion pledge	96	313,948	356,966	7,543	-	678,553
Parking routine maintenance	43,362	-	4,333	-	-	47,695
Parking nonroutine maintenance (includes parking percentage rents)	7,515	-	45,000	-	-	52,515
Maintenance	<u>41,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,942</u>
Total	<u>\$ 213,397</u>	<u>768,181</u>	<u>1,495,829</u>	<u>18,330</u>	<u>23,152</u>	<u>2,518,889</u>

During 1982, the Stadium Authority sold 15 corporate medallions. The money received from the sale of the medallions will consist of annual payments made by corporations of \$100,000 for ten years for the right to place advertising on the medallions. Included in restricted accounts receivable is \$357,000 representing the pro-rata revenue portion of the 1985 annual medallion payments.

Also included in restricted accounts receivable is \$1,089,530 which represents the unpaid balance for the purchase or remodeling of lounge boxes. The purchasers are to make quarterly payments ranging from \$2,800 to \$3,800 per box to the Stadium Authority for a period of seven years. Proceeds from these receivables are pledged on the Authority's notes payable. No allowance for uncollectibles is considered necessary.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

E. Water and Sewer Authority

In July 1984, the Water and Sewer Authority issued \$93,600,000 (face value) of Daily Adjustable Demand Water and Sewer System Revenue Bonds, Series of 1984 (1984 Bonds) secured by its operating revenues. Proceeds from the bond issue are to be used to finance a significant portion of the Water and Sewer Authority's capital improvements program. Interest on the 1984 Bonds is at a daily adjustable annual rate, not to exceed 12.132%, established by the remarketing agent which is reflective of the current bid-side yields on short-term, tax-exempt obligations. The interest rate at December 31, 1986 was 12.0%. The average annual effective interest rate was 4.4% in 1986.

The 1984 Bonds are payable on demand without prior notice from the holders, or they can be redeemed at any time at the Water and Sewer Authority's option. Payment of the 1984 Bonds is secured by a pledge of the Water and Sewer Authority's operating revenues and by a standby letter of credit agreement with a bank expiring on September 5, 1989, which would provide sufficient funds to pay the principal and accrued interest on the 1984 Bonds. As a result of the letter of credit arrangement, the bonds are considered noncurrent liabilities.

The bonds are also subject to mandatory redemption prior to the expiration of the letter of credit if a substitute letter of credit is not obtained or by mandatory annual payments to a sinking fund ranging from \$1,100,000 to \$7,500,000 through September 1, 2014 beginning September 1, 1987. The foregoing table of debt service requirements to maturity reflects the mandatory redemption provisions.

In April 1985, the Water and Sewer Authority issued \$100,000,000 face value Adjustable Rate Tender Revenue Bonds, Series of 1985 (1985 Bonds). Upon issuance of the 1985 Bonds, net proceeds of \$88,604,000 were deposited in an escrow account and together with the interest earnings of the escrow account were used to redeem the outstanding 1984 Bonds on April 1, 1987 and to pay the interest due on the 1985 Bonds during the escrow period. At December 31, 1986, a portion of the escrow account, \$1,719,000, has been applied as an offset to accrued interest payable on the 1985 Bonds. The 1985 Bonds bear interest at 6-7/8% until April 1, 1987 and thereafter at an adjustable rate not exceeding 15% so as to sell the bonds at 100% of the face value plus accrued interest. Payment of the 1985 Bonds is insured under a Municipal Bond New Issue Insurance Policy issued by Financial Guaranty Insurance Company.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The 1985 and 1984 Bonds are covered by trust indentures which require that all revenues be deposited in a Revenue Fund. Amounts in the Revenue Fund are to be first disbursed to other funds as provided for in the indenture.

In June 1986, the Water and Sewer Authority issued \$134,700,000 face value Adjustable Rate Tender Revenue Bonds, Series of 1986 (June 1986 Bonds) and in July 1986, \$264,090,000 face value Revenue Refunding Bonds, Series of 1986 (July 1986 Bonds).

The June 1986 Bonds were issued in order to implement the second phase of the Water and Sewer Authority's capital improvements program. The bonds bear interest at the rate of 4.625% per annum until June 1, 1987; thereafter, the bonds may bear interest at various modes including daily, weekly, semiannual, annual, multiannual, or fixed rate. Payment of June 1986 Bonds is insured under a Municipal Bond New Issue Insurance Policy issued by Financial Guaranty Insurance Company.

The July 1986 Bonds were issued by the Water and Sewer Authority with the intention to redeem the 1985 and June 1986 Bonds at a date not prior to September 1, 1991. Proceeds of \$241,411,000 from the issuance of the July 1986 Bonds were deposited in an escrow fund to provide for the redemption of the 1985 and June 1986 Bonds. Based upon the investments made and required interest to be paid on the July 1986 Bonds, the funds available September 1, 1991 in the escrow fund will be sufficient to retire the face value of the 1985 and June 1986 Bonds. The July 1986 Bonds bear interest at various rates from 5.9% to 7.625%, payable March 1 and September 1 each year commencing March 1, 1987. The average annual effective interest rate, excluding the amortization of deferred interest, was 7% in 1986. Payment of the bonds is insured under a Municipal Bond New Issue Insurance Policy issued by Financial Guaranty Insurance Company. The bonds are subject to optional and mandatory redemption in various face amounts annually beginning September 1, 1991.

Interest cost for 1986 on bonds payable, exclusive of letter-of-credit fees and the amortization of deferred interest, was as follows:

1984 Bonds	\$ 4,118,000
1985 Bonds	6,875,000
June 1986 Bonds	3,634,000
July 1986 Bonds	7,753,000

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

Insurance premiums have been recorded as deferred interest. Amortization of the deferred interest plus letter-of-credit fees paid on the 1984 Bonds amounted to \$1,035,000 in 1986.

Interest earned, net of related interest expense on funds restricted for the purpose of capital improvements, is deferred and allocated to the cost of capital assets. In 1986, the Authority deferred interest earnings of \$26,081,000 less interest expense of \$22,212,000.

In accordance with the provisions of the trust indentures for the bonds payable, the Water and Sewer Authority has established both trustee and nontrustee funds with assets, principally short-term investments, which are restricted for specific purposes. A summary of the balances in these funds at December 31, 1986 is as follows:

Trustee funds:	
Construction funds	\$ 175,170,000
Debt service funds	(2,677,000)
Renewal and replacement funds	- 1,873,000
Debt service reserve funds	25,362,000
Operating reserve account	2,761,000
July 1986 escrow fund	<u>4,558,000</u>
	<u>\$ 207,047,000</u>

Under the trust indentures, the Water and Sewer Authority has made certain covenants which essentially provide for rates to be set at levels sufficient to provide annually:

- (a) Funds to pay all of its current expenses;
- (b) An amount equal to 120% of the debt service requirements with respect to its bonds during the then current fiscal year; and
- (c) Funds to pay indirect expenses billed by the City and the "additional payment."

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

F. Capital Lease Obligations

During 1986 the City of Pittsburgh entered into various agreements for the lease purchase of data processing equipment value of \$3,003,747. The transaction has been reflected as a general government expenditures and in other financing sources. Current lease payments are recorded in the City's General Fund. The Equipment Leasing Authority, in 1985, entered into capital lease agreements to purchase communications and electronics equipment. Lease payments are recorded in its general fund. The future minimum lease payments under these lease agreements are as follows:

	General Fund	Special Revenue Fund - ELA	Total
1987	\$ 733,694	685,314	1,419,008
1988	733,694	224,344	958,038
1989	733,694	-	733,694
1990	707,672	-	707,672
1991	<u>472,205</u>	<u>-</u>	<u>472,205</u>
Total minimum lease payments	3,380,959	909,658	4,290,617
Less: Amount representing interest	<u>(556,774)</u>	<u>(42,274)</u>	<u>(599,048)</u>
Present value of net minimum lease payments	<u>\$ 2,824,185</u>	<u>867,384</u>	<u>3,691,569</u>

G. Other Long-term Obligations

The following is a summary of transactions affecting all other long-term obligations of the City during 1986:

	Accrued pension costs	Accrued compensated absences	Accrued workers' compensation
Balance at January 1, 1986	\$ 186,464,000	9,500,000	64,000,000
Additions	11,985,000	9,960,000	15,621,000
Reductions	<u>-</u>	<u>9,500,000</u>	<u>14,621,000</u>
Balance at December 31, 1986	198,449,000	9,960,000	65,000,000
Less amounts funded currently in the General Fund	<u>-</u>	<u>9,480,000</u>	<u>10,000,000</u>
Long-term portion at December 31, 1986	<u>\$ 198,449,000</u>	<u>480,000</u>	<u>55,000,000</u>

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

H. Deferred Loan

The terms of repayment to the Authority for Improvements in Municipalities for the deferred loan are not fixed and determinable. The loan plus 8% simple interest becomes payable in the event that the major league baseball franchise owned by Pittsburgh Associates is sold or if Pittsburgh Associates uses any profits generated from the operation of the major league baseball franchise to repay its economic development loan from the URA (see note 13).

(9) Interfund Receivable and Payable Balances

At December 31, 1986, the individual fund interfund receivable and payable balances were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 4,932,631	3,488,882
Special Revenue Funds:		
Equipment Leasing Authority	67,956	-
CETA/JTPA	-	1,066,606
Housing	19,365	2,006,731
Civic and Cultural	105,535	135,000
Debt Service Funds:		
Equipment Leasing Authority	2,700,895	-
Capital Projects Funds:		
Other	1,134,506	19,365
Enterprise Funds:		
Water and Sewer Authority	370,000	189,000
Expendable Trust Funds:		
Gifts and Donations	-	25,000
Agency Funds:		
Employee benefits	244,496	-
Payroll withholding	-	644,800
Deposit	-	2,000,000
	<u>\$ 9,575,384</u>	<u>9,575,384</u>

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(10) Contributed Capital

Contributed capital of \$5,277,000 in the Water and Sewer Authority represents the net accounts receivable balance transferred from the Water Fund on May 1, 1984, the inception of Water and Sewer Authority operations.

With respect to the Stadium Authority, contributed capital is comprised of \$7,396,566 of capital contributed in support of construction of additional seating, new lounge boxes and handicapped facilities and \$14,342,697 of grants from the City.

The City has agreed to make annual grants to the Stadium Authority for the excess of the aggregate cost of operations and maintenance of the Stadium complex and debt service on the Stadium bonds over the total funds available to the Stadium Authority for those purposes.

The Stadium Authority is required to repay these grants to the extent that its revenues are not required for operation and maintenance of the Stadium complex and debt service on the Stadium bonds. In its separately published financial statements, the Stadium Authority classifies these grants (\$14,342,697) as a liability to the City.

Subsequent to its fiscal year end, the Stadium Authority repaid these grants from the proceeds of its April 1986 bond issue and advanced an additional \$5,657,303 to the City to provide funding for future grants (see also notes 8D and 13).

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(11) Segment Information for Enterprise Funds

The City maintains Enterprise Funds which provide water services and operate the Stadium complex. Segment information for the year ended December 31, 1986 is as follows (in thousands):

	Water and Sewer Authority	Stadium Authority	Totals
Operating revenues	\$ 23,468	4,908	28,376
Depreciation and amortization	1,180	1,454	2,634
Operating income (loss)	4,405	(78)	4,327
Operating transfers to other funds	(5,461)	-	(5,461)
Extraordinary gain on bond refinancing	-	4,661	4,661
Net income (loss)	(1,880)	2,073	193
Property, plant and equipment:			
Additions	22,396	164	22,560
Net working capital	11,497	1,757	13,254
Total assets	251,552	40,396	291,948
Bonds and other long-term liabilities			
net of escrowed funds and discounts	248,454	33,565	282,019
Equity (deficit):			
Contributed capital	5,277	21,739	27,016
Accumulated deficit	(5,239)	(17,821)	(23,060)

(12) Fund Deficits

The deficit of the Water and Sewer Authority is expected to be eliminated through the rate setting process. The deficit of the Stadium Authority will be subsidized through future general fund appropriations. No other individual funds had deficits in 1986.

(13) Related Party Transactions

In April 1986, the Stadium Authority issued \$21,000,000 of Guaranteed Funding Bonds, Series 1986, \$20,000,000 of which was paid to the City in consideration of past and future grants by the City to the Stadium Authority. The City included this receipt in its 1986 General Fund budget. This receipt has been classified as intergovernmental revenues in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General and Special Revenue Fund Types.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

The City, in turn, disbursed \$20,000,000 to the Urban Redevelopment Authority of Pittsburgh (URA), which is not a component unit of the City, to fund its Business Reinvestment Fund. Under the terms of a cooperation agreement between the two, these funds were then used to make a loan to a private coalition organized to acquire the assets of the Pittsburgh Athletic Company, Inc. (owner of the Pittsburgh Pirates).

The City treated amounts to be disbursed to the URA as expenditures in its 1986 General Fund budget. This transaction has been classified as an expenditure for community, recreation and cultural programs in the foregoing financial statements. Of the \$20,000,000 received from the Stadium Authority, \$14,342,697 is recorded as a return of capital (an equity transfer) in the General Fund as it is both nonroutine and nonrecurring. Prepayment of future grants totaling \$5,657,303 is recorded as a liability of the General Fund (advance from Stadium Authority). The transaction is not reflected in the Enterprise Fund as the transaction took place after the end of the Stadium Authority's 1986 fiscal year.

The City has entered into an intergovernmental cooperation agreement with the County of Allegheny, Pennsylvania, setting forth their mutual understandings regarding financial assistance to be provided by the County in connection with the City's efforts to retain the Pittsburgh Pirates major league baseball franchise. In connection with this agreement, the County has agreed to make annual grants through the year 2011 to the Authority for Improvements in Municipalities (AIM) in an amount equal to (a) all County real estate taxes generated by virtue of the taxability of Three Rivers Stadium and (b) \$426,000. AIM has agreed to make annual grants equal to the amounts described in (a) above and deferred loans of \$426,000 to the City for projects and facilities located within the City (see note 8H). The sale of the Stadium to private owners did not take place in 1986. Accordingly, no amounts were due under (a) above.

(14) Commitments

In 1984, the Water and Sewer Authority adopted a seven-year Capital Improvements Program budgeted to cost approximately \$294 million. As of December 31, 1986, \$26 million has been spent, and an additional \$26 million has been committed for noncancelable construction contracts.

(Continued)

CITY OF PITTSBURGH

Notes to Financial Statements

(15) Contingencies

A lawsuit is pending which challenges the City's authority to collect a patron parking tax. In this action, a parking lot owner is seeking to have the Court of Common Pleas of Allegheny County declare the patron parking tax to be illegal and is seeking refunds of the tax. The City Solicitor is of the opinion that the tax is authorized under Commonwealth law and that there are meritorious, substantive and procedural defenses available to the City. The outcome of this matter is not expected to have a material adverse effect on the City's financial position.

The Pittsburgh Steelers, Inc. (professional football team) have filed an action against the Stadium Authority in the Court of Common Pleas of Allegheny County alleging that the exclusivity and "most favored nation" clauses of its lease were breached when the Stadium Authority leased the stadium to the Pittsburgh Maulers of the United States Football League (Maulers). The Pittsburgh Athletic Company, Inc. (professional baseball team) has intervened in that action alleging similar violations of its lease. The City is in the process of intervening in that action. The Maulers have since discontinued operations. The City Solicitor is of the opinion that there are meritorious defenses available to the City and the Stadium Authority and that this action will not have a material adverse effect on the City's financial position.

The City currently has an action pending before the Pennsylvania Public Utility Commission regarding the potential purchase of that portion of Western Pennsylvania Water Company's system which is located within the City. West Penn opposes such a purchase but, if consummated, that system and its operations and maintenance would become subject to the general supervision of the Water and Sewer Authority under the lease and management agreement with the City.

There is another case presently pending in the Court of Common Pleas of Allegheny County in which a corporation has appealed the denial by the City Treasurer of its refund claim for certain Business Privilege Taxes as a result of a reorganization within the Corporation. The City believes that it has meritorious defenses to this claim and that it will not have a materially adverse effect on the City's financial position.

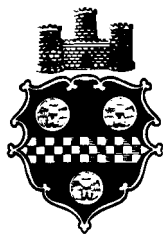
There is presently pending in the Court of Common Pleas of Allegheny County an action in which an insurance company has challenged the imposition by the City of its Business Privilege Tax upon gross receipts derived from the investment by the insurance company in income-producing real estate within the City. The City Solicitor believes that there are meritorious defenses available to the City and that potential refunds will not have a materially adverse effect on the City's financial position.

CITY OF PITTSBURGH

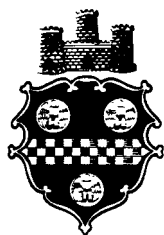
Notes to Financial Statements

The City has been named as a defendant in a number of other lawsuits arising in the ordinary course of its operations against which the City is not insured. In the opinion of the City Solicitor, adequate provision has been made in the General Fund for such lawsuits.

In addition, the City receives federal and state grants under a number of programs. The expenditures of the City under such programs are subject to audit and possible disallowance. Historically, such audits have not resulted in significant disallowances of project costs, and City management believes that audits of existing programs will not result in significant liability to the City.



FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS



GENERAL FUND

To account for resources traditionally associated with governments, which are not required to be accounted for in another fund. The fund receives revenue from a variety of sources. These revenues are used to finance the general operations of the City.



CITY OF PITTSBURGH
GENERAL FUND

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 29,261,439	34,145,320
Receivables:		
Real estate taxes (net of allowance for uncollectible accounts of \$7,300,000 in 1986 and \$5,840,000 in 1985)	3,008,997	2,184,245
Sewage charges (net of allowance for uncollectible accounts of \$3,130,000 in 1986 and \$2,845,000 in 1985)	1,737,767	974,057
Personal property taxes (net of allowance for uncollectible accounts of \$245,000 in 1986 and \$224,000 in 1985)	26,000	21,865
Accrued interest	1,021,000	581,879
Other	1,299,805	324,320
Other assets	4,552,282	3,708,622
Due from other funds	4,932,631	4,746,998
Inventory	1,853,711	1,515,338
Total assets	\$ 47,693,632	48,202,644
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	7,133,514	4,755,108
Accrued liabilities	6,974,428	6,243,983
Due to other funds	3,488,882	3,396,978
Advance from Stadium Authority	5,657,303	-
Due to other governments	989,402	944,674
Accrued workers' compensation	10,000,000	11,000,000
Accrued compensated absences	9,480,000	9,060,000
Deferred revenue, principally real estate taxes	3,872,764	2,393,978
Total liabilities	47,596,293	37,794,721
Fund balance (deficit):		
Reserved:		
Encumbrances	1,470,077	1,334,754
Inventory	1,853,711	1,515,338
Employee benefits	1,643,837	1,567,327
Unreserved:		
Designated for subsequent years' expenditures	2,816,692	1,605,930
Undesignated	(7,686,978)	4,384,574
Total fund balance	97,339	10,407,923
Total liabilities and fund balance	\$ 47,693,632	48,202,644

CITY OF PITTSBURGH
GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Taxes	\$ 199,259,869	192,754,769
Penalties and interest	2,226,187	2,340,879
Interest and dividends	6,299,898	8,438,042
Fines and forfeits	4,133,933	4,144,328
Licenses	2,599,254	2,800,985
Rentals	2,997,315	4,049,098
Pittsburgh Zoo receipts	1,225,863	1,207,777
Public Parking Authority	700,000	700,000
Utility tax distribution	2,609,692	2,713,238
Miscellaneous	<u>1,751,825</u>	<u>2,174,894</u>
Total revenues	<u>223,803,836</u>	<u>221,324,010</u>
Expenditures:		
Current operating:		
General government	19,389,491	14,749,457
Public safety	79,525,777	75,288,899
Public works	28,160,219	26,690,589
Sanitation	12,541,140	12,401,695
Community, recreation and cultural programs	38,402,332	23,724,395
Employee benefits	36,154,195	34,075,482
Claims and judgments	405,043	478,392
Miscellaneous	362,962	804,630
Debt service:		
Stadium Authority subsidy	2,672,000	1,950,000
Public Auditorium Authority subsidy	<u>1,134,342</u>	<u>725,615</u>
Total expenditures	<u>218,747,501</u>	<u>190,889,154</u>
Excess of revenues over expenditures	<u>5,056,335</u>	<u>30,434,856</u>

(Continued)

CITY OF PITTSBURGH
GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance
(Continued)

	<u>1986</u>	<u>1985</u>
Other financing sources (uses):		
Bond sale proceeds	\$ -	6,010,000
Capital lease obligation proceeds	3,003,747	-
Operating transfers from Special Assessment Funds	1,777	-
Operating transfers from Enterprise Funds	5,461,000	4,813,000
Operating transfers to Special Revenue Funds	(2,425,857)	(4,296,259)
Operating transfers to Debt Service Funds	<u>(35,750,283)</u>	<u>(30,716,815)</u>
Total other financing uses	<u>(29,709,616)</u>	<u>(24,190,074)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(24,653,281)</u>	<u>6,244,782</u>
Fund balance, beginning of year	10,407,923	4,134,175
Transfer from Enterprise Funds	<u>14,342,697</u>	<u>28,966</u>
Fund balance, end of year	<u>\$ 97,339</u>	<u>10,407,923</u>

CITY OF PITTSBURGH
GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Data on the Budgetary Basis

For the Year Ended December 31, 1986
(with comparative actual amounts for the year ended December 31, 1985)

	1986		Variance	1985
	Budget	Actual	favorable (unfavorable)	actual
Revenues:				
Taxes	\$ 204,926,336	202,177,782	(2,748,554)	196,530,934
Penalties and interest	2,500,000	2,226,187	(273,813)	2,340,879
Interest earnings	7,300,000	5,907,090	(1,392,910)	7,867,531
Fines and forfeits	4,500,000	4,143,100	(356,900)	4,154,547
Licenses	2,665,000	3,078,323	413,323	2,800,985
Rentals	3,800,000	3,247,482	(552,518)	3,898,566
Pittsburgh Zoo receipts	1,200,000	1,225,863	25,863	1,207,777
Public Parking Authority	700,000	700,000	-	700,000
Water Fund payments and transfers	-	-	-	28,966
Water and Sewer Authority reimbursements and transfers	25,114,902	22,285,197	(2,829,705)	24,259,061
Intergovernmental revenues	24,826,322	23,714,732	(1,111,590)	4,025,027
Miscellaneous	2,292,848	3,035,608	742,760	2,565,820
Total revenues	279,825,408	271,741,364	(8,084,044)	250,380,093
Expenditures:				
Current operating:				
General government	19,469,974	15,653,662	3,816,312	14,242,334
Public safety	81,073,424	74,107,536	6,965,888	63,409,557
Public works	37,017,431	31,334,298	5,683,133	32,613,708
Sanitation	13,239,984	10,953,222	2,286,762	10,346,262
Water	15,624,299	13,346,334	2,277,965	12,627,916
Community, recreation and cultural programs	40,502,209	38,445,477	2,056,732	17,754,423
Employee benefits	48,226,270	44,728,233	3,498,037	48,729,281
Claims and judgments	1,298,178	405,097	893,081	396,513
Miscellaneous	13,884,760	11,401,793	2,482,967	12,811,825
Debt Service:				
Interest	22,248,530	22,248,530	-	21,199,000
Principal	10,110,000	10,110,000	-	7,948,000
Stadium Authority subsidy	3,567,000	2,672,000	895,000	1,950,000
Public Auditorium Authority subsidy	1,300,000	1,134,342	165,658	725,615
Total expenditures	307,562,059	276,540,524	31,021,535	244,754,434
Excess (deficiency) of revenues over expenditures	(27,736,651)	(4,799,160)	22,937,491	5,625,659
Fund balance - budgetary basis, beginning of year	<u>27,736,651</u>	<u>33,098,829</u>	<u>5,362,178</u>	<u>27,473,170</u>
Fund balance - budgetary basis, end of year	\$ -	28,299,669	28,299,669	33,098,829
Adjustment to generally accepted accounting principles basis (GAAP) (note 3):				
Cumulative difference between budgetary basis and GAAP basis, beginning of year		(22,690,906)		(23,338,995)
Net effect of GAAP basis recognition of revenues		1,330,012		(1,518,460)
Net effect of GAAP basis recognition of expenditures		(1,184,133)		2,166,549
Advance from Stadium Authority budgeted as revenues		(5,657,303)		-
Fund balance - GAAP basis, end of year		\$ 97,339		10,407,923

CITY OF PITTSBURGH
GENERAL FUND

Statement of Expenditures
Compared With Budget (Budgetary Basis)

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	1986			
	Budget appropriations as amended	Expenditures	Variance favorable (unfavorable)	1985 expenditures
Current operating:				
General government:				
City Council and City Clerk's Office:				
City Council	\$ 1,117,860	908,676	209,184	806,831
City Clerk's Office	721,034	606,937	114,097	546,556
	<u>1,838,894</u>	<u>1,515,613</u>	<u>323,281</u>	<u>1,353,387</u>
Mayor's Office:				
Office of the Mayor	1,197,990	1,042,864	155,126	1,007,461
City Information Systems Office	<u>2,953,902</u>	<u>2,514,697</u>	<u>439,205</u>	<u>1,822,306</u>
	<u>4,151,892</u>	<u>3,557,561</u>	<u>594,331</u>	<u>2,829,767</u>
Municipal Courts	865,480	745,660	119,820	744,568
Commission on Human Relations	407,232	355,888	51,344	379,837
Department of City Controller	2,649,223	2,389,541	259,682	2,340,865
Sinking Fund Commission	-	-	-	8,872
Department of Finance	4,146,654	3,082,115	1,064,539	2,906,634
Department of Law	2,337,553	1,619,334	718,219	1,419,805
Department of Personnel and Civil Service Commission	1,606,155	1,218,016	388,139	1,094,800
Department of City Planning	1,466,891	1,169,934	296,957	1,162,195
Board of Adjustment	-	-	-	1,604
Total general government	<u>19,469,974</u>	<u>15,653,662</u>	<u>3,816,312</u>	<u>14,242,334</u>

(Continued)

**CITY OF PITTSBURGH
GENERAL FUND**

**Statement of Expenditures
Compared With Budget (Budgetary Basis)
(Continued)**

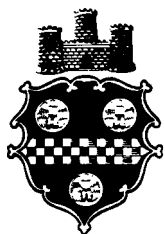
	1986			
	Budget appropriations as amended	Expenditures	Variance favorable (unfavorable)	1985 expenditures
Public safety:				
Department of Public Safety:				
Bureau of Administration	\$ 8,196,745	6,281,364	1,915,381	2,055,703
Bureau of Emergency Medical Services	4,921,016	4,461,816	459,200	4,653,275
Bureau of Police	35,380,887	33,456,510	1,924,377	30,803,774
Bureau of Fire	<u>32,574,776</u>	<u>29,907,846</u>	<u>2,666,930</u>	<u>25,896,805</u>
Total public safety	<u>81,073,424</u>	<u>74,107,536</u>	<u>6,965,888</u>	<u>63,409,557</u>
Public works:				
Department of General Services:				
General Office	5,554,210	5,427,270	126,940	4,288,461
Bureau of Fleet Management	12,579,842	9,381,974	3,197,868	12,052,690
Bureau of Repairs and Operating Maintenance	<u>3,057,620</u>	<u>2,544,143</u>	<u>513,477</u>	<u>2,465,596</u>
	<u>21,191,672</u>	<u>17,353,387</u>	<u>3,838,285</u>	<u>18,806,747</u>
Department of Public Works:				
Bureau of Administration	7,693,358	6,945,243	748,115	6,776,269
Streets and Sewers	5,856,518	5,227,480	629,038	5,168,690
Construction	49,305	46,849	2,456	47,038
Painting	845,297	623,457	221,840	664,730
Traffic Control	<u>1,221,759</u>	<u>1,006,377</u>	<u>215,382</u>	<u>1,058,103</u>
	<u>15,666,237</u>	<u>13,849,406</u>	<u>1,816,831</u>	<u>13,714,830</u>
Department of Engineering and Construction	159,522	131,505	28,017	92,131
Total public works	<u>37,017,431</u>	<u>31,334,298</u>	<u>5,683,133</u>	<u>32,613,708</u>
Sanitation:				
Department of Environmental Services:				
General Office	708,334	672,277	36,057	467,782
Division of Collection and Disposition	10,857,553	8,753,394	2,104,159	8,430,365
Garbage, Refuse and Ash Disposal	940,000	902,074	37,926	811,008
Animal Control Division	483,125	397,980	85,145	411,563
Rodent Control Division	<u>250,972</u>	<u>227,497</u>	<u>23,475</u>	<u>225,544</u>
Total sanitation	<u>13,239,984</u>	<u>10,953,222</u>	<u>2,286,762</u>	<u>10,346,262</u>
Water:				
Department of Water:				
Bureau of Administration	5,258,075	4,377,730	880,345	8,916,861
Purification and Pumping	6,578,751	5,841,393	737,358	1,332,973
Distribution	<u>3,787,473</u>	<u>3,127,211</u>	<u>660,262</u>	<u>2,378,082</u>
Total water	<u>15,624,299</u>	<u>13,346,334</u>	<u>2,277,965</u>	<u>12,627,916</u>

(Continued)

CITY OF PITTSBURGH
GENERAL FUND

Statement of Expenditures
Compared With Budget (Budgetary Basis)
(Continued)

	1986			
	Budget appropriations as amended	Expenditures	Variance favorable (unfavorable)	1985 expenditures
Community, recreation and cultural programs:				
Department of Parks and Recreation:				
Bureau of Administration	\$ 3,676,636	3,218,340	458,296	2,811,453
Conservatory	980,752	893,388	87,364	867,541
Bureau of Maintenance	5,899,674	5,049,224	850,450	5,380,304
Bureau of Recreational Activities	3,185,726	2,803,876	381,850	2,635,671
	<u>13,742,788</u>	<u>11,964,828</u>	<u>1,777,960</u>	<u>11,694,969</u>
 Zoological Parks Commission	 1,985,891	 1,707,119	 278,772	 1,698,614
 Carnegie Library	 4,175,155	 4,175,155	 -	 3,925,100
 Carnegie Museum	 370,000	 370,000	 -	 275,000
Grant to URA for Development Loan to Pittsburgh Athletic Company, Inc.	20,000,000	20,000,000	-	-
Other	228,375	228,375	-	160,740
Total community, recreation and cultural programs	<u>40,502,209</u>	<u>38,445,477</u>	<u>2,056,732</u>	<u>17,754,423</u>
 Employee benefits:				
Pensions	16,594,605	16,594,605	-	12,626,796
Workers' compensation	5,089,700	4,903,712	185,988	13,034,585
Health insurance	17,016,965	14,875,965	2,141,000	15,285,960
Group insurance	1,275,000	1,155,000	120,000	1,254,436
Social security	5,500,000	4,895,000	605,000	4,740,969
Personal leave buy back	750,000	663,966	86,034	521,856
Severance pay	2,000,000	1,639,985	360,015	1,264,679
Total employee benefits	<u>48,226,270</u>	<u>44,728,233</u>	<u>3,498,037</u>	<u>48,729,281</u>
 Claims and judgments	 1,298,178	 405,097	 893,081	 396,513
 Miscellaneous:				
Postage	890,000	596,788	293,212	764,251
Refunds	4,766,435	4,074,971	691,464	6,338,491
Spending authorized in prior years	8,228,325	6,730,034	1,498,291	5,709,083
Total miscellaneous	<u>13,884,760</u>	<u>11,401,793</u>	<u>2,482,967</u>	<u>12,811,825</u>
 Debt service:				
Interest	22,248,530	22,248,530	-	21,199,000
Principal	10,110,000	10,110,000	-	7,948,000
Stadium Authority subsidy	3,567,000	2,672,000	895,000	1,950,000
Public Auditorium Authority subsidy	1,300,000	1,134,342	165,658	725,615
Total debt service	<u>37,225,530</u>	<u>36,164,872</u>	<u>1,060,658</u>	<u>31,822,615</u>
 Total expenditures	<u>\$ 307,562,059</u>	<u>276,540,524</u>	<u>31,021,535</u>	<u>244,754,434</u>



SPECIAL REVENUE FUNDS

Federal Revenue Sharing Funds - To account for revenue received and expenditures made under the Federal Revenue Sharing Program.

Equipment Leasing Authority General Fund - To account for general fund activity of the Equipment Leasing Authority, a component unit of the City. The Authority's principal function is the acquisition of City vehicles.

Liquid Fuel Tax Fund - To account for the receipt and expenditure of the City's share of the proceeds for the state's gasoline tax.

CETA/JTPA Funds - To account for revenue received and expenditures made under the Comprehensive Employment and Training Act and the Job Training Partnership Act.

Law Enforcement Funds - To account for the receipt and expenditure of funds from various sources for support services for local law enforcement agencies.

Housing Funds - To account for the cost of neighborhood development and improvement projects. These programs are financed primarily by the Department of Housing and Urban Development (HUD) under the Community Development Block Grant Program. A substantive portion of the funds received under the program have been allocated to the Urban Redevelopment Authority of Pittsburgh.

Civic and Cultural Enrichment Funds - To account for civic and cultural programs which are financed by state and federal grants, private donations and user charges.

Nonresident Charges Fund - To account for revenues earned from emergency medical services provided to non-City residents.

CITY OF PITTSBURGH
SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 1986
(with comparative totals for December 31, 1985)

<u>Assets</u>	<u>Federal Revenue Sharing</u>	<u>Equipment Leasing Authority</u>	<u>Liquid Fuel Tax</u>	<u>CETA/JTPA</u>	<u>Law Enforcement</u>	<u>Housing</u>	<u>Civic and Cultural Enrichment</u>	<u>Nonresident charges</u>	<u>Totals</u>	
									<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 13,760	25,328,463	232,105	560,690	305,487	3,284,577	5,412,766	400,538	35,538,386	26,603,489
Accrued interest receivable	-	307,618	-	-	-	-	-	-	307,618	262,089
Other receivables	-	-	-	-	-	-	295,667	-	295,667	337,999
Due from General Fund	-	67,956	-	-	-	-	105,535	-	173,491	459,671
Due from Capital Projects Funds	-	-	-	-	-	19,365	-	-	19,365	-
Due from other governments	-	-	-	649,423	144,662	1,909,248	-	-	2,703,333	6,314,590
Total assets	\$ 13,760	25,704,037	232,105	1,210,113	450,149	5,213,190	5,813,968	400,538	39,037,860	33,977,838
 <u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	-	179,052	-	-	-	2,623,721	236,397	56,423	3,095,593	246,549
Accrued liabilities	8,057	-	93,934	143,507	24,533	-	55,173	-	325,204	647,101
Due to General Fund	-	-	-	1,066,606	-	872,225	135,000	-	2,073,831	1,898,131
Due to Capital Projects Funds	-	-	-	-	-	1,134,506	-	-	1,134,506	3,210,670
Total liabilities	8,057	179,052	93,934	1,210,113	24,533	4,630,452	426,570	56,423	6,629,134	6,002,451
 Fund balances:										
Reserved for encumbrances	2,000	4,575,672	-	-	3,926	-	1,296,324	43,520	5,921,442	4,042,894
Unreserved:										
Designated for subsequent years' expenditures	3,703	-	-	-	-	-	-	-	3,703	2,720,632
Undesignated	-	20,949,313	138,171	-	421,690	582,738	4,091,074	300,595	26,483,581	21,211,861
Total fund balances	5,703	25,524,985	138,171	-	425,616	582,738	5,387,398	344,115	32,408,726	27,975,387
 Total liabilities and fund balances	\$ 13,760	25,704,037	232,105	1,210,113	450,149	5,213,190	5,813,968	400,538	39,037,860	33,977,838

CITY OF PITTSBURGH
SPECIAL REVENUE FUNDS

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1986
(with comparative totals for December 31, 1985)

	Federal Revenue Sharing	Equipment Leasing Authority	Liquid Fuel Tax	CETA/JTPA	Law Enforcement	Housing	Civic and Cultural Enrichment	Nonresident charges	Totals	
									1986	1985
Revenues:										
Interest	\$ 88,644	1,441,388	95,028	-	-	-	105,535	-	1,730,595	1,964,049
Rentals	-	-	-	-	-	55,750	-	-	55,750	38,136
Intergovernmental revenues	6,706,463	-	3,936,237	6,884,872	398,988	38,603,290	1,161,922	-	57,691,772	46,431,564
Chargee for user services	-	-	-	-	-	-	3,354,845	438,784	3,793,629	3,437,096
Miscellaneous	-	565,430	-	-	12,469	94,367	87,680	-	759,946	636,070
Total revenues	6,795,107	2,006,818	4,031,265	6,884,872	411,457	38,753,407	4,709,982	438,784	64,031,692	52,506,915
Expenditures:										
Current operating:										
General government	-	192,427	-	-	-	26,725,703	54,878	-	26,973,008	11,497,460
Public safety	9,510,036	-	-	-	699,453	388,552	1,885,141	661,721	13,144,903	14,165,943
Public works	-	-	4,430,480	-	-	1,458,751	1,169,516	-	7,058,747	8,238,647
Sanitation	-	-	-	-	-	116,729	-	-	116,729	110,073
Water	-	-	-	-	-	412	-	-	412	15,047
Community, recreation and cultural programs	-	-	-	-	-	264,129	1,639,755	-	1,903,884	2,218,308
Intergovernmental programs	-	-	-	7,140,117	-	9,511,184	-	-	16,651,301	16,172,513
Capital projects	-	6,319,616	-	-	-	-	-	-	6,319,616	5,463,673
Debt service-lease payments	-	685,314	-	-	-	-	-	-	685,314	460,970
Total expenditures	9,510,036	7,197,357	4,430,480	7,140,117	699,453	38,465,460	4,749,290	661,721	72,853,914	58,342,634
Excess (deficiency) of revenues over expenditures	(2,714,929)	(5,190,539)	(399,215)	(255,245)	(287,996)	287,947	(39,308)	(222,937)	(8,822,222)	(5,835,719)
Other financing sources (uses):										
Bond sale proceeds	-	10,510,523	-	-	-	-	-	-	10,510,523	-
Capital lease obligation proceeds	-	-	-	-	-	-	-	-	-	1,881,192
Deferred loan proceeds	-	-	-	-	-	-	426,000	-	426,000	-
Operating transfers from other funds:										
General Fund	-	1,748,393	-	-	384,464	-	293,000	-	2,425,857	4,296,259
Debt Service Funds	-	26,289	-	-	-	-	-	-	26,289	51,411
Capital Projects Funds	-	-	-	-	-	-	280,837	-	280,837	-
Expendable Trust Funds	-	-	-	-	-	-	115,411	-	115,411	-
Operating transfers between Special Revenue Funds	-	-	-	255,245	-	(255,245)	-	-	-	-
Operating transfers to other funds:										
Debt Service Funds	-	(394,356)	-	-	-	-	-	-	(394,356)	(173,317)
Expendable Trust Funds	-	-	-	-	-	-	(135,000)	-	(135,000)	-
Total other financing sources (uses)	-	11,890,849	-	255,245	384,464	(255,245)	980,248	-	13,255,561	6,055,545
Excess (deficiency) of revenues and other sources over expenditures and other uses	(2,714,929)	6,700,310	(399,215)	-	96,468	32,702	940,940	(222,937)	4,433,339	219,826
Fund balances, beginning of year	2,720,632	18,824,675	537,386	-	329,148	550,036	4,446,458	567,052	27,975,387	27,755,561
Fund balances, end of year	\$ 5,703	25,524,985	138,171	-	425,616	582,738	5,387,398	344,115	32,408,726	27,975,387

CITY OF PITTSBURGH
FEDERAL REVENUE SHARING FUNDS

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 13,760	46,650
Due from other governments	-	<u>2,673,982</u>
Total assets	<u>\$ 13,760</u>	<u>2,720,632</u>
 <u>Liabilities and Fund Balance</u>		
Accrued liabilities	8,057	-
Fund balance:		
Reserved for encumbrances	2,000	-
Designated for subsequent years' expenditures	<u>3,703</u>	<u>2,720,632</u>
Total fund balance	<u>5,703</u>	<u>2,720,632</u>
Total liabilities and fund balance	<u>\$ 13,760</u>	<u>2,720,632</u>

CITY OF PITTSBURGH
FEDERAL REVENUE SHARING FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Interest earnings	\$ 88,644	250,781
Intergovernmental revenues - federal	<u>6,706,463</u>	<u>10,997,549</u>
Total revenues	<u>6,795,107</u>	<u>11,248,330</u>
Expenditures:		
General government:		
Department of Finance	-	75,000
Public safety:		
Department of Public Safety:		
Bureau of Police	5,644,021	7,119,915
Bureau of Fire	<u>3,866,015</u>	<u>4,380,000</u>
Total expenditures	<u>9,510,036</u>	<u>11,574,915</u>
Deficiency of revenues over expenditures	(2,714,929)	(326,585)
Fund balance, beginning of year	<u>2,720,632</u>	<u>3,047,217</u>
Fund balance, end of year	\$ <u>5,703</u>	<u>2,720,632</u>

**CITY OF PITTSBURGH
FEDERAL REVENUE SHARING FUNDS**

**Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual Data on the Budgetary Basis**

**For the Year Ended December 31, 1986
(with comparative actual amounts for the year ended December 31, 1985)**

	1986			1985
	Revised Budget	Actual	Variance favorable (unfavorable)	actual
Revenues:				
Interest earnings	\$ 200,000	88,644	(111,356)	250,781
Intergovernmental revenues - federal	10,800,000	9,380,445	(1,419,555)	11,133,243
Total revenues	11,000,000	9,469,089	(1,530,911)	11,384,024
Expenditures:				
General government:				
Department of Finance	-	-	-	75,000
Public Safety:				
Department of Public Safety:				
Bureau of Police	6,820,000	5,635,964	1,184,036	7,119,915
Bureau of Fire	4,180,000	3,866,015	313,985	4,380,000
Total expenditures	11,000,000	9,501,979	1,498,021	11,574,915
Deficiency of revenues over expenditures	-	(32,890)	(32,890)	(190,891)
Fund balance - budgetary basis, beginning of year	46,650	46,650	-	237,541
Fund balance - budgetary basis, end of year	\$ 46,650	13,760	(32,890)	46,650
Adjustments to generally accepted accounting principles (GAAP) basis:				
Cumulative difference between budgetary basis and GAAP basis, beginning of year		2,673,982		2,809,676
Net effect of GAAP basis recognition of revenues		(2,673,982)		(135,694)
Net effect of GAAP basis recognition of expenditures		(8,057)		-
Fund balance - GAAP basis, end of year		\$ 5,703		2,720,632



CITY OF PITTSBURGH
EQUIPMENT LEASING AUTHORITY

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 25,328,463	18,246,294
Accrued interest receivable	307,618	253,467
Due from General Fund	<u>67,956</u>	<u>324,914</u>
Total assets	<u>\$ 25,704,037</u>	<u>18,824,675</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	179,052	-
Fund balance:		
Reserved for encumbrances	4,575,672	2,240,962
Undesignated	<u>20,949,313</u>	<u>16,583,713</u>
Total fund balance	<u>25,524,985</u>	<u>18,824,675</u>
Total liabilities and fund balance	<u>\$ 25,704,037</u>	<u>18,824,675</u>

CITY OF PITTSBURGH
EQUIPMENT LEASING AUTHORITY

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Interest	\$ 1,441,388	1,404,881
Miscellaneous	565,430	483,035
Total revenues	<u>2,006,818</u>	<u>1,887,916</u>
Expenditures:		
Current operating - general government	192,427	178,661
Capital projects	6,319,616	5,463,673
Debt service - lease payments	685,314	460,970
Total expenditures	<u>7,197,357</u>	<u>6,103,304</u>
Deficiency of revenues over expenditures	(5,190,539)	(4,215,388)
Other financing sources (uses):		
Bond sale proceeds	10,510,523	-
Capital lease obligation proceeds	-	1,881,192
Operating transfers from other funds:		
General Fund	1,748,393	3,587,795
Debt Service Funds	26,289	51,411
Operating transfer to other funds:		
Debt Service Funds	(394,356)	(173,317)
Total other financing sources	<u>11,890,849</u>	<u>5,347,081</u>
Excess of revenues and other sources over expenditures and other uses	6,700,310	1,131,693
Fund balance, beginning of year	<u>18,824,675</u>	<u>17,692,982</u>
Fund balance, end of year	<u>\$ 25,524,985</u>	<u>18,824,675</u>

CITY OF PITTSBURGH
LIQUID FUEL TAX FUND

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 232,105	903,460
Accrued interest receivable	-	8,622
Total assets	<u>\$ 232,105</u>	<u>912,082</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	-	36,222
Accrued liabilities	93,934	338,474
Total liabilities	93,934	374,696
Undesignated fund balance	138,171	537,386
Total liabilities and fund balance	<u>\$ 232,105</u>	<u>912,082</u>

CITY OF PITTSBURGH
LIQUID FUEL TAX FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Interest	\$ 95,028	179,291
Intergovernmental revenues - state	<u>3,936,237</u>	<u>4,315,657</u>
Total revenues	4,031,265	4,494,948
Expenditures - Department of Public Works	<u>4,430,480</u>	<u>5,188,796</u>
Deficiency of revenues over expenditures	(399,215)	(693,848)
Fund balance, beginning of year	<u>537,386</u>	<u>1,231,234</u>
Fund balance, end of year	<u>\$ 138,171</u>	<u>537,386</u>

CITY OF PITTSBURGH
CETA/JTPA FUNDS

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 560,690	744,223
Due from other governments	<u>649,423</u>	<u>273,588</u>
Total assets	<u>\$ 1,210,113</u>	<u>1,017,811</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accrued liabilities	143,507	234,734
Due to General Fund	<u>1,066,606</u>	<u>783,077</u>
Total liabilities	<u>1,210,113</u>	<u>1,017,811</u>
Undesignated fund balance	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,210,113</u>	<u>1,017,811</u>

CITY OF PITTSBURGH
CETA/JTPA FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Intergovernmental revenues - federal	\$ 6,884,872	6,330,997
Expenditures - intergovernmental programs	<u>7,140,117</u>	<u>6,613,672</u>
Deficiency of revenues over expenditures	(255,245)	(282,675)
Other financing sources:		
Transfers from Housing Funds	<u>255,245</u>	<u>282,675</u>
Excess of revenues and other sources over expenditures and other uses	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>-</u>

CITY OF PITTSBURGH
LAW ENFORCEMENT FUNDS

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 305,487	350,960
Due from other governments	<u>144,662</u>	<u>70,059</u>
Total assets	<u>\$ 450,149</u>	<u>421,019</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	-	67,076
Accrued liabilities	<u>24,533</u>	<u>24,795</u>
Total liabilities	24,533	91,871
Fund balance:		
Reserved for encumbrances	3,926	27,353
Undesignated	<u>421,690</u>	<u>301,795</u>
Total fund balance	<u>425,616</u>	<u>329,148</u>
Total liabilities and fund balance	<u>\$ 450,149</u>	<u>421,019</u>

CITY OF PITTSBURGH
LAW ENFORCEMENT FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Intergovernmental revenues - local	\$ 398,988	461,749
Miscellaneous	<u>12,469</u>	<u>641</u>
Total revenues	411,457	462,390
Expenditures - Bureau of Police	<u>699,453</u>	<u>771,370</u>
Deficiency of revenues over expenditures	(287,996)	(308,980)
Other financing sources - transfers from General Fund	<u>384,464</u>	<u>384,464</u>
Excess of revenues and other sources over expenditures	96,468	75,484
Fund balance, beginning of year	<u>329,148</u>	<u>253,664</u>
Fund balance, end of year	\$ <u>425,616</u>	<u>329,148</u>

CITY OF PITTSBURGH
HOUSING FUNDS

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 3,284,577	1,148,799
Due from Capital Projects Funds	19,365	-
Due from other governments	<u>1,909,248</u>	<u>3,296,961</u>
Total assets	<u>\$ 5,213,190</u>	<u>4,445,760</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	2,623,721	-
Due to General Fund	872,225	685,054
Due to Capital Projects Funds	<u>1,134,506</u>	<u>3,210,670</u>
Total liabilities	4,630,452	3,895,724
Undesignated fund balance	<u>582,738</u>	<u>550,036</u>
Total liabilities and fund balance	<u>\$ 5,213,190</u>	<u>4,445,760</u>

CITY OF PITTSBURGH
HOUSING FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Rentals	\$ 55,750	38,136
Intergovernmental revenues - federal	38,603,290	23,418,216
Miscellaneous	<u>94,367</u>	<u>97,721</u>
Total revenues	<u>38,753,407</u>	<u>23,554,073</u>
Expenditures:		
Current operating:		
General government:		
Council and City Clerk's Office	1,868,663	1,399,959
Commission on Human Relations	12,564	26,194
Department of Finance	790	4,075
Department of Personnel and Civil Service		
Commission	292,884	216,593
Department of City Planning	24,550,802	9,536,194
Public safety - Bureau of Fire	388,552	563,379
Public works:		
Department of Public Works	253,259	693,130
Department of Land and Buildings	43,285	236,969
Department of Engineering and Construction	1,162,207	131,344
Sanitation - Department of Environmental Services	116,729	110,073
Water - Department of Water	412	15,047
Community, recreation and cultural programs -		
Department of Parks and Recreation	264,129	765,063
Intergovernmental programs	<u>9,511,184</u>	<u>9,557,803</u>
Total expenditures	<u>38,465,460</u>	<u>23,255,823</u>
Excess of revenues over expenditures	287,947	298,250
Other financing uses:		
Transfer to CETA/JTPA Funds	255,245	282,675
Transfer to Civic and Cultural Enrichment Funds	<u>-</u>	<u>35,000</u>
Total other financing uses	255,245	317,675
Excess (deficiency) of revenues over expenditures and other uses	32,702	(19,425)
Fund balance, beginning of year	<u>550,036</u>	<u>569,461</u>
Fund balance, end of year	<u>\$ 582,738</u>	<u>550,036</u>

CITY OF PITTSBURGH
CIVIC AND CULTURAL ENRICHMENT FUNDS

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 5,412,766	4,588,545
Other receivables	295,667	337,999
Due from General Fund	<u>105,535</u>	<u>134,757</u>
Total assets	<u>\$ 5,813,968</u>	<u>5,061,301</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	236,397	135,745
Accrued liabilities	55,173	49,098
Due to General Fund	<u>135,000</u>	<u>430,000</u>
Total liabilities	<u>426,570</u>	<u>614,843</u>
Fund Balance:		
Reserved for encumbrances	1,296,324	1,705,838
Undesignated	<u>4,091,074</u>	<u>2,740,620</u>
Total fund balance	<u>5,387,398</u>	<u>4,446,458</u>
Total liabilities and fund balance	<u>\$ 5,813,968</u>	<u>5,061,301</u>

CITY OF PITTSBURGH
CIVIC AND CULTURAL ENRICHMENT FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Interest earnings	\$ 105,535	129,096
Intergovernmental revenues:		
Federal	1,117,014	905,486
State	-	1,910
Local	44,908	-
Charges for user services	3,354,845	2,974,229
Donations from private organizations	87,680	54,673
Total revenues	<u>4,709,982</u>	<u>4,065,394</u>
Expenditures:		
Current operating:		
General government - Commission on Human Relations	54,878	60,784
Public safety - Bureaus of Police and Emergency		
Medical Services	1,885,141	865,205
Public works - Department of Public Works	1,169,516	1,988,408
Community, recreation and cultural programs -		
Department of Parks and Recreation	1,639,755	1,453,245
Intergovernmental programs	-	1,038
Total expenditures	<u>4,749,290</u>	<u>4,368,680</u>
Deficiency of revenues over expenditures	(39,308)	(303,286)
Other financing sources (uses):		
Deferred loan proceeds	426,000	-
Transfers from other funds:		
General Fund	293,000	324,000
Capital Projects Funds	280,837	-
Gifts and Donations Trust Fund	115,411	-
Transfers between Special Revenue Funds:		
Housing Fund	-	35,000
Transfers to other funds:		
Gifts and Donations Trust Fund	(135,000)	-
Total other financing sources	<u>980,248</u>	<u>359,000</u>
Excess of revenues and other sources over expenditures and other uses	940,940	55,714
Fund balance, beginning of year	<u>4,446,458</u>	<u>4,390,744</u>
Fund balance, end of year	<u>\$ 5,387,398</u>	<u>4,446,458</u>

CITY OF PITTSBURGH
NONRESIDENT CHARGES FUND

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

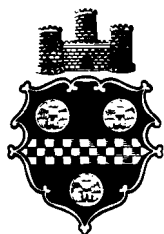
<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 400,538	574,558
Total assets	<u>\$ 400,538</u>	<u>574,558</u>
 <u>Liabilities and Fund Balance</u>		
Accounts payable	56,423	7,506
Fund balance:		
Reserved for encumbrances	43,520	68,741
Undesignated	<u>300,595</u>	<u>498,311</u>
Total fund balance	<u>344,115</u>	<u>567,052</u>
Total liabilities and fund balance	<u>\$ 400,538</u>	<u>574,558</u>

CITY OF PITTSBURGH
NONRESIDENT CHARGES FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues - charges for user services	\$ 438,784	462,867.
Expenditures - Bureau of Emergency Medical Services	<u>661,721</u>	<u>466,074</u>
Excess (deficiency) of revenues over expenditures	(222,937)	(3,207)
Fund balance, beginning of year	<u>567,052</u>	<u>570,259</u>
Fund balance, end of year	\$ <u>344,115</u>	<u>567,052</u>



DEBT SERVICE FUNDS

General Obligation Debt Service Fund - account for the payment of principal and interest on all long-term debt, except for that which is recorded in the Equipment Leasing Authority Debt Service Fund.

Equipment Leasing Authority Debt Service Fund - account for the payment of principal and interest on long-term debt issued by the Equipment Leasing Authority.

**CITY OF PITTSBURGH
DEBT SERVICE FUNDS**

Combining Balance Sheet

December 31, 1986
(with comparative totals for December 31, 1985)

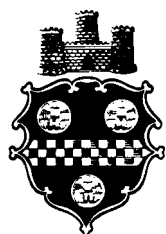
<u>Assets</u>	<u>General Obligation</u>	<u>Equipment Leasing Authority</u>	<u>Totals</u> <u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 8,741,721	11,225	8,752,946	9,127,495
Cash with fiscal agent	400,000	-	400,000	-
Accrued interest receivable	82,033	200	82,233	15,992
Due from General Fund	-	2,700,895	2,700,895	138,172
Total assets	<u>\$ 9,223,754</u>	<u>2,712,320</u>	<u>11,936,074</u>	<u>9,281,659</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Matured interest payable	108,854	-	108,854	108,459
Accrued interest payable	582,175	-	582,175	1,488,355
Accrued bond issuance costs payable	400,000	-	400,000	-
Accrued fiscal agent fees payable	115,000	-	115,000	-
Total liabilities	<u>1,206,029</u>	<u>-</u>	<u>1,206,029</u>	<u>1,596,814</u>
Fund balances:				
Designated for debt service	<u>8,017,725</u>	<u>2,712,320</u>	<u>10,730,045</u>	<u>7,684,845</u>
Total liabilities and fund balances	<u>\$ 9,223,754</u>	<u>2,712,320</u>	<u>11,936,074</u>	<u>9,281,659</u>

CITY OF PITTSBURGH
DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	General Obligation	Equipment Leasing Authority	Totals	
			1986	1985
Revenues:				
Interest	\$ 1,210,168	39,543	1,249,711	1,279,360
Expenditures:				
Current operating:				
Miscellaneous	-	2,558	2,558	90
Debt Service:				
Principal retirement	10,110,000	-	10,110,000	8,183,000
Interest charges	22,487,992	1,643,699	24,131,691	24,036,018
Fiscal agent charges	115,000	-	115,000	-
Total expenditures	32,712,992	1,646,257	34,359,249	32,219,108
Deficiency of revenues over expenditures	(31,502,824)	(1,606,714)	(33,109,538)	(30,939,748)
Other financing sources (uses):				
Bond sale proceeds	184,352,092	5,275,000	189,627,092	194,486,220
Payment to refunded bond escrow agent	(184,352,092)	(5,275,000)	(189,627,092)	(194,486,220)
Operating transfers from:				
General Fund	32,358,530	3,391,753	35,750,283	30,716,815
Special Revenue Funds	-	394,356	394,356	173,317
Capital Projects Funds	36,388	-	36,388	361,836
Operating transfers to:				
Special Revenue Funds	-	(26,289)	(26,289)	(51,411)
Total other financing sources	32,394,918	3,759,820	36,154,738	31,200,557
Excess of revenues and other sources over expenditures and other uses	892,094	2,153,106	3,045,200	260,809
Fund balances, beginning of year	7,125,631	559,214	7,684,845	7,424,036
Fund balances, end of year	\$ 8,017,725	2,712,320	10,730,045	7,684,845



CAPITAL PROJECTS FUNDS

Engineering and Construction - to account for street and bridge construction projects.

Water - to account for water system construction projects. The majority of these projects have been transferred to the Pittsburgh Water and Sewer Authority.

Parks and Recreation - to account for construction of community recreational facilities.

Public Works - to account for the reconstruction of streets.

General Services - to account for the purchase of equipment and fire vehicles.

Urban Redevelopment - to account for neighborhood housing programs and economic development projects.

Other - to account for miscellaneous projects not classified in other Capital Projects Funds.

CITY OF PITTSBURGH
CAPITAL PROJECTS FUNDS

Combining Balance Sheet

December 31, 1986
(with comparative totals for December 31, 1985)

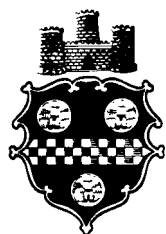
	Engineering and Construction	Water	Parks and Recreation	Public Works	General Services	Urban Redevelopment	Other	Totals	
								1986	1985
Assets									
Cash and short-term investments at cost, which approximates market	\$ 57,432,194	45,079	735,185	10,010,544	4,211,951	3,295,734	3,793,145	79,523,832	53,701,613
Intrafund receivable (payable)	-	-	-	1,000,000	-	-	(1,000,000)	-	-
Due from General Fund	-	-	-	-	-	-	-	-	2,925
Due from Special Revenue Funds	-	-	-	-	-	-	1,134,506	1,134,506	3,210,670
Due from other governments	8,713,386	-	-	-	-	-	-	8,713,386	3,864,382
Total assets	\$ 66,145,580	45,079	735,185	11,010,544	4,211,951	3,295,734	3,927,651	89,371,724	60,779,590
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	1,209,899	-	26,570	185,448	439,359	-	876,056	2,737,332	3,663,219
Retainage payable	403,991	-	-	32,901	-	-	-	436,892	463,524
Accrued liabilities	151,485	-	-	40,818	-	-	-	192,303	182,676
Due to Special Revenue Funds	-	-	-	-	-	-	19,365	19,365	-
Total liabilities	1,765,375	-	26,570	259,167	439,359	-	895,421	3,385,892	4,309,419
Fund balances:									
Reserved for encumbrances	6,553,899	24,000	29,591	660,413	154,248	1,695,198	589,705	9,707,054	13,237,963
Designated for subsequent years' expenditures	57,826,306	21,079	679,024	10,090,964	3,618,344	1,600,536	2,442,525	76,278,778	43,232,208
Total fund balances	64,380,205	45,079	708,615	10,751,377	3,772,592	3,295,734	3,032,230	85,985,832	56,470,171
Total liabilities and fund balances	\$ 66,145,580	45,079	735,185	11,010,544	4,211,951	3,295,734	3,927,651	89,371,724	60,779,590

CITY OF PITTSBURGH
CAPITAL PROJECTS FUNDS

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Engineering and Construction	Water	Parks and Recreation	Public Works	General Services	Urban Redevelopment	Other	Totals	
								1986	1985
Revenues:									
Intergovernmental revenues	\$ 10,426,792	-	-	3,826	-	400,000	-	10,830,618	9,484,692
Miscellaneous	244,952	1,140	379	-	-	-	-	246,471	52,387
Total revenues	10,671,744	1,140	379	3,826	-	400,000	-	11,077,089	9,537,079
Expenditures:									
Capital projects	21,710,994	13,462	184,057	5,082,288	2,657,317	590,033	1,161,996	31,400,147	31,832,580
Excess (deficiency) of revenues over expenditures	(11,039,250)	(12,322)	(183,678)	(5,078,462)	(2,657,317)	(190,033)	(1,161,996)	(20,323,058)	(22,295,501)
Other financing sources (uses):									
Proceeds of general obligation bonds	33,137,000	-	574,000	10,354,000	2,883,000	1,282,000	1,925,944	50,155,944	40,548,274
Operating transfers to: Special Revenue Funds	-	-	-	-	-	(280,837)	-	(280,837)	-
Debt Service Funds	(36,388)	-	-	-	-	-	-	(36,388)	(361,836)
Total other financing sources	33,100,612	-	574,000	10,354,000	2,883,000	1,001,163	1,925,944	49,838,719	40,186,438
Excess (deficiency) of revenues and other sources over expenditures and other uses	22,061,362	(12,322)	390,322	5,275,538	225,683	811,130	763,948	29,515,661	17,890,937
Fund balances, beginning of year	43,214,683	155,561	74,293	5,475,839	2,796,909	2,484,604	2,268,282	56,470,171	38,579,234
Transfers from (to) other Capital Projects Funds	(895,840)	(98,160)	244,000	-	750,000	-	-	-	-
Fund balances, end of year	\$ 64,380,205	45,079	708,615	10,751,377	3,772,592	3,295,734	3,032,230	85,985,832	56,470,171



SPECIAL ASSESSMENT FUNDS

To account for the construction of residential streets, sewers and water lines and collections of assessments levied on the benefited property owners.

CITY OF PITTSBURGH
SPECIAL ASSESSMENT FUNDS

Combining Balance Sheet

December 31, 1986
(with comparative totals for December 31, 1985)

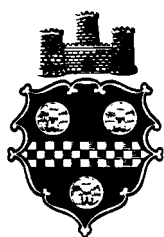
<u>Assets</u>	<u>Streets and sewers</u>	<u>Water line maintenance</u>	<u>Totals</u>	
			<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 349	42,632	42,981	44,409
Special assessment installments receivable	562,155	39,955	602,110	602,110
Less: Allowance for uncollect- ible assessments	(562,155)	(39,955)	(602,110)	(594,955)
	-	-	-	7,155
Total assets	\$ 349	42,632	42,981	51,564
<u>Liabilities and Fund Balances</u>				
Deferred revenue	-	-	-	7,155
Undesignated fund balances	349	42,632	42,981	44,409
Total liabilities and fund balances	\$ 349	42,632	42,981	51,564

CITY OF PITTSBURGH
SPECIAL ASSESSMENT FUNDS

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	<u>Streets and sewers</u>	<u>Water line maintenance</u>	<u>Totals</u> <u>1986</u> <u>1985</u>
Revenues:			
Collections on special assessments	\$ -	-	- 1,777
Miscellaneous	<u>349</u>	<u>-</u>	<u>349</u> -
Total revenues	349	-	349 1,777
Expenditures - provision for estimated uncollectible accounts	<u>-</u>	<u>-</u>	<u>-</u> <u>1,155</u>
Excess of revenues over expenditures	349	-	349 622
Other financing uses - transfers to General Fund	<u>(1,777)</u>	<u>-</u>	<u>(1,777)</u> -
Excess (deficiency) of revenues over expenditures and other uses	(1,428)	-	(1,428) 622
Fund balances, beginning of year	<u>1,777</u>	<u>42,632</u>	<u>44,409</u> <u>43,787</u>
Fund balances, end of year	<u>\$ 349</u>	<u>42,632</u>	<u>42,981</u> <u>44,409</u>



ENTERPRISE FUNDS

Water Fund/Pittsburgh Water and Sewer Authority - To account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations and distribution. The Pittsburgh Water and Sewer Authority, a component unit of the City, assumed the responsibilities of the Water Fund, its predecessor on May 1, 1984.

Stadium Authority - To account for all activities pertaining to the operations of the Stadium complex.

CITY OF PITTSBURGH
ENTERPRISE FUNDS

Combining Balance Sheet - Assets

December 31, 1986
(with comparative totals for December 31, 1985)

	Water and Sewer Authority	Stadium Authority	Totals <u>1986</u>	<u>1985</u>
Current assets:				
Cash and short-term investments at cost, which approximates market	\$ 4,541,000	375,409	4,916,409	2,274,498
Investments	-	1,000,000	1,000,000	2,763,000
Accounts receivable, net of Water and Sewer Authority allowance for uncollectible accounts of \$12,890,000 and \$10,329,000 in 1986 and 1985, respectively	6,925,000	274,472	7,199,472	6,784,600
Prepaid expenses and other assets	168,000	375,770	543,770	241,971
Due from General Fund	370,000	-	370,000	1,529,000
Total current assets	<u>12,004,000</u>	<u>2,025,651</u>	<u>14,029,651</u>	<u>13,593,069</u>
Restricted assets:				
Cash and short-term investments at cost, which approximates market	207,047,000	213,397	207,260,397	90,695,910
Investments	-	768,181	768,181	396,652
Accounts receivable, net	-	1,495,829	1,495,829	1,744,890
Accrued interest receivable	-	18,330	18,330	11,725
Deferred bond and financing expenses	6,758,000	23,152	6,781,152	2,878,807
	<u>213,805,000</u>	<u>2,518,889</u>	<u>216,323,889</u>	<u>95,727,984</u>
Property, plant and equipment:				
Stadium complex	-	50,525,585	50,525,585	50,361,976
Utility plant	5,282,000	-	5,282,000	787,000
Construction in process	20,548,000	-	20,548,000	2,647,000
	<u>25,830,000</u>	<u>50,525,585</u>	<u>76,355,585</u>	<u>53,795,976</u>
Less: Accumulated depreciation	<u>87,000</u>	<u>14,674,104</u>	<u>14,761,104</u>	<u>13,244,132</u>
Net property, plant and equipment	<u>25,743,000</u>	<u>35,851,481</u>	<u>61,594,481</u>	<u>40,551,844</u>
	<u>\$ 251,552,000</u>	<u>40,396,021</u>	<u>291,948,021</u>	<u>149,872,897</u>

(Continued)

CITY OF PITTSBURGH
ENTERPRISE FUNDS

Combining Balance Sheet - Liabilities and Fund Equity

December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Water and Sewer Authority	Stadium Authority	Totals <u>1986</u>	<u>1985</u>
Liabilities:				
Current liabilities:				
Accounts payable	\$ 318,000	268,450	586,450	441,477
Due to General Fund	<u>189,000</u>	<u>-</u>	<u>189,000</u>	<u>189,000</u>
Total current liabilities	<u>507,000</u>	<u>268,450</u>	<u>775,450</u>	<u>630,477</u>
Current liabilities payable from restricted assets:				
Accounts payable	2,553,000	4,333	2,557,333	1,336,929
Accrued interest payable	-	940,947	940,947	1,252,927
Deferred revenue	-	1,168,661	1,168,661	791,653
Current portion of long-term debt	<u>-</u>	<u>530,000</u>	<u>530,000</u>	<u>865,000</u>
Total current liabilities payable from restricted assets	<u>2,553,000</u>	<u>2,643,941</u>	<u>5,196,941</u>	<u>4,246,509</u>
Long-term debt, net of current portion	592,390,000	33,565,000	625,955,000	231,880,000
Less: Escrow funds	(327,960,000)	-	(327,960,000)	(90,647,000)
Less: Discount of \$15,976,000	<u>(15,976,000)</u>	<u>-</u>	<u>(15,976,000)</u>	<u>-</u>
	<u>248,454,000</u>	<u>33,565,000</u>	<u>282,019,000</u>	<u>141,233,000</u>
Total liabilities	<u>251,514,000</u>	<u>36,477,391</u>	<u>287,991,391</u>	<u>146,109,986</u>
Fund equity:				
Contributed capital:				
Restricted for construction	-	7,396,566	7,396,566	7,395,895
Unrestricted	<u>5,277,000</u>	<u>14,342,697</u>	<u>19,619,697</u>	<u>19,619,697</u>
	<u>5,277,000</u>	<u>21,739,263</u>	<u>27,016,263</u>	<u>27,015,592</u>
Retained earnings (deficit):				
Restricted for debt service	22,685,000	-	22,685,000	12,945,000
Unrestricted	<u>(27,924,000)</u>	<u>(17,820,633)</u>	<u>(45,744,633)</u>	<u>(36,197,681)</u>
	<u>(5,239,000)</u>	<u>(17,820,633)</u>	<u>(23,059,633)</u>	<u>(23,252,681)</u>
Total fund equity	<u>38,000</u>	<u>3,918,630</u>	<u>3,956,630</u>	<u>3,762,911</u>
Total liabilities and fund equity	<u>\$ 251,552,000</u>	<u>40,396,021</u>	<u>291,948,021</u>	<u>149,872,897</u>

CITY OF PITTSBURGH
ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and
Changes in Accumulated Deficit

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Water and Sewer Authority	Stadium Authority	Totals	
			1986	1985
Operating revenues:				
Water charges	\$ 23,468,000	-	23,468,000	21,419,000
Rentals	-	1,992,469	1,992,469	2,260,517
Madallions	-	1,320,000	1,320,000	1,312,500
Stadium bond service charges	-	687,966	687,966	686,066
Concessions	-	668,535	668,535	626,456
Miscellaneous	-	238,810	238,810	244,486
Total operating revenues	23,468,000	4,907,780	28,375,780	26,549,025
Operating expenses:				
Salaries, wages and benefits	7,158,000	1,047,721	8,205,721	7,672,887
Utilities	2,870,000	533,340	3,403,340	3,710,445
Allocation of City indirect expenses	2,392,000	-	2,392,000	2,319,000
Depreciation and amortization	81,000	1,453,912	1,534,912	1,444,365
Purification chemicals	1,491,000	-	1,491,000	1,252,000
Payments to non-City water agencies	2,877,000	-	2,877,000	2,523,000
Repairs and maintenance	259,000	1,000,164	1,259,164	1,236,064
Materials, supplies and rentals	320,000	-	320,000	704,000
Administrative and other operating expenses	998,000	951,094	1,949,094	1,790,723
Miscellaneous	617,000	-	617,000	142,000
Total operating expenses	19,063,000	4,986,231	24,049,231	22,794,484
Operating income	4,405,000	(78,451)	4,326,549	3,754,541
Nonoperating revenues and (expenses):				
Interest income	1,854,000	244,587	2,098,587	969,190
Interest expense	(1,579,000)	(2,754,161)	(4,333,161)	(3,261,593)
Amortization of bond issue costs	(1,099,000)	-	(1,099,000)	(606,000)
Total nonoperating revenues and (expenses)	(824,000)	(2,509,574)	(3,333,574)	(2,898,403)
Income (loss) before operating transfers and extra-ordinary items	3,581,000	(2,588,025)	992,975	856,138
Extraordinary gain	-	4,661,073	4,661,073	-
Income before operating transfers	3,581,000	2,073,048	5,654,048	856,138
Operating transfers to General Fund	(5,461,000)	-	(5,461,000)	(4,813,000)
Net income (loss)	(1,880,000)	2,073,048	193,048	(3,956,862)
Accumulated deficit, beginning of year	(3,359,000)	(19,893,681)	(23,252,681)	(19,266,853)
Transfers to General Fund	-	-	-	(28,966)
Total equity transfers	-	-	-	(28,966)
Accumulated deficit, end of year	\$ (5,239,000)	(17,820,633)	(23,059,633)	(23,252,681)

CITY OF PITTSBURGH
ENTERPRISE FUND

Combining Statement of Changes in Contributed Capital

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Water and Sewer Authority	Stadium Authority	Totals	
			<u>1986</u>	<u>1985</u>
Balance, beginning of year	\$ 5,277,000	21,738,592	27,015,592	23,344,377
Contributions from:				
General Fund	-	-	-	3,640,000
Other - for construction purposes	-	671	671	31,215
Total contributions	-	671	671	3,671,215
Balance, end of year	\$ 5,277,000	21,739,263	27,016,263	27,015,592

CITY OF PITTSBURGH
ENTERPRISE FUND

Combining Statement of Changes in Financial Position

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Water and Sewer Authority	Stadium Authority	Totals	
			1986	1985
Sources (uses) of working capital:				
Loss before extraordinary gain	\$ (1,880,000)	(2,588,025)	(4,468,025)	(3,956,862)
Add items not effecting working capital:				
Depreciation and amortization	<u>1,180,000</u>	<u>1,453,912</u>	<u>2,633,912</u>	<u>2,050,365</u>
Working capital used by operations	(700,000)	(1,134,113)	(1,834,113)	(1,906,497)
Extraordinary gain on bond refinancing	-	4,661,073	4,661,073	-
Bond and note proceeds and advances	382,814,000	32,825,000	415,639,000	100,000,000
Less: Funds deposited in escrow	(241,411,000)	-	(241,411,000)	(88,604,000)
Additions to contributed capital	-	671	671	3,671,215
Increase in current liabilities payable from restricted assets net of defeased bonds	<u>1,240,000</u>	<u>575,432</u>	<u>1,815,432</u>	<u>1,069,000</u>
Decrease in restricted assets	<u>6,711,000</u>	<u>450,155</u>	<u>7,161,155</u>	<u>1,591,366</u>
Total working capital provided	<u>\$ 148,654,000</u>	<u>37,378,218</u>	<u>186,032,218</u>	<u>15,821,084</u>
Uses of working capital:				
Transfers to General Fund	-	-	-	28,966
Additions to property, plant and equipment	22,396,000	163,609	22,559,609	4,996,427
Repayment of debt due to refinancing and current maturities	-	6,000,000	6,000,000	865,000
Closing costs and bond charges	-	1,455,224	1,455,224	-
Amounts escrowed for defeased bonds	-	30,949,776	30,949,776	-
Decrease in current liabilities payable from restricted assets	-	-	-	21,891
Increase in restricted assets	<u>124,776,000</u>	<u>-</u>	<u>124,776,000</u>	<u>2,442,000</u>
Increase (decrease) in working capital	<u>1,482,000</u>	<u>(1,190,391)</u>	<u>291,609</u>	<u>7,466,800</u>
Total working capital used	<u>\$ 148,654,000</u>	<u>37,378,218</u>	<u>186,032,218</u>	<u>15,821,084</u>
Changes in the components of working capital:				
Increase (decrease) in current assets:				
Cash and investments	2,339,000	(1,453,405)	885,595	3,963,128
Receivables	431,000	(16,128)	414,872	827,194
Due from other funds	(1,159,000)	-	(1,159,000)	1,529,000
Prepaid expenses and other assets	<u>68,000</u>	<u>227,115</u>	<u>295,115</u>	<u>122,126</u>
	<u>1,679,000</u>	<u>(1,242,418)</u>	<u>436,582</u>	<u>6,441,448</u>
Increase (decrease) in current liabilities:				
Accounts payable	197,000	(52,027)	144,973	(131,352)
Due to other funds	-	-	-	(894,000)
	<u>197,000</u>	<u>(52,027)</u>	<u>144,973</u>	<u>(1,025,352)</u>
Increase (decrease) in working capital	<u>\$ 1,482,000</u>	<u>(1,190,391)</u>	<u>291,609</u>	<u>7,466,800</u>

FIDUCIARY FUND TYPES

Pension Trust:

Municipal Pension Trust - To account for the activity in the pension plan for non-uniformed municipal employees. Each full-time employee not covered under the Police or Fire plans is required to participate in the Municipal Pension Plan after serving a 90-day probationary period. The plan is a contributory defined benefit pension plan.

Police Pension Trust - To account for the activity in the Police pension plan. All Bureau of Police employees are required to participate in the plan. The plan is a contributory defined benefit pension plan.

Fire Pension Trust - To account for the activity in the Fire pension plan. All Bureau of Fire employees are required to participate in the plan. The plan is a contributory defined benefit pension plan.

Act 205 Trust - To account for funds received from the Commonwealth of Pennsylvania under the "Municipal Pension Plan and Funding Standard and Recovery Act" (Act 205).

Retirees' Pension Trust - To account for the receipt and disbursement of City funds to permit periodic pension increases to all City retirees.

Expendable Trust:

Gifts and Donations - To account for gifts received for the operation of various civic and cultural programs.

Workers' Compensation - To account for the irrevocable trust established by the City in accordance with the requirements of the Pennsylvania Department of Labor for self-insurance in regard to workers' compensation.

Parks Endowments - To account for the proceeds from endowments for the maintenance and operations of Frick Park and the Oliver Bath House.

Agency Funds:

Employee Benefits Funds - To account for the collection and payment of various employee benefit programs, such as pensions, medical insurance, life insurance, social security and deferred compensation, from and on behalf of City employees.

Payroll Withholding Funds - To account for the collection and payment of various payroll taxes withheld from and on behalf of City employees.

Parking Meter Funds - To account for the collection of revenues from City-owned parking meters and the subsequent distribution of these revenues to the General Fund and the Public Parking Authority of Pittsburgh pursuant to the terms of an agreement between the City and the Public Parking Authority.

Unclaimed Liabilities Funds - To account for the City's liabilities for services rendered for which the City is unable to locate the payees.

Deposit Funds - To account for refundable deposits, overpaid taxes and water charges and monies confiscated which are returnable.

CITY OF PITTSBURGH
TRUST AND AGENCY FUNDS

Combining Balance Sheet

December 31, 1986
(with comparative totals for December 31, 1985)

Assets	Pension Trust Funds					Expendable Trust Funds			Agency Funds	Totals	
	Municipal Plan	Police Plan	Fire Plan	Act 205	Retirees' Trust	Gifts and Donations	Workers' Compensation	Parks Endowments		1986	1985
Cash and short-term investments at cost, which approximates market	\$ 16,562,936	3,359,964	2,308,416	51,004	727,193	308,959	1,782,678	101,518	8,021,298	33,223,966	24,610,616
Investments, at cost	25,324,260	-	455,465	-	-	-	1,897,264	144,000	5,172,590	32,993,579	28,904,011
Contributions receivable - participants	170,249	94,440	81,070	-	-	-	-	-	-	345,759	309,800
Accrued interest and dividends receivable	430,716	4,528	970	-	-	-	52,932	-	-	489,146	474,044
Due from General Fund	-	-	-	-	-	-	-	-	244,496	244,496	1,267,210
Total assets	\$ 42,488,161	3,458,932	2,845,921	51,004	727,193	308,959	3,732,874	245,518	13,438,384	67,296,946	55,565,681
Liabilities and Fund Balances											
Liabilities:											
Accounts payable	-	-	-	-	-	-	-	-	16,982	16,982	20,773
Accrued liabilities	4,729	44,313	3,796	-	-	-	-	17,024	5,162,850	5,232,712	6,276,016
Deferred compensation payable	-	-	-	-	-	-	-	-	5,172,590	5,172,590	3,807,593
Due to General Fund	-	-	-	-	-	25,000	-	-	2,644,800	2,669,800	2,659,867
Due to other governments	-	-	-	-	-	-	-	-	-	-	271,015
Deposits held in trust	-	-	-	-	-	-	-	-	441,162	441,162	265,008
Total liabilities	4,729	44,313	3,796	-	-	25,000	-	17,024	13,438,384	13,533,246	13,300,272
Fund balances:											
Reserved for endowments	-	-	-	-	-	-	-	228,494	-	228,494	234,838
Reserved for employee benefits	42,483,432	3,414,619	2,842,125	51,004	727,193	-	3,732,874	-	-	53,251,247	41,799,131
Undesignated	-	-	-	-	-	283,959	-	-	-	283,959	231,440
Total fund balances	42,483,432	3,414,619	2,842,125	51,004	727,193	283,959	3,732,874	228,494	-	53,763,700	42,265,409
Total liabilities and fund balances	\$ 42,488,161	3,458,932	2,845,921	51,004	727,193	308,959	3,732,874	245,518	13,438,384	67,296,946	55,565,681

CITY OF PITTSBURGH
PENSION TRUST FUNDS

Combining Statement of Revenues,
Expenses and Changes in Fund Balances

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	<u>Municipal Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Act 205</u>	<u>Retirees' Trust</u>	<u>Totals</u>	
						<u>1986</u>	<u>1985</u>
Operating revenues:							
Contributions:							
Participants	\$ 2,722,485	2,066,407	2,064,588	-	-	6,853,480	6,853,728
Employer	7,772,012	5,131,235	2,991,358	-	700,000	16,594,605	12,626,796
State	-	-	-	12,227,707	-	12,227,707	8,683,621
Total contributions	10,494,497	7,197,642	5,055,946	12,227,707	700,000	35,675,792	28,164,145
Investment income:							
Net gains on security transactions	1,645,921	-	13,127	-	-	1,659,048	1,482,864
Interest and dividends	2,604,770	135,578	92,689	-	27,193	2,860,230	2,656,468
Total investment income	4,250,691	135,578	105,816	-	27,193	4,519,278	4,139,332
Miscellaneous	-	-	28,416	-	-	28,416	27,519
Total operating revenues	14,745,188	7,333,220	5,190,178	12,227,707	727,193	40,223,486	32,330,996
Operating expenses:							
Benefit payments	11,909,999	9,377,425	7,118,618	-	-	28,406,042	26,710,841
Administrative expenses	114,713	147,288	75,992	-	-	337,993	314,731
Fees for professional services	275,184	4,991	3,278	-	-	283,453	142,508
Total operating expenses	12,299,896	9,529,704	7,197,888	-	-	29,027,488	27,168,080
Income (loss) before operating transfers	2,445,292	(2,196,484)	(2,007,710)	12,227,707	727,193	11,195,998	5,162,916
Operating transfers between pension funds	5,052,400	3,910,697	3,252,166	(12,215,263)	-	-	-
Net income	7,497,692	1,714,213	1,244,456	12,444	727,193	11,195,998	5,162,916
Fund balances, beginning of year	34,985,740	1,700,406	1,597,669	38,560	-	38,322,375	33,159,459
Fund balances, end of year	\$ 42,483,432	3,414,619	2,842,125	51,004	727,193	49,518,373	38,322,375

CITY OF PITTSBURGH
PENSION TRUST FUNDS

Combining Statement of Changes in Financial Position

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	<u>Municipal Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Act 205</u>	<u>Retirees' Trust</u>	<u>Totals</u>	
						<u>1986</u>	<u>1985</u>
Sources of working capital:							
Net income	\$ 7,497,692	1,714,213	1,244,456	12,444	727,193	11,195,998	5,162,916
Uses of working capital:							
Increase in working capital	\$ 7,497,692	1,714,213	1,244,456	12,444	727,193	11,195,998	5,162,916
Elements of increase (decrease) in working capital:							
Cash and short-term investments	5,589,021	1,712,633	1,205,055	12,444	727,193	9,246,346	238,262
Investments	1,870,623	-	31,559	-	-	1,902,182	4,783,004
Contributions receivable - participants	27,162	4,308	4,489	-	-	35,959	27,665
Accrued interest and dividends receivable	10,658	1,026	(5,269)	-	-	6,415	65,480
Accrued liabilities	228	(3,754)	8,622	-	-	5,096	48,505
Increase in working capital	\$ 7,497,692	1,714,213	1,244,456	12,444	727,193	11,195,998	5,162,916

CITY OF PITTSBURGH
EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Year Ended December 31, 1986
(with comparative totals for the year ended December 31, 1985)

	Gifts and Donations	Workers' Compensation	Parks Endowments	Totals	
				1986	1985
Revenues:					
Interest and dividends	\$ -	276,228	404,320	680,548	750,092
Donations	147,595	-	-	147,595	157,180
Registration fees	197,519	-	-	197,519	196,861
Other	115,911	44	4,685	120,640	105,885
Total revenues	461,025	276,272	409,005	1,146,302	1,210,018
Expenditures - current operating:					
Community, recreation and cultural programs:					
Community activities	321,333	-	-	321,333	372,418
School services	11,363	-	-	11,363	48,341
Parks and recreation	95,399	-	415,349	510,748	538,523
Miscellaneous	-	20,154	-	20,154	12,907
Total expenditures	428,095	20,154	415,349	863,598	972,189
Excess (deficiency) of revenues over expenditures	32,930	256,118	(6,344)	282,704	237,829
Other financing sources (uses):					
Operating transfer from Special Revenues	135,000	-	-	135,000	-
Operating transfer to Special Revenues	(115,411)	-	-	(115,411)	-
Total other financing sources (uses)	19,589	-	-	19,589	-
Excess (deficiency) of revenues and other financing sources over expenditures	52,519	256,118	(6,344)	302,293	237,829
Fund balance, beginning of year	231,440	3,476,756	234,838	3,943,034	3,705,205
Fund balance, end of year	\$ 283,959	3,732,874	228,494	4,245,327	3,943,034

CITY OF PITTSBURGH
GIFTS AND DONATIONS TRUST FUND

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 308,959	305,397
Total assets	<u>308,959</u>	<u>305,397</u>
 <u>Liabilities and Fund Balance</u>		
Accounts payable	-	8,957
Due to General Fund	25,000	65,000
Undesignated fund balance	<u>283,959</u>	<u>231,440</u>
Total liabilities and fund balance	<u>\$ 308,959</u>	<u>305,397</u>

CITY OF PITTSBURGH
GIFTS AND DONATIONS TRUST FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Donations	\$ 147,595	157,180
Registration fees	197,519	196,861
Other	<u>115,911</u>	<u>94,775</u>
Total revenues	<u>461,025</u>	<u>448,816</u>
Expenditures:		
Community, recreation and cultural programs:		
Community activities	321,333	372,418
School services	11,363	48,341
Parks and recreation	<u>95,399</u>	<u>90,444</u>
Total expenditures	<u>428,095</u>	<u>511,203</u>
Excess (deficiency) of revenues over expenditures	32,930	(62,387)
Other financing sources (uses):		
Operating transfer from Special Revenues	135,000	-
Operating transfer to Special Revenues	<u>(115,411)</u>	<u>(6,000)</u>
Total other financing sources (uses)	<u>19,589</u>	<u>(6,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	52,519	(68,387)
Fund balance, beginning of year	<u>231,440</u>	<u>299,827</u>
Fund balance, end of year	<u>\$ 283,959</u>	<u>231,440</u>

CITY OF PITTSBURGH
WORKERS' COMPENSATION TRUST FUND

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 1,782,678	2,357,636
Investments, at cost	1,897,264	1,074,875
Accrued interest receivable	<u>52,932</u>	<u>44,245</u>
Total assets	<u>\$ 3,732,874</u>	<u>3,476,756</u>
 <u>Fund Balance</u>		
Fund balance - reserved for employee benefits	<u>3,732,874</u>	<u>3,476,756</u>
Total fund balance	<u>\$ 3,732,874</u>	<u>3,476,756</u>

CITY OF PITTSBURGH
WORKERS' COMPENSATION TRUST FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Interest and dividends	\$ 276,228	295,772
Other	<u>44</u>	<u>3,729</u>
Total revenues	<u>276,272</u>	<u>299,501</u>
Expenditures:		
Trustee fee	<u>20,154</u>	<u>12,907</u>
Excess of revenues over expenditures	256,118	286,594
Fund balance, beginning of year	<u>3,476,756</u>	<u>3,190,162</u>
Fund balance, end of year	<u>\$ 3,732,874</u>	<u>3,476,756</u>

CITY OF PITTSBURGH
PARKS ENDOWMENTS TRUST FUND

Balance Sheet

December 31, 1986
(with comparative amounts for December 31, 1985)

<u>Assets</u>	<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 101,518	105,521
Investments, at cost	<u>144,000</u>	<u>144,000</u>
	<u>\$ 245,518</u>	<u>249,521</u>
 <u>Liabilities and Fund Balance</u>		
Accrued liabilities	17,024	14,683
Fund balance - reserved for endowments	<u>228,494</u>	<u>234,838</u>
Total liabilities and fund balance	<u>\$ 245,518</u>	<u>249,521</u>

CITY OF PITTSBURGH
PARKS ENDOWMENTS TRUST FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1986
(with comparative amounts for the year ended December 31, 1985)

	<u>1986</u>	<u>1985</u>
Revenues:		
Interest on bonds	\$ 4,320	4,320
Endowment income	400,000	450,000
Other	<u>4,685</u>	<u>7,381</u>
Total revenues	<u>409,005</u>	<u>461,701</u>
Expenditures:		
Community, recreation and cultural programs:		
Frick Park/Oliver Bath House	<u>415,349</u>	<u>448,079</u>
Excess (deficiency) of revenues over expenditures	(6,344)	13,622
Other financing sources (uses):		
Operating transfer from Gifts and Donations Trust Fund	<u>-</u>	<u>6,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(6,344)	19,622
Fund balance, beginning of year	<u>234,838</u>	<u>215,216</u>
Fund balance, end of year	<u>\$ 228,494</u>	<u>234,838</u>

CITY OF PITTSBURGH
AGENCY FUNDS

Combining Balance Sheet

December 31, 1986
(with comparative totals for December 31, 1985)

<u>Assets</u>	<u>Employee benefits</u>	<u>Payroll withholding</u>	<u>Parking meter</u>	<u>Unclaimed liabilities</u>	<u>Deposit</u>	<u>Other</u>	<u>Totals</u>	
							<u>1986</u>	<u>1985</u>
Cash and short-term investments at cost, which approximates market	\$ 1,372,864	1,676,799	1,517	263,932	4,162,205	543,981	8,021,298	8,078,895
Investments	5,172,590	-	-	-	-	-	5,172,590	3,807,593
Due from General Fund	244,496	-	-	-	-	-	244,496	1,267,210
Total assets	\$ 6,789,950	1,676,799	1,517	263,932	4,162,205	543,981	13,438,384	13,153,698
 <u>Liabilities</u>								
Accounts payable	-	-	-	-	-	16,982	16,982	11,816
Accrued liabilities	1,617,360	1,031,999	1,517	263,932	1,748,349	499,693	5,162,850	6,203,399
Deferred compensation payable	5,172,590	-	-	-	-	-	5,172,590	3,807,593
Due to General Fund	-	644,800	-	-	2,000,000	-	2,644,800	2,594,867
Due to Parking Authority	-	-	-	-	-	-	-	271,015
Deposits held in trust	-	-	-	-	413,856	27,306	441,162	265,008
Total liabilities	\$ 6,789,950	1,676,799	1,517	263,932	4,162,205	543,981	13,438,384	13,153,698

CITY OF PITTSBURGH
AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 1986

	Balance January 1, 1986	Additions	Deductions	Balance December 31, 1986
<u>Employee Benefits</u>				
<u>Assets</u>				
Cash and short-term investments at cost, which approximates market	\$ 2,056,023	27,463,487	28,146,646	1,372,864
Investments	3,807,593	1,563,422	198,425	5,172,590
Due from General Fund	602,004	244,496	602,004	244,496
Total	<u>\$ 6,465,620</u>	<u>29,271,405</u>	<u>28,947,075</u>	<u>6,789,950</u>
<u>Liabilities</u>				
Accrued liabilities	\$ 2,658,027	27,707,983	28,748,650	1,617,360
Deferred compensation payable	3,807,593	1,563,422	198,425	5,172,590
Total	<u>6,465,620</u>	<u>29,271,405</u>	<u>28,947,075</u>	<u>6,789,950</u>
<u>Payroll Withholding</u>				
<u>Assets</u>				
Cash and short-term investments at cost, which approximates market	\$ 982,681	10,570,943	9,876,825	1,676,799
Due from General Fund	665,206	-	665,206	-
Total	<u>\$ 1,647,887</u>	<u>10,570,943</u>	<u>10,542,031</u>	<u>1,676,799</u>
<u>Liabilities</u>				
Accrued liabilities	\$ 1,303,187	10,270,843	10,542,031	1,031,999
Due to General Fund	344,700	300,100	-	644,800
Total	<u>\$ 1,647,887</u>	<u>10,570,943</u>	<u>10,542,031</u>	<u>1,676,799</u>
<u>Parking Meter</u>				
<u>Assets</u>				
Cash and short-term investments at cost, which approximates market	\$ 522,699	161,810	682,992	1,517
<u>Liabilities</u>				
Accrued liabilities	\$ 1,517	-	-	1,517
Due to General Fund	250,167	77,669	327,836	-
Due to Parking Authority	271,015	84,141	355,156	-
Total	<u>\$ 522,699</u>	<u>161,810</u>	<u>682,992</u>	<u>1,517</u>

(Continued)

CITY OF PITTSBURGH
AGENCY FUNDS

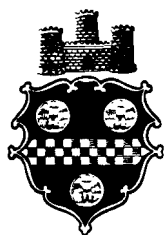
Combining Statement of Changes in Assets and Liabilities
(continued)

	Balance January 1, <u>1986</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1986</u>
<u>Unclaimed Liabilities</u>				
<u>Assets</u>				
Cash and short-term invest- ments at cost, which approximates market	\$ 171,636	119,016	26,720	263,932
<u>Liabilities</u>				
Accrued liabilities	\$ 171,636	119,016	26,720	263,932
<u>Deposit</u>				
<u>Assets</u>				
Cash and short-term invest- ments at cost, which approximates market	\$ 3,945,098	505,854	288,747	4,162,205
<u>Liabilities</u>				
Accrued liabilities	\$ 1,705,158	47,884	4,693	1,748,349
Due to General Fund	2,000,000	-	-	2,000,000
Deposits held in trust	239,940	457,970	284,054	413,856
Total	\$ 3,945,098	505,854	288,747	4,162,205
<u>Other</u>				
<u>Assets</u>				
Cash and short-term invest- ments at cost, which approximates market	\$ 400,758	649,305	506,082	543,981
<u>Liabilities</u>				
Accounts payable	11,816	6,466	1,300	16,982
Accrued liabilities	363,874	640,478	504,659	499,693
Deposits held in trust	25,068	2,361	123	27,306
Total	400,758	649,305	506,082	543,981

CITY OF PITTSBURGH
AGENCY FUNDS

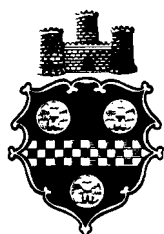
Combining Statement of Changes in Assets and Liabilities
(continued)

<u>Total Agency Funds</u>	Balance January 1, <u>1986</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1986</u>
<u>Assets</u>				
Cash and short-term investments at cost, which approximates market	\$ 8,078,895	39,470,415	39,528,012	8,021,298
Investments	3,807,593	1,563,422	198,425	5,172,590
Due from General Fund	<u>1,267,210</u>	<u>244,496</u>	<u>1,267,210</u>	<u>244,496</u>
	<u>\$ 13,153,698</u>	<u>41,278,333</u>	<u>40,993,647</u>	<u>13,438,384</u>
<u>Liabilities</u>				
Accounts payable	11,816	6,466	1,300	16,982
Accrued liabilities	6,203,399	38,786,204	39,826,753	5,162,850
Deferred compensation payable	3,807,593	1,563,422	198,425	5,172,590
Due to General Fund	2,594,867	377,769	327,836	2,644,800
Due to Parking Authority	271,015	84,141	355,156	-
Deposits held in trust	<u>265,008</u>	<u>460,331</u>	<u>284,177</u>	<u>441,162</u>
	<u>\$ 13,153,698</u>	<u>41,278,333</u>	<u>40,993,647</u>	<u>13,438,384</u>



GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for the outstanding general long-term indebtedness backed by the full faith and credit of the City as well as the City's noncurrent obligations for capital leases, pensions, compensated absences and workers' compensation expense.



CITY OF PITTSBURGH

Statement of General Long-term Debt

December 31, 1986

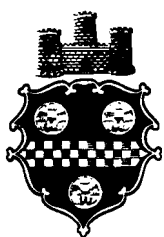
(with comparative amounts for December 31, 1985)

AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF
GENERAL LONG-TERM DEBT

	<u>1986</u>	<u>1985</u>
Amount available in Debt Service Funds for retirement of bonds	\$ 10,730,045	7,684,845
Amount to be provided for retirement of bonds	397,439,955	307,132,655
Amount to be provided for deferred loan	426,000	-
Amount to be provided for capital lease obligations	3,691,569	1,481,898
Amount to be provided for accrued pension costs	198,449,000	186,464,000
Amount to be provided for accrued workers' compensation	55,000,000	53,000,000
Amount to be provided for accrued compensated absences	480,000	440,000
Total available and to be provided	<u>\$ 666,216,569</u>	<u>556,203,398</u>

GENERAL LONG-TERM DEBT PAYABLE

General obligation bonds payable	408,170,000	314,817,500
Capital lease obligations	3,691,569	1,481,898
Deferred loan	426,000	-
Accrued pension expense	198,449,000	186,464,000
Accrued workers' compensation	55,000,000	53,000,000
Accrued compensated absences	480,000	440,000
Total long-term debt payable	<u>\$ 666,216,569</u>	<u>556,203,398</u>



CITY OF PITTSBURGH

Principal Real Estate Taxpayers

December 31, 1986

<u>Taxpayer</u>	<u>Principal type of business</u>	<u>1986 Assessed valuation</u>	<u>Percentage of total tax levied</u>
600 Grant Street Associates (U.S. Steel Building)	Real Estate	\$ 79,500,000	4.24%
500 Grant Street Associates (One Mellon Bank Center)	Real Estate	62,500,000	3.34
Market View Incorporated (Subsidiary of PPG Industries)	Real Estate	46,910,000	2.50
Oxford Development	Real Estate	30,000,100	1.60
Equitable Life Assurance Society of the United States	Real Estate	28,630,340	1.53
Mellon Bank, N.A.	Commercial Banking	20,099,600	1.07
Pittsburgh National Bank	Commercial Banking	18,173,740	.97
One Oliver Plaza Association	Real Estate	15,890,000	.84
Pittsburgh and Lake Erie Railroad Company	Railroading	15,600,500	.83
Prudential Insurance Co. of America	Real Estate	<u>14,040,500</u>	<u>.77</u>
		<u>\$ 331,344,780</u>	<u>17.69%</u>

CITY OF PITTSBURGH

General Fund Revenues and Other Financing Sources

Last Ten Fiscal Years

	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977
Taxes	\$ 199,259,869	192,754,769	184,532,388	180,501,284	170,759,756	130,240,575	120,509,590	113,999,878	88,537,067	81,962,322
Penalties and interest	2,226,187	2,340,879	1,745,661	1,460,663	1,382,771	1,617,540	872,388	745,765	477,305	518,365
Interest on bank balances	6,299,898	8,438,042	9,125,601	8,441,351	13,068,409	10,887,647	5,729,673	6,020,286	4,200,210	3,123,871
Fines and forfeits	4,133,933	4,144,328	3,663,380	3,444,931	3,033,743	2,538,125	2,468,208	2,289,557	2,613,609	2,593,131
Licenses	2,599,254	2,800,985	2,148,193	2,117,966	1,800,845	1,512,471	1,358,141	1,197,384	1,149,077	1,134,712
Rentals	2,997,315	4,049,098	3,667,045	3,092,995	2,727,775	2,569,304	2,261,798	1,679,700	2,478,732	1,326,274
Pittsburgh Zoo receipts	1,225,863	1,207,777	1,537,250	921,370	557,487	562,823	615,962	867,004	861,471	888,748
Public Parking Authority	700,000	700,000	1,287,083	-	-	2,000,000	1,500,000	-	2,000,000	3,500,000
Enterprise Funds administrative charge	-	-	500,000	1,200,000	1,000,000	960,000	-	-	-	-
Intergovernmental revenues	2,609,692	2,713,238	2,922,044	2,606,464	3,041,376	2,489,599	6,115,545	1,088,746	923,194	2,424,010
Miscellaneous	1,751,825	2,174,894	2,601,309	2,625,134	2,357,944	1,974,782	1,961,388	2,152,552	113,227	1,581,503
Other financing sources:										
Bond sale and capital lease obligation proceeds	3,003,747	6,010,000	3,750,000	-	-	-	-	-	-	-
Transfers from:										
Enterprise Funds	5,461,000	4,813,000	5,056,847	1,837,303	1,294,752	842,779	1,931,980	4,076,953	5,490,720	5,356,504
Special Revenue Funds	-	-	-	-	-	281,870	-	365,537	-	326,531
Debt Service Funds	-	-	-	-	-	7,000,000	-	1,822,216	-	-
Capital Projects Funds	-	-	-	-	-	930,899	229,442	4,143,174	-	-
Trust and Agency Funds	-	-	-	-	-	-	-	577,189	504,049	1,165,299
Special Assessment Funds	1,777	-	12,780	9,157	12,313	5,852	14,860	-	-	12,436
Total revenues and transfers	\$ 232,270,380	232,147,010	222,549,581	208,258,618	201,037,171	166,414,266	145,568,975	141,025,941	109,348,661	105,913,706

CITY OF PITTSBURGH

General Fund Expenditures and Operating Transfers by Function

Last Ten Fiscal Years

	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>
General government	\$ 19,389,491	14,685,693	14,035,464	14,064,887	10,560,446	10,075,205	10,248,529	8,200,341	6,420,957	5,648,281
Public safety	79,525,777	66,204,153	61,379,491	57,451,074	54,044,555	48,061,086	42,784,605	36,197,594	26,917,887	23,591,502
Public works	28,160,219	25,660,320	27,217,516	27,505,350	26,861,399	27,684,452	24,379,118	20,410,058	19,715,039	18,538,424
Sanitation	12,541,140	11,165,311	10,711,676	11,487,646	10,664,661	11,703,495	11,453,340	9,852,330	8,496,499	8,286,733
Community, recreation and cultural programs	38,402,332	23,395,370	20,684,765	16,593,205	15,132,060	13,563,804	12,726,708	10,857,316	10,136,594	9,487,230
Employee benefits and other*	36,154,195	45,819,670	56,449,024	45,784,152	42,158,523	34,847,156	32,696,004	28,563,584	24,771,137	21,673,214
Claims and judgments	405,043	478,392	398,201	1,296,041	*	*	*	*	*	*
Miscellaneous	362,962	804,630	771,004	667,813	*	*	*	*	*	*
Authority debt subsidies	3,806,342	2,675,615	1,690,000	1,772,000	1,904,854	968,988	783,671	921,025	991,226	1,059,489
Transfers to:										
Special Revenue Funds	2,425,857	4,296,259	4,758,108	3,342,975	823,091	415,232	559,904	1,636,367	1,197,083	664,657
Debt Service Funds	35,750,283	30,716,815	31,524,795	29,722,157	28,635,361	13,245,005	20,565,994	22,715,335	14,018,792	12,529,390
Trust and Agency Funds	-	-	17,000	-	-	-	-	-	-	1,250
Total expenditures and transfers	\$ 256,923,641	225,902,228	229,637,044	209,687,300	190,784,950	160,564,423	156,197,873	139,353,950	112,665,214	101,480,170

* - Includes claims and judgments and miscellaneous for 1982 and prior years and workers' compensation expenditures for 1984 and prior years.

CITY OF PITTSBURGH
Assessed Value, Tax Rates, Levy and Collections

Last Ten Fiscal Years

Fiscal year	Assessed valuation of land and buildings	Land	Buildings	Original net levy	Adjusted net levy (1)	Year of Original Levy					Delinquent Taxes		
						Budget	Receipts	Percent of original levy collected	Percent of adjusted net levy collected	Percent of budget collected	Collections		Percent of budget collected
											Budget	Receipts	
1977	\$ 1,404,329,355	49.5 mills	24.75 mills	\$ 44,285,332	\$ 43,585,879	\$ 41,400,000	\$ 41,617,307	94.0	95.5	100.5	\$ 1,350,000	\$ 1,089,458	80.7
1978	1,406,658,944	49.5 mills	24.75 mills	44,314,658	43,842,562	41,900,000	42,074,461	94.9	96.0	100.4	1,651,000	1,627,932	98.6
1979	1,415,132,908	97.5 mills	24.75 mills	62,980,792	61,763,007	59,230,000	58,612,083	93.1	94.9	99.0	1,500,000	1,660,699	110.7
1980	1,488,936,812	125.5 mills	24.75 mills	75,253,195	73,777,391	69,511,177	69,167,000	91.9	93.8	99.5	1,600,000	1,758,597	109.9
1981	1,461,618,118	125.5 mills	24.75 mills	73,065,576	67,907,205	69,700,000	66,017,908 (2)	90.4 (2)	97.2 (2)	94.7 (2)	1,750,000	2,452,959	140.2
1982	1,505,671,781	133.0 mills	32.00 mills	82,883,365	80,256,402	76,325,804	76,729,597	92.6	95.6	100.5	2,400,000	3,354,719	139.8
1983	1,536,543,980	151.5 mills	27.00 mills	84,382,708	81,855,375	77,535,000	77,659,281	92.0	94.9	100.2	3,000,000	3,045,145	101.5
1984	1,646,276,852	151.5 mills	27.00 mills	86,965,938	82,872,083	78,250,000	78,715,474	90.5	95.0	100.6	3,000,000	2,850,690	95.0
1985	1,767,939,639	151.5 mills	27.00 mills	92,051,888	91,593,532	84,867,870	85,609,165	93.0	93.5	100.9	3,100,000	5,128,169	165.4
1986	1,803,933,586	151.5 mills	27.00 mills	93,446,719	92,838,844	89,222,736	87,353,306	93.5	94.1	97.9	3,500,000	3,415,286	97.6

1. Represents net levy as of December 31 of the tax year (i.e., net of exonerations, discounts, and additions granted in that year).

2. During 1981, real estate tax exonerations which had not been expected by the City were ordered by the Allegheny County Board of Property Assessment, Appeals and Review. The Department of Finance estimates that \$2.4 million of such exonerations were credited to unpaid 1981 real estate taxes. These credits account for a significant portion of the fluctuation in the collection rates shown in this table.

Property Tax Rates - All Overlapping Governments

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>City</u>			<u>School district</u>	<u>County</u>	<u>Total</u>
	<u>Land</u>	<u>Buildings</u>	<u>Average*</u>			
1977	49.5 mills	24.75 mills	31.530	29.000 mills	21.375 mills	81.905 mills
1978	49.5 mills	24.75 mills	31.500	29.000 mills	21.375 mills	81.875 mills
1979	97.5 mills	24.75 mills	44.500	29.000 mills	19.365 mills	92.865 mills
1980	125.5 mills	24.75 mills	50.540	29.000 mills	23.000 mills	102.540 mills
1981	125.5 mills	24.75 mills	49.660	41.000 mills	28.000 mills	118.660 mills
1982	133.0 mills	32.0 mills	55.047	36.000 mills	29.000 mills	120.047 mills
1983	151.5 mills	27.0 mills	54.900	36.000 mills	29.000 mills	119.900 mills
1984	151.5 mills	27.0 mills	51.850	40.000 mills	29.000 mills	120.850 mills
1985	151.5 mills	27.0 mills	52.067	40.000 mills	29.000 mills	121.067 mills
1986	151.5 mills	27.0 mills	51.802	40.000 mills	31.250 mills	123.052 mills

* Determined by multiplying the respective assessed valuation by the millage rate and dividing by the total assessed valuation.

CITY OF PITTSBURGH
Special Assessments Outstanding
and Collections

Last Ten Fiscal Years

Fiscal year	Total Outstanding Assessments (1)		Total collections (2)
	<u>Streets and sewers</u>	<u>Water line maintenance</u>	
1977	\$ 610,594	44,082	\$ 37,253
1978	601,298	43,142	10,236
1979	593,167	41,097	10,176
1980	589,229	40,455	4,580
1981	584,863	40,280	4,541
1982	577,785	40,280	7,078
1983	571,392	39,955	6,394
1984	563,575	39,955	7,817
1985	562,155	39,955	1,420
1986	562,155	39,555	-

(1) There were no significant assessments during the last ten years.

(2) Collections do not include interest received on outstanding balances.

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable

December 31, 1986

<u>Serial Bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>	<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1987 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Refunding Bonds, 1967, Series A	10/01/67	\$ 5,400,000	\$ 270,000	\$270,000 annually through 1987	4.00%	\$ 10,800	\$ 270,000
Refunding Bonds, 1967, Series B	10/01/67	3,200,000	160,000	\$160,000 annually through 1987	4.00	6,400	160,000
General Public Improvement Bonds, 1967, Series A	10/01/67	3,000,000	150,000	\$150,000 annually through 1987	4.00	6,000	150,000
General Public Improvement People's Bonds, 1967, Series A	10/01/67	800,000	40,000	\$40,000 annually through 1987	4.00	1,600	40,000
Funding Bonds, 1967, Series A	10/01/67	500,000	25,000	\$25,000 annually through 1987	4.00	1,000	25,000
General Public Improvement Bonds, 1968, Series A	10/01/68	5,700,000	570,000	\$285,000 annually through 1988	4.25	24,225	285,000
General Public Improvement Bonds, 1969, Series A	3/01/69	3,700,000	555,000	\$185,000 annually through 1989	4.875	22,547	185,000
General Public Improvement Bonds, 1970, Series A	3/01/70	7,500,000	1,500,000	\$375,000 annually through 1990	6.00	78,750	375,000
General Public Improvement Bonds, 1970, Series B	11/01/70	10,500,000	2,100,000	\$525,000 annually through 1990	5.625	118,125	525,000
General Public Improvement Bonds, 1971, Series A	10/01/71	9,300,000	2,325,000	\$465,000 annually through 1991	5.00	116,250	465,000
General Public Improvement Bonds, 1972, Series A	5/01/72	11,400,000	3,420,000	\$570,000 annually through 1992	5.25	164,588	570,000
General Obligation Bonds, 1973, Series A	4/01/73	14,000,000	6,725,000	\$820,000 in 1987	5.20	328,380	820,000
				\$860,000 in 1988	5.20		
				\$905,000 in 1989	5.20		
				\$950,000 in 1990	5.20		
				\$1,000,000 in 1991	5.20		
				\$1,050,000 in 1992	5.20		
				\$1,140,000 in 1993	5.20		
General Obligation Bonds, 1974, Series A	4/01/74	14,350,000	7,835,000	\$805,000 in 1987	5.10	392,550	805,000
				\$850,000 in 1988	5.20		
				\$895,000 in 1989	5.25		
				\$945,000 in 1990	5.30		
				\$1,000,000 in 1991	5.40		
				\$1,050,000 in 1992	5.40		
				\$1,110,000 in 1993	5.50		
Carried forward			<u>25,675,000</u>	\$1,180,000 in 1994	5.00	<u>1,271,215</u>	<u>4,675,000</u>

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

<u>Serial Bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>	<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1987 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 25,675,000			\$ 1,271,215	\$ 4,675,000
General Obligation Bonds of 1976, Series A	8/01/76	\$ 10,300,000	7,050,000	\$530,000 in 1987 \$560,000 in 1988 \$595,000 in 1989 \$635,000 in 1990 \$675,000 in 1991 \$715,000 in 1992 \$760,000 in 1993 \$810,000 in 1994 \$860,000 in 1995 \$910,000 in 1996	6.30% 6.30 6.45 6.60 6.70 6.80 6.90 7.00 7.00 7.00	475,843	530,000
General Obligation Bonds of 1977, Series A	6/01/77	13,200,000	9,325,000	\$625,000 in 1987 \$660,000 in 1988 \$700,000 in 1989 \$740,000 in 1990 \$785,000 in 1991 \$835,000 in 1992 \$885,000 in 1993 \$935,000 in 1994 \$995,000 in 1995 \$1,050,000 in 1996 \$1,115,000 in 1997	5.00 5.10 5.30 5.40 5.50 5.60 5.70 5.80 5.875 5.875 5.875	506,605	625,000
General Obligation Bonds of 1978, Series A	7/01/78	14,000,000	10,525,000	\$635,000 in 1987 \$670,000 in 1988 \$705,000 in 1989 \$745,000 in 1990 \$785,000 in 1991 \$830,000 in 1992 \$880,000 in 1993 \$930,000 in 1994 \$990,000 in 1995 \$1,050,000 in 1996 \$1,120,000 in 1997 \$1,185,000 in 1998	5.90 6.00 6.10 6.20 6.30 6.40 6.50 6.50 6.50 6.50 6.50 6.50	669,510	635,000
			<u>52,575,000</u>			<u>2,923,173</u>	<u>6,465,000</u>

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

<u>Serial Bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>	<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1987 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 52,575,000			\$ 2,923,173	\$ 6,465,000
General Obligation Bonds Series of 1985	8/01/85	\$ 224,185,000	61,100,000*	\$3,535,000 in 1987 \$3,725,000 in 1988 \$3,945,000 in 1989 \$5,700,000 in 1990 \$6,095,000 in 1991 \$6,530,000 in 1992 \$7,020,000 in 1993 \$7,565,000 in 1994 \$8,160,000 in 1995 \$8,825,000 in 1996	5.40% 5.90 6.40 6.90 7.20 7.50 7.75 7.90 8.10 8.40	4,433,535	3,535,000
General Obligation Bonds Series A of 1986	7/01/86	63,510,000	63,510,000	\$5,000 annually through 2007 \$7,510,000 in 2008 \$7,975,000 in 2009 \$8,470,000 in 2010 \$8,995,000 in 2011 \$9,550,000 in 2012 \$10,140,000 in 2013 \$10,765,000 in 2014	6.00 6.00 6.00 6.00 6.00 6.00 6.00 6.00	4,445,550	5,000
General Obligation Bonds Series B of 1986	10/15/86	\$190,000,000	190,000,000	\$2,440,000 in 1987 \$5,000 in 1988 \$5,000 in 1989 \$5,000 in 1990 \$1,560,000 in 1991 \$1,645,000 in 1992 \$1,745,000 in 1993 \$1,855,000 in 1994 \$1,970,000 in 1995 \$2,105,000 in 1996 \$11,715,000 in 1997 \$12,495,000 in 1998 \$13,350,000 in 1999 \$14,270,000 in 2000 \$15,250,000 in 2001 \$16,300,000 in 2002 \$17,405,000 in 2003 \$18,600,000 in 2004 \$19,880,000 in 2005 \$21,240,000 in 2006 \$16,160,000 in 2007	4.25% 4.75 5.00 5.25 5.40 5.70 5.90 6.10 6.30 6.50 6.75 6.875 7.00 7.00 7.00 7.00 7.00 7.00 7.00 7.00	11,430,487	2,440,000
Total general obligation bonds payable			367,185,000			23,232,745	12,445,000

* After refunding of \$160,605,000

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

Serial Bonds	Date of issue	Amount sold	Amount outstanding	Maturity information	Coupon or ceiling rate of interest	1987 maximum debt service requirements	
						Interest	Principal
<u>Equipment Leasing Authority Bonds:</u>							
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series of 1981-A	3/01/81	\$ 9,225,000	\$ 9,225,000	Due March 1, 1987	9.50%	\$ 438,188	\$ 9,225,000
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series of 1984	10/15/84	6,300,000	6,300,000	Due October 1, 1988	53% of prime 9.5% ceiling	598,500	-
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1986-A	8/15/86	5,700,000	5,700,000	\$450,000 in 1987 \$935,000 in 1988 \$985,000 in 1989 \$1,045,000 in 1990 \$1,105,000 in 1991 \$1,180,000 in 1992	5.0 5.25 5.5 5.75 6.25 6.5	331,613	450,000
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1986-A	8/26/86	5,000,000	5,000,000	\$655,000 in 1987 \$720,000 in 1988 \$785,000 in 1989 \$860,000 in 1990 \$945,000 in 1991 \$1,035,000 in 1992	52% of prime 9.5% ceiling	475,000	655,000
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1986-A	8/26/86	5,275,000	5,275,000	Due October 1, 1988	52% of prime 7.5% ceiling	395,625	-
Total Equipment Leasing Authority Bonds			31,500,000			2,238,926	10,330,000

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

	Date of issue	Amount sold	Amount outstanding	Maturity information	Coupon or ceiling rate of interest	1987 maximum debt service requirements	
						Interest	Principal
<u>Public Auditorium Authority Bonds (City Share):</u>							
Auditorium Bonds (Performing Arts Center Project) 1984 Series	5/15/84	\$ 3,750,000	\$ 3,475,000	\$152,500 in 1987 \$162,500 in 1988 \$177,500 in 1989 \$192,500 in 1990 \$210,000 in 1991 \$227,500 in 1992 \$250,000 in 1993 \$272,500 in 1994 \$295,000 in 1995 \$325,000 in 1996 \$362,500 in 1997 \$402,500 in 1998 \$445,000 in 1999	8.00% 8.50 9.00 9.25 9.50 9.75 10.00 10.25 11.00 11.00 11.00 11.00 11.00	\$ 356,156	\$ 152,500
Auditorium Bonds (Renovation of Civic Arena) 1985 Series E	12/15/85	6,010,000	6,010,000	\$135,000 in 1987 \$142,500 in 1988 \$152,500 in 1989 \$162,500 in 1990 \$172,500 in 1991 \$185,000 in 1992 \$200,000 in 1993 \$215,000 in 1994 \$232,500 in 1995 \$250,000 in 1996 \$272,500 in 1997 \$295,000 in 1998 \$322,500 in 1999 \$352,500 in 2000 \$385,000 in 2001 \$420,000 in 2002 \$460,000 in 2003 \$502,500 in 2004 \$550,000 in 2005 \$602,500 in 2006	5.50 5.875 6.25 6.50 6.75 7.00 7.25 7.50 7.75 8.00 8.20 8.40 8.60 8.80 9.00 9.00 9.00 9.00 9.00 9.00	497,808	135,000
Total Public Auditorium Authority Bonds			9,485,000			853,964	287,500

(Continued)

Schedule of Bonds and Notes Payable, Continued

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>	<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1987 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
<u>Water and Sewer Authority Bonds:</u>							
Daily Adjustable Demand Water and Sewer Authority Revenue Bonds, Series of 1984	7/84	\$ 93,600,000	\$ 93,600,000	\$1,100,000 in 1987 \$1,200,000 in 1988 \$1,200,000 in 1989 \$1,300,000 in 1990 \$1,400,000 in 1991 \$1,500,000 in 1992 \$1,700,000 in 1993 \$1,800,000 in 1994 \$1,900,000 in 1995 \$2,100,000 in 1996 \$2,200,000 in 1997 \$2,400,000 in 1998 \$2,500,000 in 1999 \$2,700,000 in 2000 \$2,900,000 in 2001 \$3,200,000 in 2002 \$3,400,000 in 2003 \$3,700,000 in 2004 \$3,900,000 in 2005 \$4,200,000 in 2006 \$4,500,000 in 2007 \$4,900,000 in 2008 \$5,200,000 in 2009 \$5,600,000 in 2010 \$6,100,000 in 2011 \$6,500,000 in 2012 \$7,000,000 in 2013 \$7,500,000 in 2014	Daily Adjustable with a 12.132% ceiling	\$ 11,355,552	\$ 1,100,000
Carried forward			<u>93,600,000</u>			<u>11,355,552</u>	<u>1,100,000</u>

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

<u>Water and Sewer Authority Bonds, continued:</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>	<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1987 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 93,600,000			\$ 11,355,552	\$ 1,100,000
Adjustable Rate Tender Revenue Bonds, Series of 1985	3/29/85	\$ 100,000,000	100,000,000	\$600,000 in 1987 \$700,000 in 1988 \$800,000 in 1989 \$900,000 in 1990 \$900,000 in 1991 \$1,100,000 in 1992 \$1,200,000 in 1993 \$1,300,000 in 1994 \$1,400,000 in 1995 \$1,600,000 in 1996 \$1,800,000 in 1997 \$2,000,000 in 1998 \$2,200,000 in 1999 \$2,400,000 in 2000 \$2,700,000 in 2001 \$3,000,000 in 2002 \$3,300,000 in 2003 \$3,700,000 in 2004 \$4,100,000 in 2005 \$4,500,000 in 2006 \$5,000,000 in 2007 \$5,600,000 in 2008 \$6,200,000 in 2009 \$6,900,000 in 2010 \$7,700,000 in 2011 \$8,500,000 in 2012 \$9,400,000 in 2013 \$10,500,000 in 2014	6.875% un- til 4/01/87, then at an adjustable rate with a 15% ceiling	10,937,500	600,000
Carried forward			<u>193,600,000</u>			<u>22,293,052</u>	<u>1,700,000</u>

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

	Date of issue	Amount sold	Amount outstanding	Maturity information	Coupon or ceiling rate of interest	1987 maximum debt service requirements	
						Interest	Principal
<u>Water and Sewer Authority Bonds, continued:</u>							
Brought forward			\$ 193,600,000			\$ 22,293,052	\$ 1,700,000
Adjustable Rate Tender Revenue Bonds, Series of 1986	6/13/86	\$ 134,700,000	134,700,000	\$1,800,000 in 1991 \$2,000,000 in 1992 \$2,100,000 in 1993 \$2,300,000 in 1994 \$2,400,000 in 1995 \$2,600,000 in 1996 \$2,800,000 in 1997 \$3,000,000 in 1998 \$3,200,000 in 1999 \$3,500,000 in 2000 \$3,800,000 in 2001 \$4,000,000 in 2002 \$4,300,000 in 2003 \$4,700,000 in 2004 \$5,000,000 in 2005 \$5,400,000 in 2006 \$5,800,000 in 2007 \$6,200,000 in 2008 \$6,700,000 in 2009 \$7,200,000 in 2010 \$7,700,000 in 2011 \$8,300,000 in 2012 \$8,900,000 in 2013 \$9,600,000 in 2014 \$10,300,000 in 2015 \$11,100,000 in 2016	4.625% un- til 6/01/87, then at an adjustable rate with a 25% ceiling	22,792,362	-
Carried forward			<u>328,300,000</u>			<u>45,085,414</u>	<u>1,700,000</u>

(Continued)

CITY OF PITTSBURGH

Schedule of Bonds and Notes Payable, Continued

Water and Sewer Authority Bonds, continued:	Date of issue	Amount sold	Amount outstanding	Maturity information	Coupon or ceiling rate of interest	1987 maximum debt service requirements	
						Interest	Principal
Brought forward			\$ 328,300,000			\$ 45,085,414	\$ 1,700,000
Revenue Refunding Bonds, Series of 1986	7/14/86	\$ 264,090,000	264,090,000	\$2,700,000 in 1991 \$4,045,000 in 1992 \$4,300,000 in 1993 \$4,575,000 in 1994 \$4,880,000 in 1995 \$5,215,000 in 1996 \$5,585,000 in 1997 \$5,990,000 in 1998 \$6,425,000 in 1999 \$6,900,000 in 2000 \$7,420,000 in 2001 \$7,975,000 in 2002 \$8,585,000 in 2003 \$9,240,000 in 2004 \$9,945,000 in 2005 \$10,665,000 in 2006 \$11,435,000 in 2007 \$12,265,000 in 2008 \$13,155,000 in 2009 \$14,110,000 in 2010 \$15,130,000 in 2011 \$16,230,000 in 2012 \$17,405,000 in 2013 \$18,670,000 in 2014 \$20,020,000 in 2015 \$21,225,000 in 2016	5.9% 6.2 6.4 6.7 6.9 7.1 7.2 7.3 7.4 7.5 7.5 7.625 7.625 7.625 7.25 7.25 7.25 7.25 7.25 7.25 7.25 7.25 7.25 7.25 6.0 6.0	18,607,815	-
Total all Water and Sewer Authority issues			592,390,000				
Less: Escrow funds			327,960,000				
Less: Discount on bonds			15,976,000				
Total Water and Sewer Authority Bonds			248,454,000			\$ 63,693,229	\$ 1,700,000
Total Bonds and Notes Payable			\$ 690,719,000				

CITY OF PITTSBURGH

Net Debt and Remaining Debt Incurring Margin
in Accordance with Act No. 52, Approved April 28, 1978

"Local Government Unit Debt Act"

December 31, 1986

	Nonelectoral <u>Debt</u>	Lease Rental <u>Debt</u>
Gross debt:		
Principal amount of bonds issued and outstanding:		
General obligation	\$ 367,185,000	-
Equipment Leasing Authority	-	31,500,000
Public Auditorium Authority:		
Serviced by the City	-	9,485,000
Serviced by others	-	7,057,500
Stadium Authority	-	53,155,000
Leases evidencing acquisition of a capital asset	<u>188,176</u>	<u>867,385</u>
Total gross debt	367,373,176	102,064,885
Electoral debt	<u>(200,000)</u>	-
Gross nonelectoral debt	367,173,176	102,064,885
Items deductible from gross debt:		
Cash and legal investments held in sinking fund for payment of bonds and notes	8,741,721	23,290,717
Cash in bond fund applicable to debt	61,574,107	-
Public improvement assessments receivable	602,110	-
Delinquent real estate taxes for the years 1973 to 1984 inclusive	4,093,660	-
Amount due from 1986 appropriations	-	964,000
Self-liquidating and subsidized debt:		
Equipment Leasing Authority	-	2,194,500
Water and Sewer Authority	<u>29,422,673</u>	-
Total deductions	104,434,271	26,449,217
Net debt	<u>\$ 262,738,905</u>	<u>75,615,668</u>

Note: Direct obligations of the Pittsburgh Water and Sewer Authority in the amount of \$592,390,000 are not considered debt of the City for purposes of this calculation.

(Continued)

CITY OF PITTSBURGH

Net Debt and Remaining Debt Incurring Margin
in Accordance with Act No. 52, Approved April 28, 1978
(Continued)

ALLOCATION OF TOTAL NET DEBT

Net nonelectoral debt	\$ 262,738,905
Net lease rental debt	<u>75,615,668</u>
Net nonelectoral and lease rental debt	\$ <u>338,354,573</u>
Electoral debt	\$ <u>200,000</u>

DEBT INCURRING MARGIN

	<u>1983</u>	<u>1984</u>	<u>1985</u>
Total net revenues of the City	\$ <u>249,616,921</u>	\$ <u>255,472,935</u>	\$ <u>264,324,137</u>
Borrowing base (arithmetic average of total net revenues for said three full fiscal years)			\$ <u>256,471,331</u>
		Net Nonelectoral debt (Borrowing Base x 250%)	Net Nonelectoral and lease rental debt (Borrowing Base x 350%)
Debt limitations		\$ 641,178,328	897,649,659
Less existing net debt		<u>(262,738,905)</u>	<u>(338,354,573)</u>
Remaining debt incurring margin		\$ <u>378,439,423</u>	<u>559,295,086</u>

CITY OF PITTSBURGH

Ratio of Net General Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Population</u>	<u>Assessed value</u>	<u>Gross bonded debt</u>	<u>Less Debt Service Funds</u>	<u>Net bonded debt</u>	<u>Ratio of net general bonded debt to assessed value</u>	<u>Net bonded debt per capita</u>
1977	494,601	\$ 1,404,329,355	124,764,300	6,495,980	118,268,320	8.42%	\$ 239
1978	490,601	1,406,658,944	130,898,300	2,328,750	128,569,550	9.14	262
1979	490,601	1,415,132,908	127,566,300	1,815,664	125,750,636	8.89	256
1980	423,938	1,488,936,892	148,704,200	4,638,494	144,065,706	9.68	340
1981	423,938	1,461,618,118	222,755,200	8,490,320	214,264,880	14.66	505
1982	423,938	1,505,671,781	236,845,200	6,075,310	230,769,890	15.33	544
1983	423,938	1,536,534,980	254,773,000	4,721,538	250,051,462	16.27	590
1984	423,938	1,646,276,852	256,743,000	7,424,036	249,318,964	15.14	588
1985	423,938	1,767,939,639	314,817,500	7,684,845	307,132,655	17.37	724
1986	423,938	1,803,933,583	367,185,000	8,517,867	358,667,133	19.88	846

CITY OF PITTSBURGH

Computation of Direct and Overlapping Debt

December 31, 1986

<u>Name of Government</u>	<u>Bonded debt</u>	<u>Percentage applicable to City of Pittsburgh</u>	<u>City of Pittsburgh share of debt</u>
City of Pittsburgh:			
General obligation	\$ 367,185,000	100	\$ 367,185,000
Equipment Leasing			
Authority	31,500,000	100	31,500,000
Stadium Authority	53,155,000	100	53,155,000
The Public Auditorium			
Authority of Pittsburgh			
and Allegheny County	33,085,000	50	16,542,500
City of Pittsburgh School			
District	115,500,000	100	115,500,000
County of Allegheny	487,169,636	27	<u>131,535,802</u>
Total direct and over-			
lapping debt			<u>\$ 715,418,302</u>

CITY OF PITTSBURGH

Schedule of Insurance in Force

For the Year Ended December 31, 1986

<u>Type of Insurance/Name of Company</u>	<u>Coverage</u>	<u>Policy Period</u>	<u>Liability Limits</u>	<u>Annual Premium</u>
Boiler Insurance American Motorists Insurance Co.	General Services Blanket	06/01/86-05/31/87	\$1,000,000 per accident	\$ 9,797
Errors & Omissions Insurance Great American Surplus Admiral Insurance Co.	Public Safety E.M.S.	07/01/86-06/30/87	\$1,000,000 annual aggregate + \$4,000,000 limit in excess of \$1,000,000 w/ \$4,000,000 aggregate in limits of \$1,000,000 aggregate limit	62,575
Surety Bond Reliance Insurance Company of PA	Finance	01/01/87-12/31/87		23,500
Fire Insurance Zurich Insurance Fireman's Fund Insurance Co.	General Services Blanket	01/01/87-12/31/87	All risk & extended coverage	121,447
Excess Workers' Compensation Old Republic Insurance Co.	Finance	01/01/87-12/31/87		105,000
Point Park Police Imperial Casualty & Indemnity Co.	Public Safety Police	09/07/86-09/07/87	\$1,000,000 each person \$1,000,000 each incident \$1,000,000 aggregate	2,934

CITY OF PITTSBURGH

Salaries and Surety Bonds of Principal Officials

For the Year Ended December 31, 1986

<u>Name and title of official</u>	<u>Annual salary</u>	<u>Amount of Surety Bond</u>
Richard S. Caliguiri, Mayor	\$59,280	\$ 10,000
Ronald C. Schmeiser, Director of Finance	53,835	200,000
Tom Flaherty, Controller	37,440	10,000
Members of City Council	9 at 33,800	none

CITY OF PITTSBURGH

City Employment

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Regular budgeted positions</u>	<u>Actual January payroll</u>
1977	5,252	\$ 4,921
1978	5,441	5,086
1979	5,624	5,038
1980	5,749	5,317
1981	5,783	5,339
1982	5,491	5,212
1983	5,497	5,185
1984	5,405	5,194
1985	5,412	5,063
1986	5,442	5,074

CITY OF PITTSBURGH

Territorial Growth of Pittsburgh

December 31, 1986

<u>Territory annexed</u>	<u>Ordinance approval date</u>	<u>Entry date</u>	<u>Annexed</u>		<u>Total to Date</u>	
			<u>Acres</u>	<u>Square miles</u>	<u>Acres</u>	<u>Square miles</u>
Borough of Pittsburgh		3/05/1804				
City of Pittsburgh		3/18/1816	320	0.5000	320	0.500
Northern Liberties Borough		3/01/1837	110	0.1719	430	0.672
City Districts Nos. 8 and 17		7/07/1845	108	0.1687	538	0.841
Part of Pitt Township		11/04/1846				
Part of Pitt Township		12/04/1846	592	0.9250	1,130	1.766
Part of Pitt Township		12/12/1846				
Remainder of Pitt Township						
Peebles Township						
Liberty Township						
Collins Township		6/30/1868	13,658	21.3406	14,788	23.107
Oakland Township						
Lawrenceville Borough						
Union Borough						
Temperanceville Borough						
Mt. Washington Borough						
West Pittsburgh Borough						
Monongahela Borough						
South Pittsburgh Borough		4/02/1872	2,684	4.1938	17,472	27.301
Allentown Borough						
Birmingham Borough						
East Birmingham Borough						
St. Clair Borough						
Ormsby Borough						
Brushton Borough		12/01/1894	290	0.4531	17,762	27.754
Beltzhoover Borough		3/01/1898	190	0.2969	17,952	28.051

(Continued)

CITY OF PITTSBURGH

Territorial Growth of Pittsburgh
(Continued)

<u>Territory annexed</u>	<u>Ordinance approval date</u>	<u>Entry date</u>	<u>Annexed</u>		<u>Total to Date</u>	
			<u>Acres</u>	<u>Square miles</u>	<u>Acres</u>	<u>Square miles</u>
Elliott Borough		1/02/1905	203	0.3172	18,155	28.368
Esplen Borough		1/08/1906	180	0.2812	18,335	28.649
Sterrett Township		1/08/1906	310	0.4844	18,645	29.133
Montooth Borough		1/07/1907	73	0.1141	18,718	29.247
Sheraden Borough		11/21/1907	621	0.9703	19,339	30.217
City of Allegheny		12/06/1907	5,165	8.0703	24,504	38.287
West Liberty Borough		1/06/1908	1,751	2.7359	26,255	41.023
O'Hare Township		10/30/1908	207	0.3234	26,462	41.346
Beechview Borough		1/04/1909	210	0.3281	26,672	41.674
Part of Union Township		1/04/1909	58.21	0.0910	26,730.21	41.765
Part of Baldwin Township		1/01/1912	151.712	0.2371	26,881.92	42.002
Part of Ross Township		12/19/1916	10.167	0.0159	26,892.09	42.018
Spring Garden Borough		1/05/1920	123.363	0.1928	27,015.45	42.211
Part of Penn Township		6/28/1920	0.949	0.0015	27,016.40	42.213
Part of Chartiers Township		10/04/1920	11.38	0.0178	27,027.78	42.231
Remainder of Chartiers Township		1/01/1921	2,190.22	3.4222	29,218	45.653
Part of Reserve Township		10/31/1922	160	0.25	29,378	45.903
St. Clair Borough		1/01/1923	618.83	0.9669	29,996.83	46.870
Parts of Lower St. Clair Township		2/07/1924	52.82	0.0825	30,049.65	46.952
Parts of Swissvale Borough		11/27/1925	20.773	0.0325	30,070.42	46.985
Carrick Borough		1/03/1927	1,020.11	1.5939	31,090.53	48.579
Knoxville Borough		1/03/1927	193.52	0.3024	31,284.05	48.881
Westwood Borough		1/03/1927	190	0.2969	31,474.05	49.178
Union Township	4/16/1927	1/02/1928	600	0.9375	32,074.05	50.116
Part of Ross Township	6/29/1928	6/29/1928	39.909	0.0624	32,113.96	50.178
Hays Borough		1/07/1929	476.31	0.7442	32,590.27	50.922
Part of Mifflin Township	2/15/1929	2/15/1929	589.91	0.9217	33,180.18	51.844
Part of Ross Township	7/24/1928	4/22/1929	17.112	0.0267	33,197.29	51.871

(Continued)

CITY OF PITTSBURGH

Territorial Growth of Pittsburgh
(Continued)

<u>Territory annexed</u>	<u>Ordinance approval date</u>	<u>Entry date</u>	<u>Annexed</u>		<u>Total to Date</u>	
			<u>Acres</u>	<u>Square miles</u>	<u>Acres</u>	<u>Square miles</u>
Part of Ross Township	4/25/1929	4/25/1929	85.956	0.1343	33,283.25	52.005
Part of Ross Township	6/03/1929	6/03/1929	6.606	0.0103	33,289.86	52.015
Part of Ross Township	7/01/1929	7/01/1929	1.095	0.0017	33,290.95	52.017
Part of Mifflin Township	7/22/1929	7/22/1929	2.049	0.0032	33,293	52.020
Part of Penn Township	9/20/1929	1/02/1930	21.86	0.0342	33,314.86	52.054
Part of Penn Township	10/05/1928	1/22/1930	11.55	0.0180	33,326.41	52.072
Overbrook Borough		1/06/1930	790.193	1.2346	34,116.60	53.307
Part of Baldwin Township		1/05/1931	49.095	0.0767	34,165.70	53.384
Part of Mifflin Township	2/27/1931	2/27/1931	486.743	0.7605	34,652.44	54.144
Part of Reserve Township	3/20/1931	3/20/1931	96.8	0.1513	34,749.24	54.295
Part of Baldwin Township	9/30/1947	12/01/1947	39.782	0.0622	34,789.02	54.357
Part of Ross Township	1/30/1948	4/28/1948	10.88	0.0155	34,799.90	54.373
Part of Baldwin Township	12/11/1950	2/05/1951	691	1.0797	35,490.90	55.454
Part of Baldwin Township	6/30/1950	3/13/1951	23	0.0359	35,513.90	55.490
Part of Robinson Township	4/22/1955	8/19/1955	19.9168	0.03112	35,533.82	55.521

