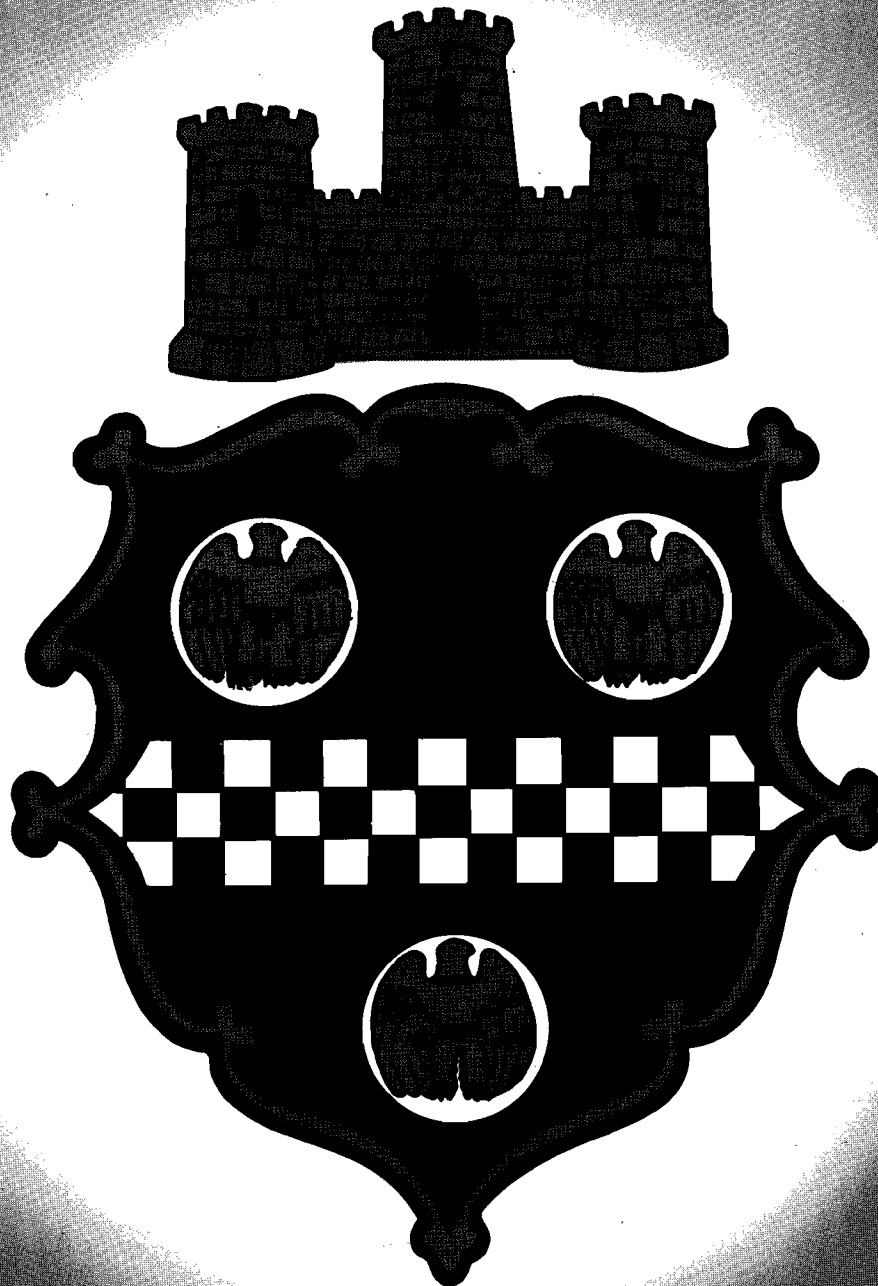


CITY OF PITTSBURGH PENNSYLVANIA

Comprehensive Annual Financial Report

December 31, 1989



TOM FLAHERTY
City Controller



1989 CITY OF PITTSBURGH

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Year Ended
December 31, 1989**

**Prepared by Tom Flaherty,
City Controller**



CITY OF PITTSBURGH, PENNSYLVANIA
Comprehensive Annual Financial Report
Year Ended December 31, 1989

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OFFICE OF THE CITY CONTROLLER
TOM FLAHERTY, CONTROLLER

412-255-2055
FAX 412-255-2958

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

I am pleased to submit the Comprehensive Annual Financial Report of the City of Pittsburgh for the year ended December 31, 1989.

We believe that the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities, other than fixed assets, have been included. Responsibility for both the accuracy of data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

INTRODUCTION

The Comprehensive Annual Financial Report (CAFR) is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this letter, the City's organization chart, and a list of principal officials. The Financial Section consists of the independent certified public accountants' report, the general purpose financial statements, with the related notes, and the combining and individual fund and account group financial statements and schedules. The Statistical Section includes financial and other pertinent data, generally presented on a multi-year basis.

ECONOMIC CONDITION AND OUTLOOK

The City of Pittsburgh is located in the southwestern part of the Commonwealth forming the Golden Triangle where the Allegheny and Monongahela Rivers meet to create the Ohio River.

Economic Background: The abundant water resources fostered a strong industrial based economy that has been the strength of Pittsburgh's past. Steel and heavy manufacturing dominated our economy and the successes of those industries were the prime economic indicators.

Steel and heavy manufacturing, while still present in our economy, no longer dictate our economic future. In keeping with national trends, Pittsburgh has successfully shifted from an industrial to a diversified economy. This diversity is the strength of Pittsburgh's future.

Our Present Economy: Today, Pittsburgh is the home of leading service industries such as high-technology, health, research, education, and finance, and promises to be in the fore of such emerging industries as "maglev" technology. In addition to a sound economy, other factors such as reasonably priced housing, relatively low crime, and excellent cultural and recreational opportunities were instrumental in Pittsburgh being named by the Rand-McNally study as the third most livable city in the country in 1989.

Economic Statistics: Unemployment in the Pittsburgh Primary Metropolitan Statistical Area (PMSA) was 4.6% in 1989 compared to a three year high of 6.7% in 1987. Steady employment gains have been experienced by non-manufacturing, service, and trade industries with indications of continued gains in 1990. Sales of non-durable goods increased by 7.4%, while retail sales grew 3.6% to \$14.1 billion in 1989. Overall, the Pittsburgh PMSA showed signs of a growing economy.

Economic Outlook: While many parts of the country are economically dependent upon federal defense expenditures, the Pittsburgh PMSA should be relatively unaffected. In 1988, the U.S. average defense expenditure was \$915 per capita compared to \$460 in the Pittsburgh PMSA. Most of the repercussions of the "peace dividend" will be felt in regions with heavy dependence on military bases. Our economy has little reliance on military installations.

Taken as a whole, the sum of all the major public/private initiatives described below suggests a stable and growth oriented local economy. The discussion of the major initiatives undertaken and contemplated is by no means comprehensive, and serves only to highlight the many positive economic indicators in the Greater Pittsburgh Area.

MAJOR INITIATIVES

Pittsburgh's commitment to economic development and urban revitalization is evidenced by the numerous initiatives in progress or currently being planned. Some of the more significant initiatives currently in progress include :

PITTSBURGH CITY CENTER - The \$500 million City Center project is the largest private sector initiative, the first phase of which includes a four level retail complex anchored by a Macy's department store, a 28 story office tower, a 330 room five star Grand Bay luxury hotel, gourmet restaurants, a food court, health club, and a 1700 car parking garage. Construction is slated to begin in November 1990. Phase two of this project envisions doubling the office component.

FIFTH & FORBES RETAIL INITIATIVE - The Fifth & Forbes Initiative represents an \$18 million pedestrian space improvements project in the Downtown retail district, with funding shared equally among the City, State, Federal agencies, and district property owners. A new downtown management organization will manage the district. The initiative is a companion to the City Center project seeking to integrate the current downtown business district with the same architectural thought of the City Center.

THREE RIVERS STADIUM PROJECT - This project is a waterfront recreation and entertainment complex with an educational function. The first elements of the project, the \$35 million Buhl Science Center and Omnimax Theater, are currently under construction. Also underway is a new pedestrian ramp system linking Point State Park to the stadium area.

WASHINGTON'S LANDING DEVELOPMENT - Furthering the City's continued commitment to riverfront development, this estimated \$62 million project includes a unique blend of commercial, recreational and residential initiatives. Plans call for a marina, restaurant, park, waterfront housing, a research and development facility, a light manufacturing plant, and commercial office space to be added to the recently completed boathouse.

PITTSBURGH TECHNOLOGY CENTER - Construction is anticipated to begin this fall for the first building of the Pittsburgh Technology Center on the former J & L Steel site. The Center is a high tech research office park promising to be a partnership between university-based research and private enterprise in emerging industries. A 1995 completion date and an estimated \$260 million public/private investment create a potential of an estimated 4,200 permanent jobs.

MAJOR INITIATIVES (Continued)

OTHER PROJECTS - Numerous other projects are currently underway or planned. These projects include:

* **Midfield Terminal** - (Project underway) : \$600 million airport terminal expected to generate thousands of jobs over the next twenty years, having an estimated \$9.4 billion impact on the region as a whole.

* **Maglev Project** - (Project in planning) : Magnetic Levitation Train Project to link Downtown to the Airport. Initial \$300 million investment that could evolve into a major new technology to the region.

* **Criminal Justice Complex** - (Project in planning) : A joint venture between the City and Allegheny County to share costs of a common County Jail and Public Safety Complex.

* **Recycling Initiative** - (Project underway) : Beginning this fall, City residents will begin a five item recycling project in order to comply with new state requirements.

THE REPORTING ENTITY

The City provides the full range of municipal services authorized by Pittsburgh's 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.

This report includes all the funds and the account group of the City and also incorporates the financial statements of those related organizations which have been determined to be part of the City's reporting entity. The Government Accounting Standards Board (GASB) has set certain criteria for including other entities as part of the City's Comprehensive Annual Financial Report. The criteria for determining component units of the reporting unit include, but are not limited to :

- a. Financial interdependency
- b. Selection of governing authority
- c. Designation of management
- d. Ability to significantly influence operations

THE REPORTING ENTITY (Continued)

Based on these criteria, the financial statements of the following organizations have been included as component units of the City of Pittsburgh :

- * **City of Pittsburgh Equipment Leasing Authority (ELA)**
(Accounted for in Special Revenue, Debt Service,
and General Long-Term Debt Account Group)
- * **Pittsburgh Water and Sewer Authority**
(Accounted for in Proprietary Fund Group)
- * **Stadium Authority of the City of Pittsburgh**
(Accounted for in Proprietary Fund Group)
- * **Pension Trust Funds of the City of Pittsburgh**
(Accounted for in Trust and Agency Fund Group)
 - Comprehensive Board
 - Municipal Employees Plan
 - Police Pension Plan
 - Fire Pension Plan

The financial statements of the following organizations have not been included in this report because they did not meet the above mentioned criteria :

- * The School District of Pittsburgh
- * The Public Parking Authority of Pittsburgh
- * The Public Auditorium Authority of Pittsburgh
- * Allegheny County Sanitary Authority
- * Urban Redevelopment Authority of Pittsburgh
- * Housing Authority of the City of Pittsburgh

For informational purposes, summarized unaudited financial data of the organizations excluded from the reporting entity have been presented in note 1(A) of the Notes to the financial statements in the accompanying report. A more detailed discussion of all potential component units and the basis for inclusion/exclusion can also be found in note 1(A).

FINANCIAL INFORMATION

Internal Control: Management of the city is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the city are protected from loss, theft or misuse and to ensure that adequate accounting information is compiled to prepare financial statements in accordance with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that : (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Budget Control: Budget control is maintained at the line item level on a departmental basis. Activities of the General Fund and Capital Projects Fund are controlled by an annual appropriated budget. Capital Projects are also controlled on a multi-year basis. Federal Revenue Sharing funds, which are no longer available, have also been controlled by an annual budget.

BASIS OF ACCOUNTING

The financial information included in this letter and the accompanying financial statements are reported upon using Generally Accepted Accounting Principles (GAAP) unless otherwise noted. GAAP requires that most government fund types use the Modified Accrual Basis of Accounting. See Note 1(D) of the accompanying financial statements for a discussion of accounting basis used.

REVENUES

Revenue Analysis: Revenues for Governmental Fund Types (General Fund, Special Revenue, Debt Service, and Capital Project Funds) totaled \$306.6 million in 1989, an increase of \$1.7 million, compared to total revenues of \$304.9 million in 1988. Taxes, including penalty and interest, which comprise 72% of governmental fund revenues, decreased by \$4.6 million in 1989 as a result of a reduction in the Earned Income Tax from 2 1/8% to 1 5/8%. Despite the decrease in earned income taxes, increases in interest earnings, licenses and fees, and intergovernmental revenue more than offset the difference.

The amount of revenues from various sources, the percent of total revenues, and the amount of increase (decrease) from 1988, GAAP basis, have been summarized in Table-1 on page I-7 of this letter.

Taxes & Rates: The reduction of the Earned Income Tax from 2 1/8% to 1 5/8% was the only rate change during 1989. A summary of significant taxes including their rates and sources can be found on page I-8.

TABLE - 1

REVENUES

(Governmental Funds)

(in millions)

SOURCE	1989 <u>ACTUAL</u>	% OF <u>TOTAL</u>	1988 <u>ACTUAL</u>	% OF <u>TOTAL</u>	INCREASE (DECREASE) <u>Over 1988</u>
TAXES, PENALTY & INTEREST	\$220.7	72.0 %	\$225.3	73.9 %	(\$4.6)
INTEREST EARNINGS	10.3	3.4	8.7	2.9	1.6
FINES & FORFEITS	4.4	1.4	4.7	1.5	(0.3)
LICENSES & FEES	11.6	3.8	10.6	3.5	1.0
PITTSBURGH ZOO RECEIPTS	1.5	0.5	1.2	0.4	0.3
INTERGOVERNMENTAL	54.7	17.8	50.5	16.6	4.2
CHARGES FOR SERVICES	2.1	0.7	1.9	0.6	0.2
MISCELLANEOUS	1.3	0.4	2.0	0.7	(0.7)
TOTAL REVENUES	\$306.6	100.0	\$304.9	100.0	\$1.7

FINANCIAL INFORMATION (*Continued*)

Taxes & Rates (continued)

Real Estate Tax - Real property in the City is assessed by the Allegheny County Board of Property Assessment, Appeals and Review at a rate of 25% of its fair market value. The rates for 1989 were 27.0 mills on buildings and 151.5 mills on land. A mill is \$1 on each \$1,000 of assessed value. Market value is determined by county assessors every three years.

For 1990, the real estate tax rates will be 32.0 mills on buildings and 184.5 mills on land.

Earned Income Tax - This tax is levied at the rate of 1 5/8% on the wages or net profits earned by residents of the City. This rate is down from 2 1/8% in 1988. In 1990, the rate will further decrease to 1% with the goal of attracting new residents to the City who are subject to lower suburban earned income taxes.

Business Privilege Tax - 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 Tax - 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 Tax - This tax is levied at a rate of 10% on the admission price paid by patrons of all manner and forms of amusement within the City.

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

Deed Transfer Tax - 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 Tax - A levy of 4 mills is made upon certain classes of personal property based upon assessments made by the County.

FINANCIAL INFORMATION (*Continued*)

Taxes & Rates (continued)

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

Tax Payments: 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 1989 total assessed valuation of land and buildings increased by \$13 million over 1988 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.

EXPENDITURES

Expenditures for governmental fund types in 1989 totaled \$365.7 million, compared to \$366.7 in 1988 - a decrease of \$1 million, which is attributable, in part, to increased amounts of federal grant money received and expended in 1988. The most significant decrease in expenditure was in the general government area, which accounts for, in part, federal grant money received in the Special Revenue Funds. General Government expenditures in the Special Revenue Funds decreased by approximately \$9.5 million in 1989. This decrease was offset by increased capital project expenditures of \$9.7 million mainly for highway and bridge construction and street maintenance and sign projects. The detail of each functional area of expenditure is presented in Table - 2 on page I-10.

TEN YEAR ANALYSIS

Since 1989 marks the end of a decade, we have included in this letter selected general fund statistics to report the financial progress the City has made during the 1980s. The reader should note that these statistics are for the general fund only. Consequently, the statistics in Tables 1 & 2 are not directly comparable, as they include the results of the Special Revenue, Debt Service, and Capital Projects Funds in addition to the General Fund. Furthermore, past performance should not be considered as an indicator of future results.

TABLE - 2

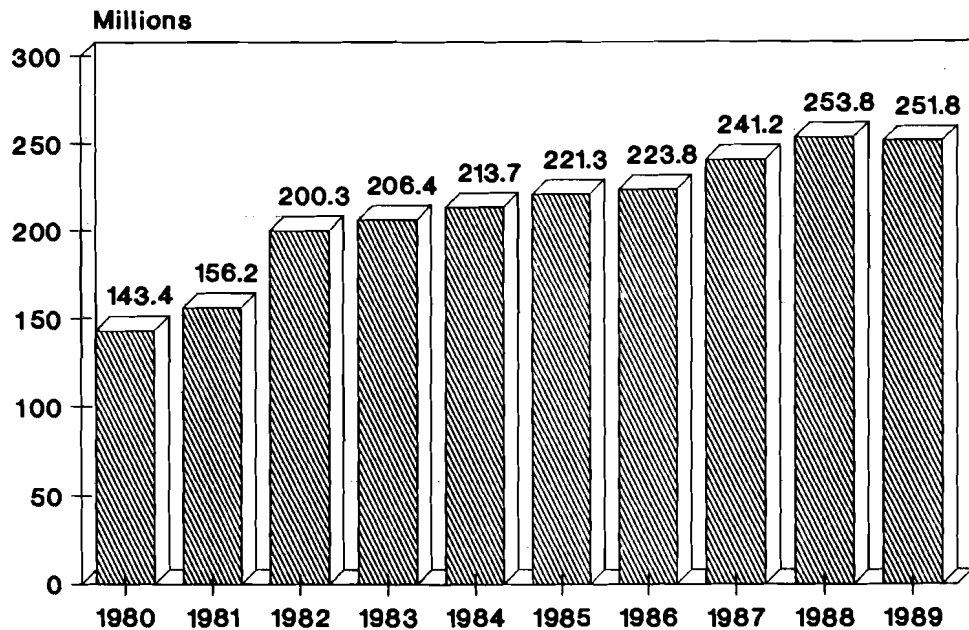
EXPENDITURES

(Governmental Funds)

(in millions)

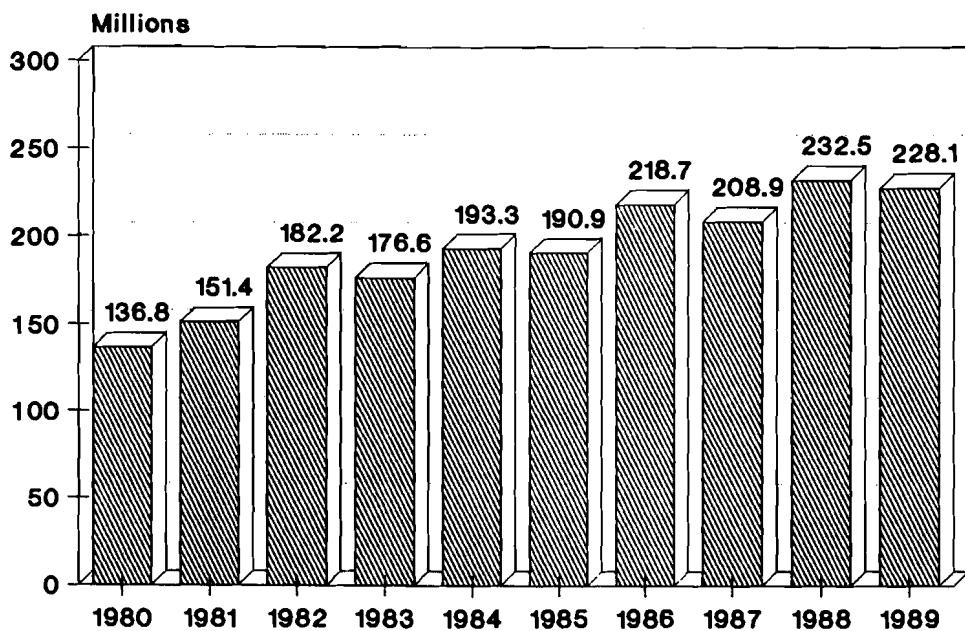
EXPENDITURES	1989 <u>ACTUAL</u>	% OF <u>TOTAL</u>	1988 <u>ACTUAL</u>	% OF <u>TOTAL</u>	INCREASE (DECREASE) <u>Over 1988</u>
CURRENT:					
GENERAL GOVERNMENT	\$23.4	6.4 %	\$36.8	10.0 %	(\$13.4)
PUBLIC SAFETY	102.3	28.0	99.5	27.1	2.8
PUBLIC WORKS	34.6	9.5	39.7	10.8	(5.1)
SANITATION	14.2	3.9	12.7	3.5	1.5
CULTURAL & RECREATION	22.3	6.1	21.0	5.7	1.3
EMPLOYEE BENEFITS	42.6	11.6	47.2	12.9	(4.6)
CLAIMS & JUDGEMENTS	0.6	0.2	0.4	0.1	0.2
MISCELLANEOUS	2.4	0.7	0.8	0.2	1.6
INTERGOVERNMENTAL	20.0	5.5	13.0	3.5	7.0
CAPITAL PROJECTS	58.5	16.0	48.8	13.3	9.7
BOND ISSUANCE COSTS	1.5	0.4	-	-	1.5
DEBT SERVICE & SUBSIDIES	<u>43.3</u>	<u>11.8</u>	<u>46.8</u>	<u>12.8</u>	<u>(3.5)</u>
TOTAL EXPENDITURES	\$365.7	100.0	\$366.7	100.0	(\$1.0)

GENERAL FUND REVENUE



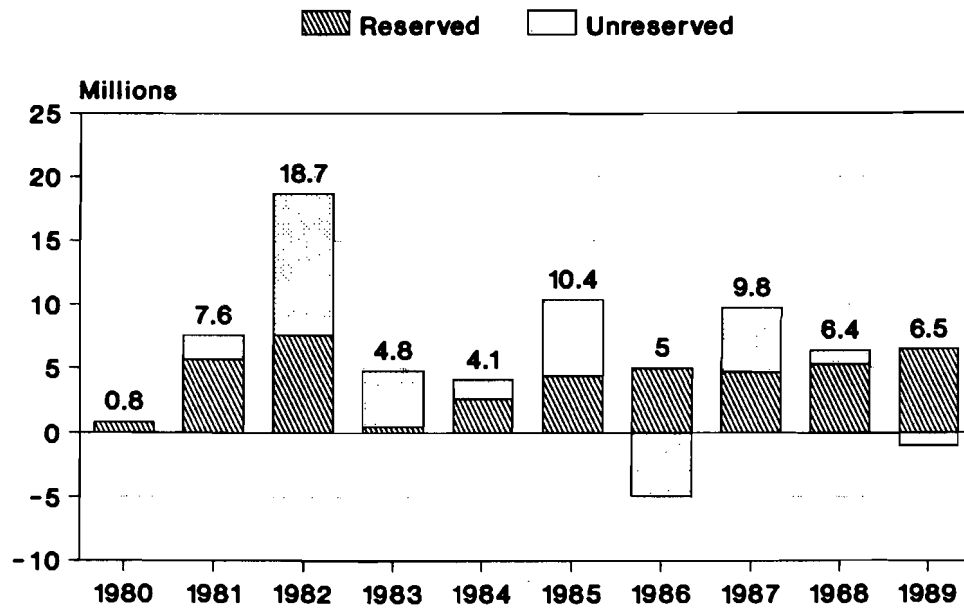
TEN YEAR ANALYSIS

GENERAL FUND EXPENDITURES



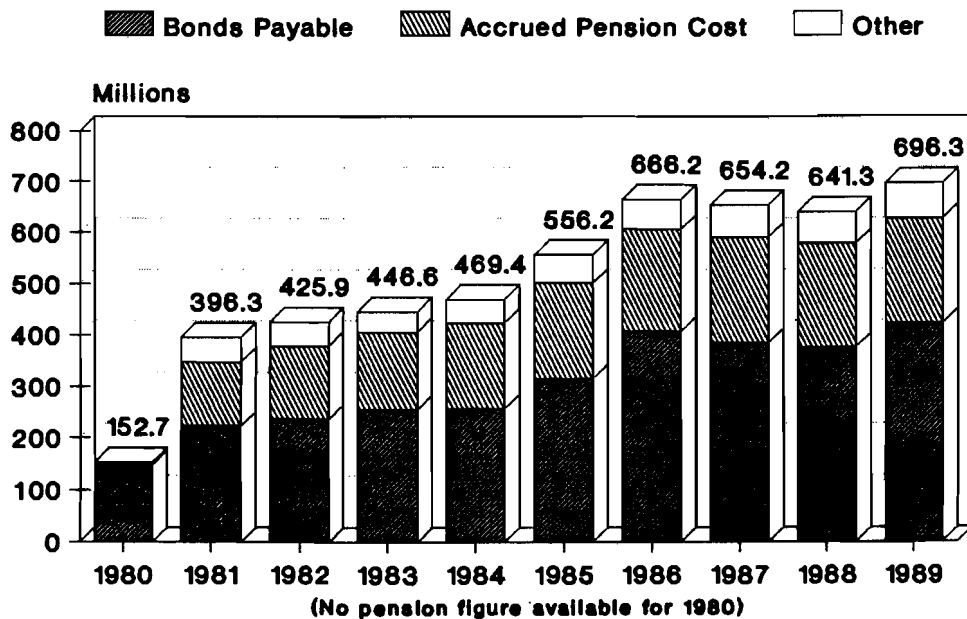
TEN YEAR ANALYSIS

GENERAL FUND - FUND BALANCES



TEN YEAR ANALYSIS

GENERAL LONG TERM DEBT



TEN YEAR ANALYSIS

DEBT ADMINISTRATION

At December 31, 1989 the City's general obligation debt, exclusive of the Enterprise Funds, was as follows:

Gross bonded general obligation debt	\$ 422,637,500
Less: Debt service fund	4,773,049
Net bonded debt	417,864,451
Ratio of net bonded debt to assessed value	21.12 %
Ratio of net bonded debt to market value	5.28%
Net bonded debt per capita	\$ 986

The gross bonded debt of the City consists of \$395,125,000 of general obligation bonds, \$18,950,000 of Equipment Leasing Authority (ELA) equipment revenue bonds and \$8,562,500 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 September of 1989, the City issued \$60,000,000 of general obligation bonds to finance various capital projects. As a result, the gross bonded debt of the City increased by \$46,540,000. The net proceeds, after Bond Underwriter's discount of \$800,736, was \$59,199,264. Total bond issuance costs, excluding discount, were \$1,495,986. The bond issuance cost includes \$778,729 of interest expense on the \$26,200,000 bond anticipation notes the City issued prior to the receipt of bond proceeds in order to finance projects in progress in 1989. The proceeds of the bond issue are accounted for in the Capital Projects Fund.

CASH MANAGEMENT

Cash in excess of current operating needs is invested in various types of financial instruments with local banks and other institutions. In response to significant losses experienced by some state and local governments, the Governmental Accounting Standards Board (GASB) issued its Statement Number 3, which requires governments to classify and disclose cash deposits and investments, along with the related level of risk, in their financial statements. A discussion of the composition of the City's deposits and investments and the related risks is presented in Note 3 in the accompanying General Purpose Financial Statements.

In late 1989, the City began an innovative banking strategy aimed at encouraging all banks doing business with the City to more actively provide banking services to creditworthy low and moderate income individuals and businesses in targeted areas. This strategy ranks financial institutions doing business with the City by several criteria and rewards the highest ranking institutions with a greater share of the City's business.

ENTERPRISE FUNDS

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

PITTSBURGH WATER AND SEWER AUTHORITY

The Pittsburgh Water and Sewer Authority (PWSA) began operation on May 1, 1984, to assume responsibility for operating and improving the water and sewer systems 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. The Authority will reimburse the City for all related direct and indirect expenses, plus an additional payment for the City's management services. The Authority is also making payments for \$29.4 million of the City's General Obligation Debt related to the funding of water projects completed prior to the creation of the Authority.

As of December 31, 1989, PWSA bonds outstanding were as shown below:

* Adjustable Rate Tender Revenue Bonds, Series of 1985	\$ 97,900,000
* Adjustable Rate Tender Revenue Bonds, Series of 1986 (June)	134,700,000
* Revenue Refunding Bonds, Series of 1986 (July)	<u>264,090,000</u>
Total Bonds Outstanding, December 31, 1989	\$496,690,000
Less : Escrow Funds	230,980,000
Bond Discount	<u>13,728,000</u>
Net Bonds Payable, December 31, 1989	<u>\$251,982,000</u>

The Series of 1985 and the July 1986 bonds were issued primarily to refund prior issues; \$88.6 million and \$241.4 million, respectively, were placed in escrow for this purpose. These bonds are not guaranteed by the City.

ENTERPRISE FUNDS (Continued)

STADIUM AUTHORITY

The Stadium Authority of the City of Pittsburgh was established to construct and operate Three Rivers Stadium. The Authority operates on a fiscal year ending March 31. All information related to the Stadium Authority included in the accompanying report is as of March 31, 1989 unless otherwise noted.

As of March 31, 1989, Stadium Authority bonds outstanding were as follows :

* Guaranteed Stadium Refunding Bonds, Series of 1985	\$ 30,915,000
* Guaranteed Funding Bonds, Series of 1986	<u>20,365,000</u>
Total Bonds Outstanding, March 31, 1989	\$ <u>51,280,000</u>

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. In addition, the City has guaranteed the subsidization of operating deficits of the Authority.

INDEPENDENT AUDIT

For the eighth consecutive year, the City's financial statements have been audited by the independent certified public accountant firm of KPMG Peat Marwick, whose opinion precedes the accompanying General Purpose Financial Statements.

The Employee Pension Plans were audited by Terry and Stephenson, P.C. as subcontracted by KPMG Peat Marwick. The financial statements of the plans have been included in the Trust and Agency Funds of the accompanying financial statements. The financial statements of the PWSA were audited by Ernst & Young; and Deloitte & Touche (formerly Touche Ross International) audited the financial statements of the Stadium Authority.

ACKNOWLEDGEMENTS

The preparation of this report could not be possible without the concerted effort of the entire staff of the Controller's Office. A special commendation is in order for the dedicated efforts of the accounting department.

I would like to thank the employees of the various departments of the City for their assistance in providing the Controller's staff and the independent auditors with the necessary information to complete this report. Finally, I acknowledge the assistance of the independent certified public accounting firms of KPMG Peat Marwick and Terry and Stephenson in the preparation of this report and their professional conduct throughout the audit engagement.

As we enter decade of the 1990s, new challenges present themselves to local governments. The City of Pittsburgh continues to take the measures necessary to meet these challenges head on, and thus ensuring its position as a major center for business, industry and education in the years to come.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Flaherty", written in a cursive style.

Tom Flaherty
City Controller

CITY OF PITTSBURGH, PENNSYLVANIA

CITY OFFICIALS

December 31, 1989

MAYOR

Sophie Masloff

MEMBERS OF COUNCIL

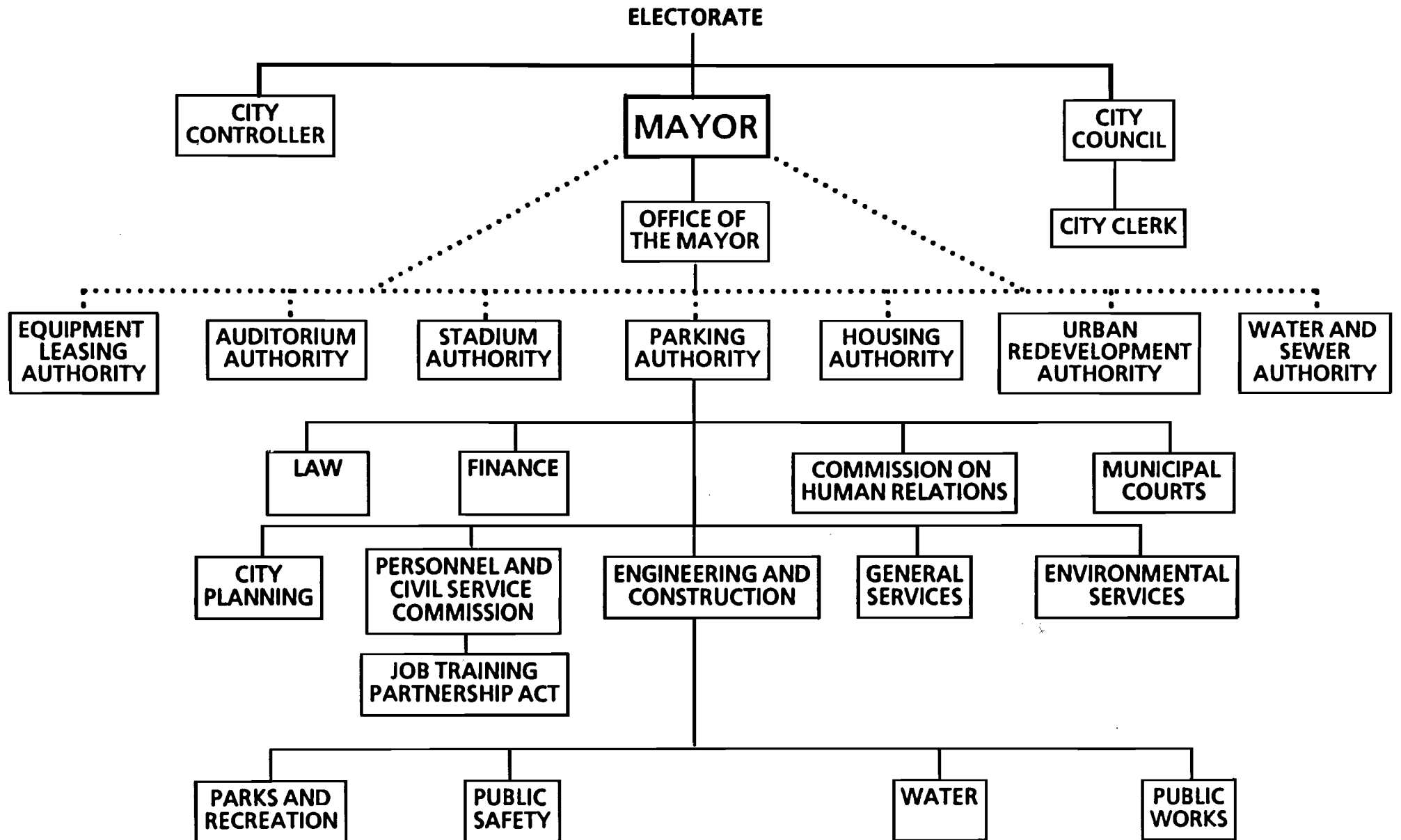
Jack Wagner, President, District 4
Jake Milliones, Finance Committee, District 6

Bernard J. Regan	District 1
Michelle Madoff	District 2
Eugene Riccardi	District 3
Michael Coyne	District 5
James Ferlo	District 7
Dan Cohen	District 8
Rev. Duane Darkins	District 9

CONTROLLER

Tom Flaherty

TABLE OF ORGANIZATION



Independent Auditors' Report

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

We have audited the general purpose financial statements of the City of Pittsburgh, Pennsylvania as of and for the year ended December 31, 1989, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Pittsburgh Water and Sewer Authority or the Stadium Authority of the City of Pittsburgh, which statements comprise the entire enterprise fund type. We did not audit the financial statements of the following City of Pittsburgh Pension Trust Funds: Comprehensive Board, Municipal Plan, Police Plan and Fire Plan, which statements reflect total assets and revenues comprising 66 percent and 92 percent, respectively, of the related Fiduciary Fund totals. Those 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 the proprietary and fiduciary fund types, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 general purpose financial statements.

In our opinion, based on our audit 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, in all material respects, the financial position of the City of Pittsburgh, Pennsylvania, at December 31, 1989, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

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

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and individual account group financial statements and schedules listed in the accompanying 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 audit of the general purpose financial statements and, in our opinion, based upon our audit and the reports of other auditors, except for the effect of the matter discussed in the third preceding paragraph, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The schedules of supplementary pension disclosures listed in the accompanying table of contents are not a required part of the basic financial statements but required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information or other information in the statistical section as set forth in the table of contents and, therefore, express no opinion thereon.

KPMG Peat Marwick

June 22, 1990

CITY OF PITTSBURGH, PENNSYLVANIA

Combined Balance Sheet - All Fund Types and Account Group

December 31, 1989

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Group	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Long-Term Debt	(Memorandum Only)	
								1989	1988
Assets:									
Cash and investments, at cost which approximates market (note 3)	\$ 31,046,685	12,899,573	5,226,304	56,672,835	21,150,273	122,457,728	-	249,453,398	214,441,693
Receivables:									
Real estate taxes (net of allowance for uncollectible accounts of \$16,368,725) (note 5)	4,812,521	-	-	-	-	-	-	4,812,521	5,362,157
Sewage charges (net of allowance for uncollectible accounts of \$3,575,000)	1,090,128	-	-	-	-	-	-	1,090,128	1,052,290
Personal property taxes (net of allowance for uncollectible accounts of \$275,000)	27,700	-	-	-	-	-	-	27,700	19,019
Accounts receivable (net of allowance for uncollectible accounts of \$15,992,558) (note 15)	-	-	-	-	11,626,042	-	-	11,626,042	13,208,146
Contributions - participants	-	-	-	-	-	-	-	-	204,694
Accrued interest	59,322	208,599	192,747	-	20,000	986,654	-	1,467,322	1,553,991
Other	2,167,212	335,836	-	-	-	-	-	2,503,048	1,517,735
Prepaid expenses and other assets	2,001,287	-	-	-	237,548	-	-	2,238,835	2,223,835
Due from other funds (note 10)	3,955,564	254,266	-	1,205,678	-	2,100,000	-	7,515,508	12,169,650
Due from other governments	-	6,898,205	-	4,854,118	-	-	-	11,752,323	8,465,541
Inventories, at cost	2,980,251	-	-	-	-	-	-	2,980,251	2,162,383
Trusted and restricted funds (notes 3 and 4)	-	-	-	-	134,457,719	-	-	134,457,719	150,825,591
Property, plant and equipment, net (note 6)	-	-	-	-	130,190,370	-	-	130,190,370	110,811,269
Amount available in debt service funds for retirement of bonds	-	-	-	-	-	-	4,773,049	4,773,049	4,786,507
Amount to be provided for retirement of bonds	-	-	-	-	-	-	417,864,451	417,864,451	371,310,993
Amount to be provided for other long-term obligations	-	-	-	-	-	-	273,673,767	273,673,767	265,181,080
Total assets	\$ 48,140,670	20,596,479	5,419,051	62,732,631	297,681,952	125,544,382	696,311,267	1,256,426,432	1,165,296,574

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Combined Balance Sheet - All Fund Types and Account Group
(Continued)

	Governmental Fund Types				Proprietary Fund Type	Fiduciary Fund Types	Account Group	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Trust and Agency	General Long-Term Debt	(Memorandum Only)	
								1989	1988
Liabilities:									
Cash overdraft	\$ -	-	-	-	-	-	-	-	779,579
Accounts payable	5,601,645	4,596,866	-	5,355,038	2,785,882	-	-	18,339,431	13,095,182
Retainage payable	-	-	-	1,218,844	-	-	-	1,218,844	328,699
Accrued interest payable	-	-	596,157	-	-	-	-	596,157	128,781
Accrued liabilities	7,717,262	1,300,467	49,845	167,962	-	5,369,704	-	14,605,240	15,333,867
Deferred compensation payable	-	-	-	-	-	12,244,933	-	12,244,933	9,370,787
Due to other funds (note 10)	2,284,095	3,984,450	-	-	-	1,246,963	-	7,515,508	12,169,650
Grants from the City of Pittsburgh	-	-	-	-	4,311,353	-	-	4,311,353	345,525
Due to other governments	976,882	-	-	-	-	-	-	976,882	1,076,261
Deposits held in trust	-	-	-	-	-	710,593	-	710,593	469,494
Liabilities payable from trustee and restricted funds	-	-	-	-	11,719,077	-	-	11,719,077	7,106,972
Bonds payable, net (note 8)	-	-	-	-	301,922,000	-	422,637,500	724,559,500	680,639,500
Capital lease obligations (note 8E)	-	-	-	-	-	-	8,138,767	8,138,767	4,500,080
Deferred loan (note 8G)	-	-	-	-	-	-	1,704,000	1,704,000	1,278,000
Accrued pension costs (notes 7 and 8F)	-	-	-	-	-	-	204,787,000	204,787,000	202,093,000
Accrued workers' compensation (note 8F)	11,025,000	-	-	-	-	-	58,590,000	69,615,000	66,300,000
Accrued compensated absences (note 8F)	10,495,000	-	-	-	-	-	454,000	10,949,000	12,892,000
Deferred revenue	4,499,098	-	-	-	-	-	-	4,499,098	5,147,513
Total liabilities	42,598,982	9,881,783	646,002	6,741,844	320,738,312	19,572,193	696,311,267	1,096,490,383	1,033,054,890
Fund equity (deficit):									
Contributed capital (including \$7,398,631 restricted for construction purposes) (note 12)	-	-	-	-	12,675,631	-	-	12,675,631	12,675,631
Retained earnings (accumulated deficit): Unrestricted (note 14)	-	-	-	-	(35,731,991)	-	-	(35,731,991)	(37,221,335)
Fund balances:									
Reserved for:									
Endowments	-	-	-	-	-	279,728	-	279,728	266,269
Encumbrances	1,856,510	416,400	-	15,050,323	-	71,080	-	17,394,313	15,935,626
Inventories	2,980,251	-	-	-	-	-	-	2,980,251	2,162,383
Employee benefits	1,614,968	-	-	-	-	105,236,229	-	106,851,197	92,377,672
Unreserved:									
Designated for debt service	-	-	4,773,049	-	-	-	-	4,773,049	4,786,507
Designated for subsequent years' expenditures	-	353,902	-	40,940,464	-	15,244	-	41,309,610	24,487,401
Undesignated	(910,041)	9,944,394	-	-	-	369,908	-	9,404,261	16,771,530
Total fund equity (deficit)	5,541,688	10,714,696	4,773,049	55,990,787	(23,056,360)	105,972,189	-	159,936,049	132,241,684
Total liabilities and fund equity	\$ 48,140,670	20,596,479	5,419,051	62,732,631	297,681,952	125,544,382	696,311,267	1,256,426,432	1,165,296,574

See accompanying notes to general purpose financial statements.

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Year Ended December 31, 1989

	Governmental Fund Types				Fiduciary Fund Type	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only) 1989	1988
Revenues:							
Taxes, including penalty and interest	\$ 220,733,176	-	-	-	-	220,733,176	225,303,400
Interest earnings	7,648,576	1,169,537	1,447,294	-	2,098,967	12,364,374	10,650,905
Fines and forfeits	4,392,875	-	-	-	-	4,392,875	4,666,658
Licenses and fees	11,562,149	-	-	-	-	11,562,149	10,610,427
Pittsburgh Zoo receipts	1,479,290	-	-	-	-	1,479,290	1,155,505
Intergovernmental revenues	4,722,865	35,817,552	-	14,201,046	-	54,741,463	50,460,588
Charges for user services	-	2,131,374	-	-	926,111	3,057,485	2,270,462
Miscellaneous	1,279,681	4,000	-	-	484,839	1,768,520	2,450,379
Total revenues	251,818,612	39,122,463	1,447,294	14,201,046	3,509,917	310,099,332	307,568,324
Expenditures:							
Current operating:							
General government	15,646,592	7,784,770	-	-	-	23,431,362	36,832,463
Public safety	100,663,810	1,607,233	-	-	-	102,271,043	99,467,174
Public works	26,692,698	7,871,850	-	-	-	34,564,548	39,662,518
Sanitation	14,186,732	-	-	-	-	14,186,732	12,662,596
Community, recreation and cultural programs	18,848,251	3,432,929	-	-	1,993,995	24,275,175	22,044,322
Employee benefits	42,566,932	-	-	-	-	42,566,932	47,202,907
Claims and judgments	646,903	-	-	-	-	646,903	390,907
Miscellaneous	2,377,023	-	1,347	-	91,784	2,470,154	846,362
Intergovernmental programs	-	20,024,649	-	-	-	20,024,649	12,999,896
Capital projects	-	6,860,484	-	51,600,263	-	58,460,747	48,753,230
Bond issuance cost	-	-	-	1,495,986	-	1,495,986	-
Debt service:							
Principal retirement	2,538,877	-	13,130,000	-	-	15,668,877	17,065,672
Interest and fiscal charges	681,302	-	23,762,767	-	-	24,444,069	24,444,183
Authorities debt subsidies	3,225,815	-	-	-	-	3,225,815	5,296,219
Total expenditures	228,074,935	47,581,915	36,894,114	53,096,249	2,085,779	367,732,992	367,668,449
Excess (deficiency) of revenues over expenditures	23,743,677	(8,459,452)	(35,446,820)	(38,895,203)	1,424,138	(57,633,660)	(60,100,125)

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

	Governmental Fund Types				Fiduciary Fund Type	Totals	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	(Memorandum Only) 1989	1988
Excess (deficiency) of revenues over expenditures, brought forward	\$ 23,743,677	(8,459,452)	(35,446,820)	(38,895,203)	1,424,138	(57,633,660)	(60,100,125)
Other financing sources (uses):							
Bond sale proceeds (note 8)	-	-	-	59,199,264	-	59,199,264	7,777,848
Proceeds from fixed asset dispositions	-	341,616	-	-	-	341,616	381,403
Proceeds from escrow fund refinancing	-	-	-	-	-	-	207
Capital lease obligation proceeds (note 8E)	1,691,443	-	-	-	-	1,691,443	4,315,820
Deferred loan proceeds (note 8G)	426,000	-	-	-	-	426,000	426,000
Operating transfers from other funds	12,884,760	4,841,640	35,520,839	-	3,472,765	56,720,004	50,670,837
Operating transfers to other funds	(41,900,369)	(1,990,992)	(87,477)	(209,166)	(5,000,000)	(49,188,004)	(43,376,837)
Total other financing sources (uses)	(26,898,166)	3,192,264	35,433,362	58,990,098	(1,527,235)	69,190,323	20,195,278
Excess (deficiency) of revenues and other sources over expenditures and other uses	(3,154,489)	(5,267,188)	(13,458)	20,094,895	(103,097)	11,556,663	(39,904,847)
Fund balances, beginning of year	6,391,660	17,445,766	4,786,507	36,733,286	22,879,050	88,236,269	111,434,711
Equity transfers between funds (note 11)	2,304,517	(1,463,882)	-	(837,394)	(3,241)	-	16,706,405
Fund balances, end of year	\$ 5,541,688	10,714,696	4,773,049	55,990,787	22,772,712	99,792,932	88,236,269

See accompanying notes to general purpose financial statements.

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Year Ended December 31, 1989

	General Fund			Special Revenue Funds (Federal Revenue Sharing Funds Only)(note 1-E)		
	Budget as amended	Actual	Variance - favorable (unfavorable)	Budget	Actual	Variance - favorable (unfavorable)
Revenues:						
Taxes, including penalty and interest	\$ 221,295,487	221,837,758	542,271	-	-	-
Interest earnings	6,000,000	7,603,132	1,603,132	-	-	-
Fines and forfeits	5,550,000	4,416,539	(1,133,461)	-	-	-
Licenses and fees	11,380,000	11,192,420	(187,580)	-	-	-
Pittsburgh Zoo receipts	1,350,000	1,464,915	114,915	-	-	-
Water and Sewer Authority reimbursements and transfers	28,992,954	28,232,781	(760,173)	-	-	-
Intergovernmental revenues	6,764,564	6,808,393	43,829	-	-	-
Miscellaneous	4,800,000	4,298,746	(501,254)	-	-	-
Retirement Benefit Trust Fund reimbursement	5,000,000	5,000,000	-	-	-	-
Total revenues	291,133,005	290,854,684	(278,321)	-	-	-
Expenditures:						
Current operating:						
General government	22,574,254	19,308,790	3,265,464	-	-	-
Public safety	103,290,293	97,843,971	5,446,322	5,000	11,434	(6,434)
Public works	41,066,695	37,121,099	3,945,596	-	-	-
Sanitation	15,259,909	13,800,338	1,459,571	-	-	-
Water	15,943,693	14,053,116	1,890,577	-	-	-
Community, recreation and cultural programs	21,268,421	19,933,174	1,335,247	-	-	-
Employee benefits	50,922,907	47,969,456	2,953,451	-	-	-
Claims and judgments	2,030,000	595,505	1,434,495	-	-	-
Miscellaneous	13,670,621	11,582,131	2,088,490	-	-	-
Debt Service:						
Principal retirements	9,875,000	9,875,000	-	-	-	-
Interest and fiscal charges	19,219,742	19,219,742	-	-	-	-
Stadium Authority subsidy	3,663,279	3,145,269	518,010	-	-	-
Public Auditorium Authority subsidy	1,284,190	1,261,722	22,468	-	-	-
Total expenditures	320,069,004	295,709,313	24,359,691	5,000	11,434	(6,434)
Excess (deficiency) of revenues over expenditures	(28,935,999)	(4,854,629)	24,081,370	(5,000)	(11,434)	(6,434)
Fund balances - budgetary basis, beginning of year	28,935,999	34,413,057	5,477,058	11,434	11,434	-
Fund balances - budgetary basis, end of year	\$ -	29,558,428	29,558,428	6,434	-	(6,434)
Adjustments to generally accepted accounting principles (GAAP) basis (note 2):						
Cumulative difference between budgetary basis and GAAP basis, beginning of year		(28,021,396)			-	
Net effect of GAAP basis recognition of revenues		407,730			-	
Net effect of GAAP basis recognition of expenditures		3,964,414			-	
Net effect of GAAP basis recognition of other financing sources		(367,488)			-	
Fund balances - GAAP basis, end of year		\$ 5,541,688			-	

See accompanying notes to general purpose financial statements.

CITY OF PITTSBURGH, PENNSYLVANIA

Combined Statement of Revenues, Expenses and Changes in
Accumulated Deficit/Fund Balances - Enterprise and Pension Trust Funds

For the Year Ended December 31, 1989

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Pension Trust	1989	1988
Operating revenues:				
Water charges	\$ 37,385,000	-	37,385,000	35,125,000
Rentals	2,853,008	-	2,853,008	2,358,319
Medallions	1,320,000	-	1,320,000	1,320,000
Stadium bond service charges	685,410	-	685,410	683,969
Concessions	1,393,104	-	1,393,104	861,009
Contributions	-	45,536,330	45,536,330	52,598,987
Investment income	-	6,013,114	6,013,114	2,977,702
Miscellaneous	443,772	990	444,762	501,786
Total operating revenues	44,080,294	51,550,434	95,630,728	96,426,772
Operating expenses:				
Benefit payments	-	35,860,388	35,860,388	33,219,139
Salaries and wages	10,245,301	-	10,245,301	11,077,940
Utilities	4,070,792	-	4,070,792	3,545,153
Allocation of City indirect expenses	2,753,000	-	2,753,000	2,580,000
Depreciation and amortization	2,780,472	-	2,780,472	2,518,333
Purification chemicals	1,076,000	-	1,076,000	1,092,000
Payments to non-City water agencies	2,334,000	-	2,334,000	2,317,000
Repairs and maintenance	1,152,727	-	1,152,727	1,070,463
Insurance	365,791	-	365,791	718,379
Materials, supplies and rentals	881,000	-	881,000	738,000
Administrative and other operating expenses	1,336,813	1,041,688	2,378,501	2,057,550
Miscellaneous	1,113,000	-	1,113,000	1,566,000
Total operating expenses	28,108,896	36,902,076	65,010,972	62,499,957
Operating income	15,971,398	14,648,358	30,619,756	33,926,815
Nonoperating expenses:				
Net interest expense	4,638,251	-	4,638,251	5,165,547
Other expense, principally amortization of bond issue costs	1,068,000	-	1,068,000	-
Loss on disposal of assets	1,243,803	-	1,243,803	986,000
Total nonoperating expenses	6,950,054	-	6,950,054	6,151,547
Income before operating transfers	9,021,344	14,648,358	23,669,702	27,775,268
Operating transfers to other funds	(7,532,000)	-	(7,532,000)	(7,294,000)
Net income	1,489,344	14,648,358	16,137,702	20,481,268
Accumulated deficit/fund balance, beginning of year	(37,221,335)	68,551,119	31,329,784	27,554,921
Equity transfer between funds (note 11)	-	-	-	(16,706,405)
Accumulated deficit/fund balance, end of year	\$ (35,731,991)	83,199,477	47,467,486	31,329,784

See accompanying notes to general purpose financial statements.

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

December 31, 1989

(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 activities, organizations and functions of government ("potential component units") that are included in these financial statements are those for which the City exercises oversight responsibility, those with which special financing relationships exist and those whose scope of service benefits primarily the City or its residents.

Manifestations of oversight responsibility include:

- . 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

The following summarizes which entities have been included/excluded as component units of the City of Pittsburgh, for reporting purposes, based upon the aforementioned criteria:

Entities Included as Component Units

- The Stadium Authority of the City of Pittsburgh
- Pittsburgh Water and Sewer Authority
- City of Pittsburgh Equipment Leasing Authority
- Employee Pension Plans

Entities Excluded as Component Units

- Pittsburgh City School District
- Public Parking Authority of Pittsburgh
- The Public Auditorium Authority of Pittsburgh and Allegheny County
- Urban Redevelopment Authority of Pittsburgh (URA)
- Housing Authority of the City of Pittsburgh
- Allegheny County Sanitary Authority (Alcosan)

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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. Its operations are included in the enterprise funds.

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.

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. 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 agreement, the Water and Sewer Authority assumed responsibility for the operation and rehabilitation of the water and sewer system of the City.

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 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 \$3,787,000 in 1989 increased 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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 1990, the "additional payment" has been budgeted at \$4,050,000. 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>
1990	\$ 3,610,000
1991	3,338,000
1992	3,228,000
1993	3,145,000
1994	3,051,000
Later years	<u>34,051,000</u>
Total minimum future lease payments	<u>\$ 50,423,000</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. The operations of the Water and Sewer Authority are included in the enterprise funds.

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 outstanding \$18,950,000 of Equipment Revenue Bonds and has 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 funds, the debt service funds and the general long-term debt account group.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

Employee Pension Plans

The City has three defined benefit pension plans, the Municipal Pension Fund (Municipal), the Policemen's Relief and Pension Fund (Police), and the Firemen's Relief and Pension Fund (Fire), which together cover substantially all City employees. A comprehensive board oversees funding and investing activities. The Board consists of 7 members, 4 of whom are appointed by the Mayor.

Plan benefit matters 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.

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 City School District

The School District exists to provide educational services to the residents of the City of Pittsburgh. The School Board consists of nine elected members who have oversight responsibility. School Board members may not serve on the Board if employed by the City.

The City Treasurer and City Controller serve as the School District Treasurer and Controller, respectively. The Treasurer and Controller positions are not Board positions. In case of vacancies on the Board, replacements are appointed by the Mayor. The School District has separate taxing authority though collections are received by the City Treasurer.

The School District has not been included as a component unit of the City's reporting entity because of the limited oversight responsibility, designation of management and limited accountability for fiscal matters.

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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 Parking Authority operates on a fiscal year ending September 30.

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

The City of Pittsburgh and the County of Allegheny (the County) 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.

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.

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

The URA is administered by a five-member board, all of whom are appointed by the Mayor. Management of the 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.

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.

(Continued)

Notes to General Purpose 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)					
	City School District	Parking Authority	Auditorium Authority	URA	Housing Authority	Alcosan
<u>Assets</u>						
Cash and temporary investments	\$ 77,640	13,143	1,204	6,720	1,112	7,964
Investments, at cost which approximates market	-	24,589	4,832	49,856	9,554	-
Property, plant and equipment, net	270,046	60,561	73,468	3,883	240,042	95,750
Cost of projects in process	-	-	-	283,304	-	3,511
Contributions, loans and accounts receivable	75,001	4,675	35,313	47,987	2,115	8,820
Other	<u>133,408</u>	<u>4,882</u>	<u>169</u>	<u>574</u>	<u>5,123</u>	<u>92,742</u>
	<u>\$ 556,095</u>	<u>107,850</u>	<u>114,986</u>	<u>392,324</u>	<u>257,946</u>	<u>208,787</u>
<u>Liabilities and Fund Equity</u>						
Bonds and notes payable	119,869	65,115	31,235	24,494	138,558	133,138
Other liabilities	45,890	4,420	1,728	15,595	6,902	4,774
Fund equity	<u>390,336</u>	<u>38,315</u>	<u>82,023</u>	<u>352,235</u>	<u>112,486</u>	<u>70,875</u>
	<u>\$ 556,095</u>	<u>107,850</u>	<u>114,986</u>	<u>392,324</u>	<u>257,946</u>	<u>208,787</u>
Revenues	274,784	23,649	6,934	691	16,720	25,919
Expenses	(267,422)	(18,140)	(7,660)	(4,586)	(40,522)	(32,734)
Other changes in fund equity	<u>(7,732)</u>	<u>(8,434)</u>	<u>-</u>	<u>40,565</u>	<u>18,151</u>	<u>-</u>
	<u>\$ (370)</u>	<u>(2,925)</u>	<u>(726)</u>	<u>36,670</u>	<u>(5,651)</u>	<u>(6,815)</u>
Fiscal period ended	12-31-88	9-30-89	6-30-89	12-31-88	12-31-88	12-31-88

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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 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.

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).

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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 obligation bonds, capital lease obligations, accrued unfunded pension expense, and the noncurrent portion of accrued compensated absences and workers' compensation expense.

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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.

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 and principle 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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.
 - 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

- 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 funds since effective budgetary control is alternatively achieved through general obligation bond indenture provisions, nor for the other special revenue funds since control is achieved through grant provisions or legislative action. Budgets for the capital projects funds are prepared on a project basis.
 - 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 resolution, the carryover of appropriations to the following year.
 - k. Budget figures are as amended by City Council with Mayoral approval. All budget amendments represent line item transfers between expenditure accounts.
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.
3. Budget Basis of Accounting - Budgets for the general and federal revenue sharing - special revenue fund 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 fund. 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

F. Investments

Investments in all funds are carried at cost, except for the agency fund assets of the deferred compensation plan which are carried at market. Investments consist of direct obligations of the U.S. government, money market funds, corporate and other obligations, guaranteed investments, money market trust funds and repurchase agreements and are recorded at cost or amortized cost plus accrued interest, which approximates market value.

For purposes of the statement of cash flows, the City considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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 purchase 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.

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.

Generally accepted accounting principles prescribe that expenditures for general fixed assets be accounted for in the general fixed asset account group and, accordingly, the failure to properly record such assets is not in accordance with generally accepted accounting principles.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose 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 URA 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 utility plant is 40 years.

J. Enterprise Fund Bond Discount and Issue Costs

The Water and Sewer Authority amortizes bond discounts over the lives of the related bonds using the interest method of amortization. The unamortized portion is reflected on the balance sheet as a reduction from the related bonds payable.

The Water and Sewer Authority defers and amortizes bond issue costs, including remarketing fees, over the lives of the related bonds. The Stadium Authority amortizes costs associated with the issuance of long-term debt using the straight-line method over the respective terms of the debt.

K. Compensated Absences

The City provides for compensated absences in the following manner:

- . Fourteen sick days are accumulated for those employees not eligible for the insured sick leave plan or those 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 Statement of Financial Accounting Standards No. 43 and has not been accrued by the City.
- . Personal days are accumulated for all employees, except firefighters. Under the plan, authorized time off, in the form of 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

- . 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.

L. Pensions

Pension cost for accounting purposes is computed in accordance with Accounting Principles Board Opinion Number 8 (APB #8). Reported expense is equal to normal cost plus amortization of unfunded liabilities over 30 years, less state pension aid under Act 205 (see note 7). Periodic pension cost is recognized as an expenditure in the general fund to the extent of City contributions with any difference reported as an addition to or deduction from accrued pension costs in the general long-term debt account group.

M. 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 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 until paid or made available to the employee or other beneficiary. 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

N. Self-insurance Arrangements

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.

In order to qualify for and maintain self-insurance status, the City must comply with certain Commonwealth of Pennsylvania requirements. The requirements for 1989 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.
- . Satisfy the financial responsibility requirements of the Commonwealth of Pennsylvania.
- . 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 irrevocable trust 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.

The Water and Sewer Authority is self-insured for general liability coverage. Under the terms of the July 1986 indenture, the Water and Sewer Authority established a self-insured escrow fund to cover potential general liability claims.

O. 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.

P. 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 1988 amounts have been reclassified to conform to classifications adopted in 1989.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

Q. 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, PENNSYLVANIA

Notes to General Purpose Financial Statements

(2) 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>
Deficiency of revenues and other sources over expenditures and other uses - GAAP basis	\$ (3,154,489)	(11,434)
Revenues:		
Increase in revenues susceptible to accrual, recorded when received in cash on the budgetary basis	(407,730)	-
Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis	22,178,525	-
Operating transfers budgeted as revenues	14,960,760	-
Equity transfers not budgeted	<u>2,304,517</u>	-
Total	<u>39,036,072</u>	-
Expenditures:		
Decrease in expenditures recognized on a GAAP basis but recorded when paid in cash on the budgetary basis	(3,964,414)	-
Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis	(22,178,525)	-
Capitalized lease not budgeted	1,691,443	-
Operating transfers budgeted as expenditures	<u>(43,182,882)</u>	-
Total	<u>(67,634,378)</u>	-
Other financing (sources) uses:		
Capital lease obligation proceeds not budgeted	(1,691,443)	-
Operating transfers budgeted as revenues and expenditures	28,222,121	-
Increase in other financing sources susceptible to accrual, but recorded when received in cash on the budgetary basis	<u>367,488</u>	-
Total	<u>26,898,166</u>	-
Deficiency of revenues and other sources over expenditures and other uses - budgetary basis	\$ <u>(4,854,629)</u>	<u>(11,434)</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

(3) Cash and Investments

The City's cash and investments are subject to varying investment policies and custodial arrangements. Responsibility for cash and investments as of December 31, 1989, is as follows:

	<u>Cash</u>	<u>Investments</u>	Bonds payable <u>escrow</u> (note 8)
<u>Current:</u>			
City Treasurer (most governmental, expendable trust and agency funds)	\$ 77,383,840	46,162,608	-
Equipment Leasing Authority (special revenue and debt service funds)	2,265,577	7,637,207	-
Enterprise Funds:			
Water and Sewer Authority	11,095,000	7,896,000	-
Stadium Authority	2,159,273	-	-
Pension Trust Funds	20,264,510	62,344,451	-
Deferred Compensation Plan	<u>313,703</u>	<u>11,931,229</u>	-
Total current	113,481,903	135,971,495	-
<u>Restricted:</u>			
Enterprise Funds:			
Water and Sewer Authority	36,000	125,371,000	230,980,000
Stadium Authority	<u>503,640</u>	<u>660,955</u>	-
Total restricted	<u>539,640</u>	<u>126,031,955</u>	<u>230,980,000</u>
Total	<u>\$ 114,021,543</u>	<u>262,003,450</u>	<u>230,980,000</u>

The City and its component unit's cash deposits, certificates of deposit and time accounts at year end were entirely covered by federal depository insurance or were fully collateralized in the City's name. 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.

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 held by a City entity or its agent in the City's name. Category 2 includes uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the City'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 the City's name.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

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 City Council from time to time.
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 a 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

The carrying amount, market value and category of risk for investments is as follows:

	<u>Carrying amount</u>	<u>Market value</u>	<u>Category</u>
A. City Treasurer (most governmental, expendable trust and agency funds):			
Repurchase agreements	\$ 15,371,372	15,371,372	2
U.S. government and agency obligations	15,469,363	16,275,219	3
Money market trust funds	3,831,877	3,831,877	N/A
Money market mutual funds	6,975,000	6,975,000	N/A
Corporate and other obligations	<u>4,514,996</u>	<u>4,740,723</u>	2
Total	46,162,608	47,194,191	
B. Equipment Leasing Authority:			
Repurchase agreements	271,709	271,709	3
U.S. government and agency obligations	1,003,844	1,002,000	3
Money market trust funds	<u>6,361,654</u>	<u>6,361,654</u>	N/A
Total	7,637,207	7,635,363	
C. Enterprise Funds:			
Water and Sewer Authority:			
Repurchase agreements	1,515,000	1,515,000	2
Commercial paper	5,750,000	5,750,000	2
Money market mutual funds	<u>631,000</u>	<u>631,000</u>	N/A
Total	7,896,000	7,896,000	
Enterprise Funds Restricted:			
Water and Sewer Authority:			
Repurchase agreements	1,982,000	1,982,000	2
U.S. government and agency obligations	6,134,000	6,149,000	2
Commercial paper	7,859,000	7,859,000	2
State and local governments	1,000,000	1,000,000	N/A
Money market mutual funds	25,896,000	25,896,000	N/A
Guaranteed investment	<u>82,500,000</u>	<u>82,500,000</u>	N/A
Total	125,371,000	125,386,000	

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

	<u>Carrying amount</u>	<u>Market value</u>	<u>Category</u>
Water and Sewer Authority:			
Bonds Payable Escrow:			
U.S. government and agency obligations	\$ <u>230,980,000</u>	<u>230,980,000</u>	2
Total	230,980,000	230,980,000	
Stadium Authority:			
U.S. government and agency obligations	<u>660,955</u>	<u>660,955</u>	3
Total	660,955	660,955	
D. Pension Trust:			
Repurchase agreements	2,552,000	2,552,000	3
U.S. government and agency obligations	25,855,010	26,555,955	2
Money market trust	14,571,710	15,475,972	2
Money market mutual funds	<u>19,365,731</u>	<u>19,095,503</u>	2
Total	62,344,451	63,679,430	
E. Deferred Compensation:			
Money market trust funds	<u>11,931,229</u>	<u>11,931,229</u>	N/A
Total	<u>11,931,229</u>	<u>11,931,229</u>	
Grand total	\$ <u>492,983,450</u>	<u>495,363,168</u>	

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

(4) Trusteed and Restricted Funds

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, 1989:

	<u>Cash</u>	<u>Investments</u>	<u>Accounts receivable</u>	<u>Other assets</u>	<u>Total</u>
Clearing	\$ -	542,199	-	724,413	1,266,612
Lounge box financing	-	-	-	4,210	4,210
Lounge box notes	-	115,740	216,896	-	332,636
Medallion pledge	9,289	3,016	343,338	-	355,643
Parking routine maintenance	-	-	9,440	-	9,440
Parking nonroutine maintenance	93,848	-	45,456	-	139,304
Maintenance	<u>400,503</u>	<u>-</u>	<u>64,371</u>	<u>-</u>	<u>464,874</u>
Total	\$ <u>503,640</u>	<u>660,955</u>	<u>679,501</u>	<u>728,623</u>	<u>2,572,719</u>

The money received from the sale of 15 medallions consists of annual payments from corporations of \$100,000 for ten years beginning in 1982 for the right to place advertising on the medallions. Included in restricted accounts receivable is \$343,000 representing the pro-rata revenue portion of the 1989 annual medallion payments.

Also included in restricted accounts receivable is \$274,000 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.

(5) Real Estate Taxes

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, PENNSYLVANIA

Notes to General Purpose 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 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 lienied 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. The ceiling on the value of construction eligible for abatement under this program is \$50,000. 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, 1989, follows:

Stadium complex	\$ 52,576,990
Utility plant	60,638,000
Nonutility plant	1,409,000
Construction in progress (utility plant)	<u>40,091,000</u>
Total	154,714,990
Less: accumulated depreciation	<u>24,524,620</u>
Net	<u>\$ 130,190,370</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

(7) Pension Plans

A. In accordance with the Municipal Pension Plan Funding Standard and Recovery Act of 1984 (Act 205 or Recovery Act), the City established the Comprehensive Municipal Pension Trust Fund Board (Comprehensive Board) in August 1987. The Board's purpose is to oversee the activities of the City's pension plans and to assume responsibility for receiving and investing the City's pension assets. The Recovery Act made changes to the actuarial reporting requirements for municipalities, set forth minimum municipal pension contributions and established the framework for customized recovery programs for municipalities with large unfunded pension liabilities. Additionally, the Recovery Act changed the basis for distributing state pension aid, which has translated into a five-fold increase in the amount of state pension aid received by the City.

In 1988, the City opted out of the 15-year phase-in optional remedy since its pension contributions were already exceeding the amount required by Act 205. In its place, the City adopted a planned schedule of pension contributions, which begins in 1989 at a level of \$12 million and increases by \$500,000 every other year or the City can fund the actuarially determined minimum municipal obligation, as defined, whichever is less.

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 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 4% or 5% of their monthly salary depending on their date of hire.

Commonwealth contributions are determined under Act 205. The City is eligible for the maximum remedies available under Act 205. To qualify, the City is required to fund an amount equal to normal cost and the amortization payment required to eliminate the unfunded liability over a 40-year period less any member contributions.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

The Recovery Act contains both mandatory and optional remedies for municipalities to design a program for dealing with their unfunded pension liability. The mandatory remedies implemented by the City were the development and adoption of an administrative improvement plan for its pension plans, the establishment of lower cost pension plans for new hires, and the aggregation of all of the City's pension assets for investment purposes under the guidance of a new oversight board (the "Comprehensive Municipal Pension Trust Fund Board"). The "Comprehensive Board," which is comprised of members from the individual pension boards, manages the investment of all pension assets and reviews/approves the monthly drawdowns to the individual pension plans for payment of benefits and administrative expenses. The optional remedies initially selected by the City were: 40-year amortization of the unfunded liability, level percent amortization, and a 15-year phase-in allowing the City to gradually increase its pension contributions.

The "pension benefit obligation," which is the actuarial present value of accumulated plan benefits shown below, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess, on a going concern basis, the funding status of the Plans for which contributions are made, assess progress made in accumulating sufficient assets to pay benefits when due and make comparisons among public employee retirement systems. The measure is independent of the actuarial funding method used to determine contributions to the Plans.

Significant assumptions underlying the actuarial computations include mortality, termination, vesting, marital status and retirement estimates based upon tables provided by the actuary, as well as the following:

	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>
Assumed rate of return on investments	% <u>7.5</u>	<u>7.5</u>	<u>7.5</u>
Assumed salary increases	% <u>5.5</u>	<u>5.5</u>	<u>5.5</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

Future maturities of bond principal on Water and Sewer Authority indebtedness at December 31, 1989, is as follows:

	<u>Principal</u>			
	<u>Outstanding at beginning of year</u>	<u>Bonds paid and discount amortized during the year</u>	<u>Bonds issued and deposits made to escrow funds during the year</u>	<u>Outstanding at end of year</u>
Water and Sewer Authority Revenue Bonds:				
Three revenue bond issues due on demand; two with fixed rates of 5.125% and 6.0% through September 1, 1991, and one with rates ranging from 5.9% to 7.625%:				
1989	\$ 800,000	800,000	-	-
1990	900,000	-	-	900,000
1991	5,400,000	-	-	5,400,000
1992	7,145,000	-	-	7,145,000
1993	7,600,000	-	-	7,600,000
1994	8,175,000	-	-	8,175,000
1995-1999	51,095,000	-	-	51,095,000
2000-2004	75,520,000	-	-	75,520,000
2005-2009	111,965,000	-	-	111,965,000
2010-2014	166,245,000	-	-	166,245,000
2015-2016	<u>62,645,000</u>	<u>-</u>	<u>-</u>	<u>62,645,000</u>
Subtotals	497,490,000	800,000	-	496,690,000
Less escrow funds	(230,106,000)	-	(874,000)	(230,980,000)
Less discount	<u>(14,477,000)</u>	<u>(749,000)</u>	<u>-</u>	<u>(13,728,000)</u>
Totals	\$ 252,907,000	51,000	(874,000)	251,982,000

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

A. Council and Public Election General Obligation Bonds

In September 1989, the City issued \$60,000,000 of General Obligation Bonds, Series of 1989. The issue consisted of \$42,710,000 of serial bonds, bearing interest at varying fixed rates ranging from 5.75% to 7% with maturities through September 1, 2010; and, \$17,290,000 of term bonds bearing interest at 7.125% maturing on September 1, 2014. The bond proceeds are to be used to provide funds for capital projects.

The net proceeds, after the Bond Underwriter's discount of \$800,736, was \$59,199,264. Total bond issuance costs, excluding discount, were \$1,495,986. The bond issuance cost includes \$778,729 of interest expense on the \$26,200,000 bond anticipation notes the City issued prior to the receipt of bond proceeds in order to finance projects in progress during 1989.

The Series of 1989 bonds are subject to federal arbitrage regulations, however, no liability for potential arbitrage rebate has been included in the financial statements for the year ended December 31, 1989, due to the immateriality of the estimated rebate liability.

In 1983, 1985 and 1986, 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, 1989, bonds outstanding of \$14,720,000, \$174,475,000 and \$160,605,000 refunded by the 1983, 1985 and 1986 issues, respectively, are considered defeased.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

B. 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). In 1985, under an amendment to the Sublease, CAC was given a reduction of \$212,500 in each of its semi-annual rental payments. Under the Supporting Agreement between the City, the Auditorium Authority and the County, the City and County are obligated to make up this reduction in the debt service requirements on the Auditorium Authority's Auditorium Bonds, Series C, presently outstanding in the amount of \$13,450,000. The Series C Auditorium Bonds are not included in the City's general long-term debt account group while Series D and E are included. In event of default, 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.

C. Stadium Authority

In April 1986, the Stadium Authority issued \$21,000,000 of Guaranteed Funding Bonds, Series 1986. The bonds bear interest at varying fixed rates increasing with the length of maturity from 5.6% to 7.625%.

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

The City 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.

On December 18, 1985, an irrevocable trust was established to defease the 1971 Series A and 1982 Series B Bonds. Neither the trust, which has sufficient amount on deposit to retire the Series A and B Bonds, nor the obligation is included on the Stadium Authority's balance sheet.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

At March 31, 1989, defeased bonds outstanding of \$34,960,000 refunded by the Guaranteed Stadium Refunding Bonds, Series 1985 are considered defeased.

Under the new indenture, the Stadium Authority has pledged as collateral for the Series 1985 Bonds all rental receipts and certain other receipts along with grants received from the City. All previous indentures were voided.

The notes payable represent bank borrowings made to finance the construction of 22 new lounge boxes and the remodeling of 15 previously 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 notes. Interest on the notes payable is 8.75% per annum; principal and interest payments are due annually through 1989.

D. Water and Sewer Authority

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. As of April 1, 1987, the Water and Sewer Authority elected a multi-annual mode for interest, fixing the rate on these bonds at 5.125% through the next tender date, September 1, 1991.

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 may bear interest at various modes including daily, weekly, semiannual, annual, multiannual or fixed rate. As of June 1, 1988, a multiannual mode was elected providing for 6.3% interest through September 1, 1991.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

F. Other Long-term Obligations

The following is a summary of transactions affecting all other long-term obligations of the City during 1989:

	Accrued pension <u>costs</u>	Accrued workers' <u>compensation</u>	Accrued compensated <u>absences</u>
Balance at January 1, 1989	\$ 202,093,000	66,300,000	12,892,000
Additions	2,694,000	20,062,542	10,949,000
Reductions	<u>-</u>	<u>16,747,542</u>	<u>12,892,000</u>
Balance at December 31, 1989	204,787,000	69,615,000	10,949,000
Less amounts funded currently in the General Fund	<u>-</u>	<u>11,025,000</u>	<u>10,495,000</u>
Long-term portion at December 31, 1989	<u>\$ 204,787,000</u>	<u>58,590,000</u>	<u>454,000</u>

G. 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 15(D)).

(9) Operating Leases

- A. The Stadium Authority has operating leases with Pittsburgh Associates and Pittsburgh Steelers Sports, Inc. Under terms of the basic agreement and amendments to the basic agreement dated January 1, 1982, these operating leases provide for guaranteed payments of approximately \$1,160,000 annually for a 40-year period which began 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

On March 23, 1989, the Authority entered into an agreement with the Commonwealth of Pennsylvania to lease certain property near Three Rivers Stadium to be used for public parking. The term of the lease is ten years renewable for four additional ten-year periods. Payments during the first year amounted to \$57,200, adjusting thereafter according to market conditions.

- B. The Water and Sewer Authority operates from leased space. Rental expense was \$23,000 and \$22,000 in 1989 and 1988, respectively. Future minimum rental commitments are as follows:

Year ended December 31

1990	\$ 48,000
1991	48,000
1992	48,000
1993	48,000
1994	48,000

- C. The City is obligated under a three-year, noncancelable, operating lease for office space used for the location and operation of the City's computer systems. The lease also includes a renewal option to extend the lease for additional years up to seven years.

The City has exercised its option to extend the lease one additional year through April 1, 1991, with a further option of an additional two years.

The minimum monthly rental payments are subject to escalation for the City's pro rata share of any increases in real estate taxes and operating expenses over those incurred in the base year of the lease agreement. Such increases will not exceed established monthly maximum cap rates.

The minimum future rental payments required by the lease are as follows:

Year ended December 31

1990	\$ 223,500
1991	223,500
1992	74,500

- D. Total rent expense under this operating lease for the year ended December 31, 1989, was \$186,275.

The City also has several operating leases for copier rental and various other small office machines.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

(10) Interfund Receivable and Payable Balances

At December 31, 1989, the individual fund interfund receivable and payable balances were as follows:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 3,955,564	2,284,095
Special Revenue Funds:		
Equipment Leasing Authority	184,095	-
CETA/JTPA	70,171	1,172,783
Housing	-	2,574,667
Civic and Cultural	-	237,000
Capital Projects Funds:		
Other	1,205,678	-
Agency Funds:		
Employee benefits	2,100,000	-
Payroll withholding	-	500,123
Deposit	-	745,323
Parking meters	-	1,517
	<u>\$ 7,515,508</u>	<u>7,515,508</u>

(11) Equity Transfers Between Funds

Pursuant to authorization by City Council, seventeen unencumbered project balances in various funds totaling \$2,304,517 (summarized below) were transferred to the General Fund. In each case, the original purpose of the project had been satisfied or terminated.

<u>Transferred from</u>	<u>Amount</u>
Special Revenue Fund	\$ 1,463,882
Capital Projects Fund	837,394
Trust and Agency Fund	<u>3,241</u>
Transferred to General Fund	<u>\$ 2,304,517</u>

(12) 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 \$7,398,631 of capital contributed in support of construction of additional seating, new lounge boxes and handicapped facilities.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

(13) 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, 1989, is as follows (in thousands):

	<u>Water and Sewer Authority</u>	<u>Stadium Authority</u>	<u>Totals</u>
Operating revenues	\$ 37,385	6,695	44,080
Depreciation and amortization	2,356	1,492	3,848
Operating income	14,888	1,083	15,971
Net income (loss)	5,542	(4,053)	1,489
Property, plant and equipment:			
Additions	20,126	3,209	23,335
Total assets	258,655	39,027	297,682
Bonds and other long-term liabilities net of escrowed funds and discounts	251,982	49,940	301,922
Equity (deficit):			
Contributed capital	5,277	7,399	12,676
Accumulated deficit	(5,846)	(29,886)	(35,732)

(14) 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 1989.

(15) Related Party Transactions

A. Under the terms of agreements dated July 1, 1965 and April 1, 1986, the City of Pittsburgh agreed to make annual grants to the Stadium Authority for the excess of the aggregate cost of operation 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. For the year ended March 31, 1989, grants from the City of Pittsburgh were approximately \$4.3 million.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

B. In 1986, the City disbursed \$20,000,000 to the 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 URA is obligated to repay the \$20,000,000 if funds become available through the occurrence of certain events, principally the sale of the Pittsburgh Pirates major league baseball franchise.

C. The URA, acting as the City's agent under a 1981 cooperation agreement, made two loans from prior years' Urban Redevelopment Action Grant (UDAG) funds to a Development Company to assist in the construction of Parkway Center Mall in the City's West End - which was completed in November 1982. Neither of these loans is reflected as a receivable in the City's financial statements due to the contingent nature of repayments and unspecified terms as of December 31, 1989.

The first loan of \$2,000,000 was made under a loan agreement dated October 30, 1981, as amended April 22, 1982 and April 2, 1984, the purpose of which was to assist in the construction costs of the mall; repayments are contingent upon positive cash flows and other factors. The loan, which has a 27 year term with varying interest rates, is to be repaid to the City by the URA at the City's discretion. The balance of the receivable from the URA, should the City continue to exercise its option, at December 31, 1989, was \$1,811,979.

The second loan of \$6,819,972, with additional available borrowings of \$354,028, was made under a loan agreement dated April 2, 1984, for the construction of highway ramps to connect the mall with I-279. Repayment of the loan is to commence upon the transfer of the ramps to PenDot. As of December 31, 1989, the ramps had not been transferred. The term of the loan is also 27 years with an unspecified interest rate. The loan agreement calls for interest to be accrued during the period between the disbursement of funds and the commencing of the loan repayment. As of December 31, 1989, no payments had been received on this loan.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

D. 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 8G). The sale of the Stadium to private owners has not taken place. Accordingly, no amounts were due under (a) above.

E. The City is responsible for the billings and collections of the Water and Sewer Authority's water charges. At December 31, 1989, the reserve for uncollectible accounts and City water usage is \$15,992,558 which includes \$8,120,000 recorded prior to the inception of the Authority.

(16) Stadium Management Agreement

In conjunction with the Stadium agreements dated January 1, 1982, the Authority agreed to manage and maintain Three Rivers Stadium. The Authority, in turn, has engaged Spectacor Management (Spectacor) to act as the managing body and agent of the Stadium complex subject to the provisions of the Stadium agreements and the Public Auditorium Authorities Law.

Under the terms of the agreement with Spectacor, the Authority was required to pay a management fee of \$216,000 for the period February 1, 1985 through January 31, 1986, increasing to \$234,000 for the year ending January 31, 1987, and \$250,000 for the succeeding 12-month period. Spectacor has exercised an option to extend this agreement for an additional three-year period. The management fee for the first year of extension is \$262,500. In addition to the monthly management fee, Spectacor receives a percentage of adjusted gross income from extra events held at the Stadium other than major league baseball games and National Football League games.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

(17) Commitments

In 1984, the Water and Sewer Authority adopted a seven-year Capital Improvements Program budgeted to cost approximately \$194 million. As of December 31, 1989, \$100 million has been spent, and an additional \$22 million has been committed for noncancelable construction contracts.

In September 1986, the Water and Sewer Authority entered into an agreement with Pennsylvania American Water Company (PAWC) (formerly West Penn Water Company) to provide four to twelve million gallons of water per day at normal bulk rates for resale to PAWC customers. Sales of water under this agreement commenced in April 1988 for an initial term of ten years. Sales to PAWC amounted to \$2,304,000 in 1989.

(18) Contingencies

There is presently pending before the City Treasurer a series of refunds 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, if any, will not have a materially adverse effect on the City's financial position.

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 program costs, and City management believes that audits of existing programs will not result in significant liability to the City.

On May 15, 1986, the Stadium Authority entered into an amendment to the 1973 Concession Services Agreement whereby the concessionaire has agreed to expend approximately \$1,500,000 for the purchase and installation of leasehold improvements, trade fixtures and food service equipment in the stadium. In the event that the Agreement is terminated or reaches expiration (1998), the Stadium Authority may be liable to the concessionaire for the concessionaire's unamortized balance of the improvements. The concessionaire's improvements are to be amortized ratably over 15 years adjusted for certain levels of attendance.

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Trust Fund Revenues by Source

Last Seven Fiscal Years
(in thousands)

<u>Fiscal year(*)</u>	<u>Participants' contributions</u>	<u>Employer contributions</u>	<u>State contributions</u>	<u>Investment income</u>	<u>Miscellaneous</u>	<u>Total</u>
1983	\$ 6,522	14,797	4,095	1,046	2	26,462
1984	6,594	19,305	6,106	2,012	28	34,045
1985	6,854	12,627	8,684	4,139	28	32,332
1986	6,853	16,595	12,228	4,519	28	40,223
1987	6,514	16,394	16,624	6,038	22	45,592
1988	7,253	17,176	28,170	2,978	28	55,605
5 1989	8,060	9,099	28,377	6,013	1	51,550

* Information for years prior to 1983 is not available.

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Trust Fund Expenses by Type

Last Seven Fiscal Years
(in thousands)

<u>Fiscal year(*)</u>	<u>Benefit payments</u>	<u>Administrative expenses</u>	<u>Fees for professional services</u>	<u>Total</u>
1983	\$ 22,593	264	46	22,903
1984	24,867	309	180	25,356
1985	26,711	315	143	27,169
1986	28,406	338	283	29,027
1987	30,871	379	331	31,581
1988	33,219	416	241	33,876
1989	35,860	748	294	36,902

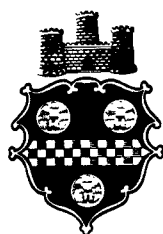
* Information for years prior to 1983 is not available.

CITY OF PITTSBURGH, PENNSYLVANIA
Analysis of Pension Funding Progress

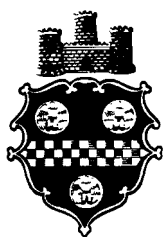
Last Seven Fiscal Years
(in thousands)

<u>Fiscal year(*)</u>	<u>Net assets available for benefits</u>	<u>Pension benefit obligation</u>	<u>Percentage funded</u>	<u>Unfunded pension benefit obligation</u>	<u>Annual covered payroll</u>	<u>Unfunded pension benefit obligation as a percentage of annual covered payroll</u>
1983	\$ 24,470	\$ 360,446	% 6.8	\$ 335,976	\$ 125,000	% 268.8
1984	33,159	362,830	9.1	329,671	130,500	252.6
1985	38,322	418,039	9.2	379,717	132,900	285.7
1986	48,740	432,420	11.3	383,680	132,700	289.1
1987	61,960	453,065	13.7	391,105	127,600	306.5
58 1988	68,551	469,366	14.6	400,815	135,000	296.9
1989	83,199	492,339	16.9	409,140	124,544	328.5

* Information for years prior to 1983 is not available.



COMBINING, INDIVIDUAL FUND AND INDIVIDUAL ACCOUNT GROUP
FINANCIAL STATEMENTS



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, PENNSYLVANIA
GENERAL FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

<u>Assets</u>	<u>1989</u>	<u>1988</u>
Cash and short-term investments, at cost which approximates market	\$ 31,046,685	34,027,798
Receivables:		
Real estate taxes (net of allowance for uncollectible accounts of \$16,368,725 in 1989 and \$13,012,249 in 1988)	4,812,521	5,362,157
Sewage charges (net of allowance for uncollectible accounts of \$3,575,000 in 1989 and \$3,440,000 in 1988)	1,090,128	1,052,290
Personal property taxes (net of allowance for uncollectible accounts of \$275,000 in 1989 and \$269,000 in 1988)	27,700	19,019
Accrued interest	59,322	403,056
Other	2,167,212	1,158,241
Prepaid expenses and other assets	2,001,287	1,896,770
Due from other funds	3,955,564	5,547,728
Inventories, at cost	<u>2,980,251</u>	<u>2,162,383</u>
Total assets	<u>\$ 48,140,670</u>	<u>51,629,442</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	5,601,645	5,341,375
Accrued liabilities	7,717,262	7,853,977
Due to other funds	2,284,095	3,936,656
Due to other governments	976,882	1,076,261
Accrued workers' compensation	11,025,000	10,500,000
Accrued compensated absences	10,495,000	11,382,000
Deferred revenue, principally real estate taxes	<u>4,499,098</u>	<u>5,147,513</u>
Total liabilities	<u>42,598,982</u>	<u>45,237,782</u>
Fund balance:		
Reserved:		
Encumbrances	1,856,510	1,430,857
Inventories	2,980,251	2,162,383
Employee benefits	1,614,968	1,722,557
Unreserved:		
Designated for subsequent years' expenditures	-	1,075,863
Undesignated	<u>(910,041)</u>	<u>-</u>
Total fund balance	<u>5,541,688</u>	<u>6,391,660</u>
Total liabilities and fund balance	<u>\$ 48,140,670</u>	<u>51,629,442</u>

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Taxes, including penalty and interest	\$ 220,733,176	225,303,400
Interest and dividends	7,648,576	6,832,810
Fines and forfeits	4,392,875	4,666,658
Licenses and fees	11,562,149	10,564,605
Pittsburgh Zoo receipts	1,479,290	1,155,505
Intergovernmental revenues	4,722,865	3,417,510
Miscellaneous	<u>1,279,681</u>	<u>1,855,155</u>
Total revenues	<u>251,818,612</u>	<u>253,795,643</u>
Expenditures:		
Current operating:		
General government	15,646,592	18,744,088
Public safety	100,663,810	96,652,207
Public works	26,692,698	31,012,891
Sanitation	14,186,732	12,613,068
Community, recreation and cultural programs	18,848,251	18,207,873
Employee benefits	42,566,932	47,202,907
Claims and judgments	646,903	390,907
Miscellaneous	2,377,023	826,388
Debt service:		
Principal retirement	2,538,877	1,158,588
Interest and fiscal changes	681,302	379,516
Stadium Authority subsidy	2,145,269	3,965,828
Public Auditorium Authority subsidy	<u>1,080,546</u>	<u>1,330,391</u>
Total expenditures	<u>228,074,935</u>	<u>232,484,652</u>
Excess of revenues over expenditures	<u>23,743,677</u>	<u>21,310,991</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

Statement of Revenues, Expenditures and
Changes in Fund Balance

	<u>1989</u>	<u>1988</u>
Other financing sources (uses):		
Capital lease obligation proceeds	\$ 1,691,443	4,315,820
Deferred loan proceeds	426,000	426,000
Operating transfers from enterprise funds	7,532,000	7,294,000
Operating transfers from special revenue funds	352,760	232,111
Operating transfers from trust funds	5,000,000	-
Operating transfers to special revenue funds	(4,754,164)	(5,151,142)
Operating transfers to debt service funds	(33,748,287)	(31,627,822)
Operating transfers to trust funds	<u>(3,397,918)</u>	<u>-</u>
Total other financing uses	<u>(26,898,166)</u>	<u>(24,511,033)</u>
Deficiency of revenues and other sources over expenditures and other uses	<u>(3,154,489)</u>	<u>(3,200,042)</u>
Fund balance, beginning of year	6,391,660	9,791,702
Equity transfer from Special Revenue Funds	1,463,882	-
Equity transfer from Capital Projects Funds	837,394	-
Equity transfer from (to) Trust Funds	<u>3,241</u>	<u>(200,000)</u>
Fund balance, end of year	<u>\$ 5,541,688</u>	<u>6,391,660</u>

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

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

For the Year Ended December 31, 1989
(with comparative actual amounts for the year ended December 31, 1988)

	1989			1988
	Budget as amended	Actual	Variance favorable (unfavorable)	actual
Revenues:				
Taxes, including penalty and interest	\$ 221,295,487	221,837,758	542,271	226,625,751
Interest earnings	6,000,000	7,603,132	1,603,132	7,333,692
Fines and forfeits	5,550,000	4,416,539	(1,133,461)	4,546,309
Licenses and fees	11,380,000	11,192,420	(187,580)	10,421,239
Pittsburgh Zoo receipts	1,350,000	1,464,915	114,915	1,155,505
Water and Sewer Authority reimbursements and transfers	28,992,954	28,232,781	(760,173)	29,244,496
Intergovernmental revenues	6,764,564	6,808,393	43,829	5,935,235
Miscellaneous	4,800,000	4,298,746	(501,254)	7,223,662
Retirement Benefits Trust Fund reimbursement	5,000,000	5,000,000	-	-
Total revenues	291,133,005	290,854,684	(278,321)	292,485,889
Expenditures:				
Current operating:				
General government	22,574,254	19,308,790	3,265,464	17,534,757
Public safety	103,290,293	97,843,971	5,446,322	92,315,778
Public works	41,066,695	37,121,099	3,945,596	33,709,564
Sanitation	15,259,909	13,800,338	1,459,571	11,197,926
Water	15,943,693	14,053,116	1,890,577	13,771,879
Community, recreation and cultural programs	21,268,421	19,933,174	1,335,247	19,248,706
Employee benefits	50,922,907	47,969,456	2,953,451	47,253,298
Claims and judgments	2,030,000	595,505	1,434,495	387,907
Miscellaneous	13,670,621	11,582,131	2,088,490	10,768,558
Debt Service:				
Principal retirements	9,875,000	9,875,000	-	9,740,000
Interest and fiscal charges	19,219,742	19,219,742	-	20,785,000
Stadium Authority subsidy	3,663,279	3,145,269	518,010	3,965,828
Public Auditorium Authority subsidy	1,284,190	1,261,722	22,468	1,287,568
Total expenditures	320,069,004	295,709,313	24,359,691	281,966,769
Excess (deficiency) of revenues over expenditures	(28,935,999)	(4,854,629)	24,081,370	10,519,120
Fund balance - budgetary basis, beginning of year	28,935,999	34,413,057	5,477,058	23,893,937
Fund balance - budgetary basis, end of year	\$ -	29,558,428	29,558,428	34,413,057
Adjustments to generally accepted accounting principles (GAAP) basis:				
Cumulative difference between budgetary basis and GAAP basis, beginning of year		(28,021,396)		(14,102,236)
Net effect of GAAP basis recognition of revenues		407,730		(4,083,330)
Net effect of GAAP basis recognition of expenditures		3,964,414		(9,300,838)
Net effect of GAAP basis recognition of other financing sources		(367,488)		(534,993)
Fund balance - GAAP basis, end of year		\$ 5,541,688		6,391,660

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

Schedule of Revenues
Compared with Budget (Budgetary Basis)

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

	1989		Variance	1988
	Budget as amended	Revenues	favorable (unfavorable)	revenues
Taxes:				
Real estate	\$ 98,590,000	96,129,763	(2,460,237)	95,532,243
Payment in lieu of taxes	1,000,000	1,100,510	100,510	-
Mercantile	6,400,000	6,501,590	101,590	6,095,543
Amusement	7,600,000	7,564,001	(35,999)	7,655,620
Personal property	2,200,000	2,339,850	139,850	2,150,586
Earned income	50,300,000	54,066,987	3,766,987	63,659,653
Deed transfer	7,040,000	7,236,575	196,575	6,173,116
Parking	15,700,000	14,210,345	(1,489,655)	14,857,334
Occupation privilege	3,000,000	3,071,911	71,911	3,006,691
Business privilege	25,300,000	25,284,730	(15,270)	23,614,769
Institution and service privilege	325,000	216,423	(108,577)	273,181
Public service	220,000	213,554	(6,446)	203,863
Cable franchise privilege	260,487	352,494	92,007	232,111
Penalties and interest	3,360,000	3,549,025	189,025	3,171,041
Total taxes, including penalty and interest	221,295,487	221,837,758	542,271	226,625,751
 Interest earnings	6,000,000	7,603,132	1,603,132	7,333,692
Fines and forfeits	5,550,000	4,416,539	(1,133,461)	4,546,309
 Licenses and fees:				
Liquor and malt beverage	440,000	462,375	22,375	454,530
Business	950,000	980,506	30,506	629,904
General government	1,690,000	1,573,452	(116,548)	2,748,281
Fees	8,300,000	8,176,087	(123,913)	6,588,524
Total licenses and fees	11,380,000	11,192,420	(187,580)	10,421,239
 Pittsburgh Zoo receipts	1,350,000	1,464,915	114,915	1,155,505
Water and Sewer Authority reimbursements and transfers	28,992,954	28,232,781	(760,173)	29,244,496
Intergovernmental revenues	6,764,564	6,808,393	43,829	5,935,235
Miscellaneous	4,800,000	4,298,746	(501,254)	7,223,662
Retirement benefits Trust Fund reimbursement	5,000,000	5,000,000	-	-
Total revenues	\$ 291,133,005	290,854,684	(278,321)	292,485,889

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

Schedule of Expenditures
Compared With Budget (Budgetary Basis)

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

	1989			
	Budget appropriations <u>as amended</u>	<u>Expenditures</u>	Variance favorable (unfavorable)	1988 <u>expenditures</u>
Current operating:				
General government:				
City Council and City Clerk's Office:				
City Council	\$ 1,234,189	1,051,185	183,004	989,418
City Clerk's Office	<u>744,990</u>	<u>588,228</u>	<u>156,762</u>	<u>623,464</u>
	<u>1,979,179</u>	<u>1,639,413</u>	<u>339,766</u>	<u>1,612,882</u>
Mayor's Office:				
Office of the Mayor	1,902,829	1,753,428	149,401	1,374,179
City Information Systems Office	<u>5,254,928</u>	<u>4,753,321</u>	<u>501,607</u>	<u>3,970,334</u>
	<u>7,157,757</u>	<u>6,506,749</u>	<u>651,008</u>	<u>5,344,513</u>
 Municipal Courts	 1,083,759	 951,664	 132,095	 967,168
Commission on Human Relations	427,537	385,815	41,722	383,742
Office of City Controller	2,797,029	2,252,730	544,299	2,212,717
Department of Finance	3,807,593	3,308,050	499,543	2,977,806
Department of Law	1,901,413	1,518,257	383,156	1,514,678
Department of Personnel and Civil Service Commission	1,783,794	1,373,063	410,731	1,302,180
Department of City Planning	<u>1,636,193</u>	<u>1,373,049</u>	<u>263,144</u>	<u>1,219,071</u>
Total general government	<u>22,574,254</u>	<u>19,308,790</u>	<u>3,265,464</u>	<u>17,534,757</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

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

	1989			
	Budget appropriations <u>as amended</u>	<u>Expenditures</u>	Variance favorable (unfavorable)	1988 <u>expenditures</u>
Public safety:				
Department of Public Safety:				
Bureau of Administration	\$ 5,862,333	5,505,361	356,972	5,169,363
Bureau of Emergency Medical Services	6,367,851	5,951,132	416,719	5,642,307
Bureau of Police	49,571,133	47,164,753	2,406,380	44,188,942
Bureau of Fire and Building Inspection	<u>41,488,976</u>	<u>39,222,725</u>	<u>2,266,251</u>	<u>37,315,166</u>
Total public safety	<u>103,290,293</u>	<u>97,843,971</u>	<u>5,446,322</u>	<u>92,315,778</u>
Public works:				
Department of General Services:				
General Office	5,627,286	4,998,443	628,843	5,811,522
Bureau of Fleet Management	15,033,947	14,143,865	890,082	11,950,093
Bureau of Repairs and Operating Maintenance	<u>3,036,580</u>	<u>2,841,636</u>	<u>194,944</u>	<u>2,396,237</u>
	<u>23,697,813</u>	<u>21,983,944</u>	<u>1,713,869</u>	<u>20,157,852</u>
Department of Public Works:				
Bureau of Administration	8,792,565	7,082,576	1,709,989	6,482,693
Streets and Sewers	<u>8,386,093</u>	<u>7,924,882</u>	<u>461,211</u>	<u>6,932,270</u>
	<u>17,178,658</u>	<u>15,007,458</u>	<u>2,171,200</u>	<u>13,414,963</u>
Department of Engineering and Construction	<u>190,224</u>	<u>129,697</u>	<u>60,527</u>	<u>136,749</u>
Total public works	<u>41,066,695</u>	<u>37,121,099</u>	<u>3,945,596</u>	<u>33,709,564</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

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

	1989		
	Budget appropriations as amended	Expenditures	Variance favorable (unfavorable)
			1988 expenditures
Sanitation:			
Department of Environmental Services:			
General Office	\$ 673,937	605,405	68,532
Division of Collection and Disposition	13,881,224	12,563,130	1,318,094
Animal Control Division	440,330	395,567	44,763
Rodent Control Division	<u>264,418</u>	<u>236,236</u>	<u>28,182</u>
Total sanitation	<u>15,259,909</u>	<u>13,800,338</u>	<u>1,459,571</u>
Water:			
Department of Water:			
Bureau of Administration	4,772,457	4,165,189	607,268
Purification and Pumping	6,851,410	5,952,430	898,980
Distribution	4,132,283	3,788,686	343,597
Engineering	<u>187,543</u>	<u>146,811</u>	<u>40,732</u>
Total water	<u>15,943,693</u>	<u>14,053,116</u>	<u>1,890,577</u>
Community, recreation and cultural programs:			
Department of Parks and Recreation:			
Bureau of Administration	4,543,642	4,091,438	452,204
Conservatory	985,095	885,665	99,430
Bureau of Maintenance	5,846,724	5,487,479	359,245
Bureau of Recreational Activities	<u>2,800,993</u>	<u>2,561,807</u>	<u>239,186</u>
	<u>14,176,454</u>	<u>13,026,389</u>	<u>1,150,065</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

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

	1989			
	Budget appropriations as amended	Expenditures	Variance favorable (unfavorable)	1988 expenditures
Zoological Parks Commission	\$ 2,103,712	1,928,530	175,182	1,801,302
Carnegie Library	4,445,155	4,445,155	-	4,295,155
Carnegie Museum	491,600	491,600	-	443,800
Other	<u>51,500</u>	<u>41,500</u>	<u>10,000</u>	<u>56,000</u>
Total community, recreation and cultural programs	<u>21,268,421</u>	<u>19,933,174</u>	<u>1,335,247</u>	<u>19,248,706</u>
Employee benefits:				
Pensions	12,492,500	12,492,500	-	17,179,798
Workers' compensation	2,107,455	1,343,361	764,094	1,665,053
Health insurance	26,570,000	25,250,000	1,320,000	19,131,408
Group insurance	1,151,750	815,000	336,750	1,050,000
Social security	5,701,202	5,657,582	43,620	5,761,623
Personal leave buy back	1,200,000	1,136,371	63,629	986,956
Severance pay	<u>1,700,000</u>	<u>1,274,642</u>	<u>425,358</u>	<u>1,478,460</u>
Total employee benefits	<u>50,922,907</u>	<u>47,969,456</u>	<u>2,953,451</u>	<u>47,253,298</u>
Claims and judgments	<u>2,030,000</u>	<u>595,505</u>	<u>1,434,495</u>	<u>387,907</u>
Miscellaneous:				
Postage	898,520	897,635	885	822,744
Refunds	1,149,000	1,080,386	68,614	1,122,343
Purchase of delinquent sewage charges	1,417,081	1,156,029	261,052	1,009,184
Spending authorized in prior years	<u>10,206,020</u>	<u>8,448,081</u>	<u>1,757,939</u>	<u>7,814,287</u>
Total miscellaneous	<u>13,670,621</u>	<u>11,582,131</u>	<u>2,088,490</u>	<u>10,768,558</u>

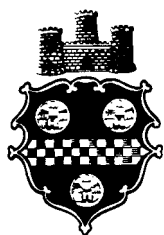
(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
GENERAL FUND

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

	1989			
	Budget appropriations <u>as amended</u>	<u>Expenditures</u>	Variance favorable (unfavorable)	1988 <u>expenditures</u>
Debt service:				
Principal retirements	\$ 9,875,000	9,875,000	-	9,740,000
Interest and fiscal charges	19,219,742	19,219,742	-	20,785,000
Stadium Authority subsidy (1)	3,663,279	3,145,269	518,010	3,965,828
Public Auditorium Authority subsidy	<u>1,284,190</u>	<u>1,261,722</u>	<u>22,468</u>	<u>1,287,568</u>
Total debt service	<u>34,042,211</u>	<u>33,501,733</u>	<u>540,478</u>	<u>35,778,396</u>
Total expenditures	\$ <u>320,069,004</u>	<u>295,709,313</u>	<u>24,359,691</u>	<u>281,966,769</u>

(1) Includes \$1,000,000 transfer to Deposit Agency Fund for payment of real estate tax refunds.



SPECIAL REVENUE FUNDS

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

Equipment Leasing Authority - 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 - To account for the receipt and expenditure of the City's share of the proceeds for the state's gasoline tax.

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

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

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

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

CITY OF PITTSBURGH, PENNSYLVANIA
SPECIAL REVENUE FUNDS

Combining Balance Sheet

December 31, 1989
(with comparative totals for December 31, 1988)

Assets	Federal Revenue Sharing	Equipment Leasing Authority	Liquid Fuel Tax	CETA/JTPA	Law Enforcement	Housing	Civic and Cultural Enrichment	Nonresident Charges	Totals	
									1989	1988
Cash and short-term investments, at cost which approximates market	\$ -	6,469,357	1,089,696	530,378	427,416	305,398	4,077,328	-	12,899,573	19,424,659
Receivables:										
Accrued interest	-	41,566	1,433	-	-	-	165,600	-	208,599	234,547
Other	-	-	-	-	-	-	335,836	-	335,836	359,494
Due from general fund	-	184,095	-	-	-	-	-	-	184,095	282,197
Due from other special revenue funds	-	-	-	70,171	-	-	-	-	70,171	104,527
Due from capital projects funds	-	-	-	-	-	-	-	-	-	19,365
Due from other governments	-	-	250,900	1,197,416	150,871	5,241,915	57,103	-	6,898,205	3,908,833
Total assets	\$ -	6,695,018	1,342,029	1,797,965	578,287	5,547,313	4,635,867	-	20,596,479	24,333,622
<u>Liabilities and Fund Balances</u>										
Liabilities:										
Accounts payable	-	1,138,257	330,355	-	49,891	2,923,437	154,926	-	4,596,866	1,084,547
Accrued liabilities	-	-	615,177	600,611	35,169	-	49,510	-	1,300,467	678,923
Due to general fund	-	-	-	1,172,783	-	1,298,818	237,000	-	2,708,601	3,398,485
Due to other special revenue funds	-	-	-	-	-	70,171	-	-	70,171	104,527
Due to capital projects funds	-	-	-	-	-	1,205,678	-	-	1,205,678	1,621,374
Total liabilities	-	1,138,257	945,532	1,773,394	85,060	5,498,104	441,436	-	9,881,783	6,887,856
Fund balances:										
Reserved for encumbrances	-	-	967	-	37,017	1,375	377,041	-	416,400	717,827
Unreserved:										
Designated for subsequent years' expenditures	-	-	-	-	18,265	-	335,637	-	353,902	465,194
Undesignated	-	5,556,761	395,530	24,571	437,945	47,834	3,481,753	-	9,944,394	16,262,745
Total fund balances	-	5,556,761	396,497	24,571	493,227	49,209	4,194,431	-	10,714,696	17,445,766
Total liabilities and fund balances	\$ -	6,695,018	1,342,029	1,797,965	578,287	5,547,313	4,635,867	-	20,596,479	24,333,622

CITY OF PITTSBURGH, PENNSYLVANIA
SPECIAL REVENUE FUNDS

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative totals for December 31, 1988)

	Federal Revenue Sharing	Equipment Leasing Authority	Liquid Fuel Tax	CETA/JTPA	Law Enforcement	Housing	Civic and Cultural Enrichment	Nonresident Charges	Totals	
									1989	1988
Revenues:										
Interest earnings	\$ -	824,656	179,281	-	-	-	165,600	-	1,169,537	1,135,389
Rentals	-	-	-	-	-	-	-	-	-	45,822
Intergovernmental revenues	-	-	4,206,890	7,410,271	783,115	21,009,868	2,407,408	-	35,817,552	38,262,869
Charges for user services	-	-	-	-	-	-	2,131,374	-	2,131,374	1,967,740
Miscellaneous	-	-	-	-	-	-	4,000	-	4,000	154,417
Total revenues	-	824,656	4,386,171	7,410,271	783,115	21,009,868	4,708,382	-	39,122,463	41,566,237
Expenditures:										
Current operating:										
General government	-	286,749	-	-	-	6,286,108	1,211,913	-	7,784,770	17,241,239
Public safety	11,434	-	-	-	1,267,198	234,626	93,975	-	1,607,233	2,814,967
Public works	-	-	4,068,017	-	-	2,328,822	1,475,011	-	7,871,850	7,958,659
Sanitation	-	-	-	-	-	-	-	-	-	49,528
Community, recreation and cultural programs	-	-	-	-	-	1,324,838	2,108,091	-	3,432,929	2,773,635
Intergovernmental programs	-	-	-	8,368,710	-	11,581,272	74,667	-	20,024,649	12,999,896
Capital projects	-	6,860,484	-	-	-	-	-	-	6,860,484	6,456,296
Debt service	-	-	-	-	-	-	-	-	-	395,672
Total expenditures	11,434	7,147,233	4,068,017	8,368,710	1,267,198	21,755,666	4,963,657	-	47,581,915	50,689,892
Excess (deficiency) of revenues over expenditures	(11,434)	(6,322,577)	318,154	(958,439)	(484,083)	(745,798)	(255,275)	-	(8,459,452)	(9,123,655)
Other financing sources (uses):										
Bond sale proceeds	-	-	-	-	-	-	-	-	-	7,777,848
Proceeds from fixed asset dispositions	-	341,616	-	-	-	-	-	-	341,616	381,403
Operating transfers from other funds	-	2,412,615	-	880,529	414,377	799,119	335,000	-	4,841,640	5,577,270
Operating transfers between special revenue funds	-	-	-	70,171	-	(70,171)	-	-	-	-
Operating transfers to other funds	-	(1,563,386)	-	(265)	-	-	(427,341)	-	(1,990,992)	(5,428,815)
Total other financing sources (uses)	-	1,190,845	-	950,435	414,377	728,948	(92,341)	-	3,192,264	8,307,706
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11,434)	(5,131,732)	318,154	(8,004)	(69,706)	(16,850)	(347,616)	-	(5,267,188)	(815,949)
Fund balances, beginning of year	11,434	10,688,493	78,343	32,575	588,921	640,858	5,275,017	130,125	17,445,766	18,261,715
Equity transfers	-	-	-	-	(25,988)	(574,799)	(732,970)	(130,125)	(1,463,882)	-
Fund balances, end of year	\$ -	5,556,761	396,497	24,571	493,227	49,209	4,194,431	-	10,714,696	17,445,766

CITY OF PITTSBURGH, PENNSYLVANIA
FEDERAL REVENUE SHARING FUNDS

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ -	<u>11,434</u>
Total assets	<u>\$ -</u>	<u>11,434</u>
<u>Liabilities and Fund Balance</u>		
Fund balance:		
Undesignated	-	<u>11,434</u>
Total fund balance	<u>-</u>	<u>11,434</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>11,434</u>

CITY OF PITTSBURGH, PENNSYLVANIA
FEDERAL REVENUE SHARING FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

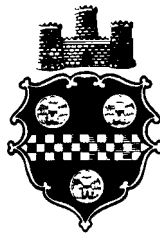
	<u>1989</u>	<u>1988</u>
Revenues:		
Interest earnings	\$ <u>-</u>	<u>11,844</u>
Total revenues	<u>-</u>	<u>11,844</u>
Expenditures:		
Public safety:		
Department of Public Safety:		
Bureau of Police	11,434	191,000
Miscellaneous	<u>-</u>	<u>317</u>
Total expenditures	<u>11,434</u>	<u>191,317</u>
Excess (deficiency) of revenues over expenditures	(11,434)	(179,473)
Fund balance, beginning of year	<u>11,434</u>	<u>190,907</u>
Fund balance, end of year	\$ <u>-</u>	<u>11,434</u>

CITY OF PITTSBURGH, PENNSYLVANIA
FEDERAL REVENUE SHARING FUNDS

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

For the Year Ended December 31, 1989
(with comparative actual amounts for the year ended December 31, 1988)

		1989		
		Revised budget	Actual	Variance favorable (unfavorable)
				1988 actual
Revenues:				
Interest earnings		\$ -	-	-
Total revenues		-	-	-
Expenditures:				
Public Safety:				
Department of Public Safety:				
Bureau of Police		5,000	11,434	(6,434)
Miscellaneous		-	-	-
Total expenditures		5,000	11,434	(6,434)
Excess (deficiency) of revenues over expenditures		(5,000)	(11,434)	(6,434)
Fund balance - budgetary basis, beginning of year		11,434	11,434	-
Fund balance - budgetary basis, end of year		\$ 6,434	-	(6,434)
Adjustments to generally accepted accounting principles (GAAP) basis:				
Cumulative difference between budgetary basis and GAAP basis, beginning of year			-	-
Net effect of GAAP basis recognition of revenues			-	-
Net effect of GAAP basis recognition of expenditures			-	-
Fund balance - GAAP basis, end of year			\$ -	11,434



CITY OF PITTSBURGH, PENNSYLVANIA
EQUIPMENT LEASING AUTHORITY

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 6,469,357	10,894,749
Accrued interest receivable	41,566	79,293
Due from general fund	<u>184,095</u>	<u>282,197</u>
Total assets	<u>\$ 6,695,018</u>	<u>11,256,239</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	1,138,257	567,746
Fund balance:		
Undesignated	<u>5,556,761</u>	<u>10,688,493</u>
Total fund balance	<u>5,556,761</u>	<u>10,688,493</u>
Total liabilities and fund balance	<u>\$ 6,695,018</u>	<u>11,256,239</u>

CITY OF PITTSBURGH, PENNSYLVANIA
EQUIPMENT LEASING AUTHORITY

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Interest earnings	\$ 824,656	821,356
Expenditures:		
Current operating - general government	286,749	225,831
Capital projects	6,860,484	6,456,296
Debt service	<u>-</u>	<u>395,672</u>
Total expenditures	<u>7,147,233</u>	<u>7,077,799</u>
Deficiency of revenues over expenditures	(6,322,577)	(6,256,443)
Other financing sources (uses):		
Bond sale proceeds	-	7,777,848
Proceeds from fixed asset dispositions	341,616	381,403
Operating transfers from other funds:		
General fund	2,325,139	4,494,220
Debt service funds	87,476	5,806
Operating transfers to other funds:		
Debt service funds	<u>(1,563,386)</u>	<u>(5,196,704)</u>
Total other financing sources	<u>1,190,845</u>	<u>7,462,573</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(5,131,732)	1,206,130
Fund balance, beginning of year	<u>10,688,493</u>	<u>9,482,363</u>
Fund balance, end of year	\$ <u>5,556,761</u>	<u>10,688,493</u>

CITY OF PITTSBURGH, PENNSYLVANIA
LIQUID FUEL TAX FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 1,089,696	834,043
Accrued interest receivable	1,433	1,243
Due from other governments	<u>250,900</u>	<u>-</u>
Total assets	<u>\$ 1,342,029</u>	<u>835,286</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	330,355	333,347
Accrued liabilities	<u>615,177</u>	<u>423,596</u>
Total liabilities	945,532	756,943
Fund balance:		
Reserved for encumbrances	967	4,292
Undesignated	<u>395,530</u>	<u>74,051</u>
Total fund balance	<u>396,497</u>	<u>78,343</u>
Total liabilities and fund balance	<u>\$ 1,342,029</u>	<u>835,286</u>

CITY OF PITTSBURGH, PENNSYLVANIA
LIQUID FUEL TAX FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Interest earnings	\$ 179,281	148,178
Intergovernmental revenues - state	<u>4,206,890</u>	<u>4,087,689</u>
Total revenues	4,386,171	4,235,867
Expenditures - Public Works	<u>4,068,017</u>	<u>4,281,129</u>
Excess (deficiency) of revenues over expenditures	318,154	(45,262)
Fund balance, beginning of year	<u>78,343</u>	<u>123,605</u>
Fund balance, end of year	<u>\$ 396,497</u>	<u>78,343</u>

CITY OF PITTSBURGH, PENNSYLVANIA
CETA/JTPA FUNDS

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 530,378	1,070,070
Due from housing funds	70,171	104,527
Due from other governments	<u>1,197,416</u>	<u>570,608</u>
Total assets	<u>\$ 1,797,965</u>	<u>1,745,205</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accrued liabilities	600,611	139,689
Due to general fund	<u>1,172,783</u>	<u>1,572,941</u>
Total liabilities	1,773,394	1,712,630
Undesignated fund balance	<u>24,571</u>	<u>32,575</u>
Total liabilities and fund balance	<u>\$ 1,797,965</u>	<u>1,745,205</u>

CITY OF PITTSBURGH, PENNSYLVANIA
CETA/JTPA FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Intergovernmental revenues - federal	\$ 7,410,271	6,042,484
Miscellaneous - private grant	<u>-</u>	<u>19,000</u>
	7,410,271	6,061,484
Expenditures - intergovernmental programs	<u>8,368,710</u>	<u>6,147,011</u>
Deficiency of revenues over expenditures	(958,439)	(85,527)
Other financing sources (uses):		
Operating transfers from housing funds	70,171	104,527
Operating transfers from general fund	880,529	-
Operating transfers to other funds	<u>(265)</u>	<u>-</u>
	<u>950,435</u>	<u>104,527</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(8,004)	19,000
Fund balance, beginning of year	<u>32,575</u>	<u>13,575</u>
Fund balance, end of year	\$ <u>24,571</u>	<u>32,575</u>

CITY OF PITTSBURGH, PENNSYLVANIA
LAW ENFORCEMENT FUNDS

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 427,416	497,570
Due from other governments	<u>150,871</u>	<u>585,928</u>
Total assets	<u>\$ 578,287</u>	<u>1,083,498</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	49,891	13,360
Accrued liabilities	35,169	47,488
Due to general fund	<u>-</u>	<u>433,729</u>
Total liabilities	85,060	494,577
Fund balance:		
Reserved for encumbrances	37,017	35,607
Designated for subsequent years' expenditures	18,265	13,760
Undesignated	<u>437,945</u>	<u>539,554</u>
Total fund balance	<u>493,227</u>	<u>588,921</u>
Total liabilities and fund balance	<u>\$ 578,287</u>	<u>1,083,498</u>

CITY OF PITTSBURGH, PENNSYLVANIA
LAW ENFORCEMENT FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Intergovernmental revenues - local	\$ 783,115	1,334,932
Miscellaneous	<u>-</u>	<u>1,030</u>
Total revenues	783,115	1,335,962
Expenditures - Public Safety	<u>1,267,198</u>	<u>1,186,010</u>
Excess (deficiency) of revenues over expenditures	(484,083)	149,952
Other financing sources - operating transfers from general fund	<u>414,377</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	(69,706)	149,952
Fund balance, beginning of year	588,921	438,969
Equity transfers	<u>(25,988)</u>	<u>-</u>
Fund balance, end of year	\$ <u>493,227</u>	<u>588,921</u>

CITY OF PITTSBURGH, PENNSYLVANIA
HOUSING FUNDS

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

<u>Assets</u>	<u>1989</u>	<u>1988</u>
Cash and short-term investments, at cost which approximates market	\$ 305,398	954,473
Due from capital projects funds	-	19,365
Due from other governments	<u>5,241,915</u>	<u>2,653,786</u>
Total assets	<u>\$ 5,547,313</u>	<u>3,627,624</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	2,923,437	106,050
Due to general fund	1,298,818	1,154,815
Due to CETA/JTPA funds	70,171	104,527
Due to capital projects funds	<u>1,205,678</u>	<u>1,621,374</u>
Total liabilities	5,498,104	2,986,766
Fund balance:		
Reserved for encumbrances	1,375	-
Undesignated fund balance	<u>47,834</u>	<u>640,858</u>
Total fund balance	<u>49,209</u>	<u>640,858</u>
Total liabilities and fund balance	<u>\$ 5,547,313</u>	<u>3,627,624</u>

CITY OF PITTSBURGH, PENNSYLVANIA
HOUSING FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Rentals	\$ -	45,822
Intergovernmental revenues - federal	21,009,868	24,482,654
Miscellaneous	<u>-</u>	<u>24,228</u>
Total revenues	<u>21,009,868</u>	<u>24,552,704</u>
Expenditures:		
Current operating:		
General government:		
Council and City Clerk's Office	1,588,205	1,949,761
Commission on Human Relations	23,368	7,400
Department of Finance	6,783	26,088
Department of Personnel and Civil Service		
Commission	355,653	303,625
Department of City Planning	4,312,099	11,830,545
Public safety - Bureau of Fire	234,626	845,984
Public works:		
Department of Public Works	213,992	33,737
Department of Land and Buildings	55,902	17,715
Department of Engineering and Construction	2,058,928	2,544,265
Sanitation - Department of Environmental		
Services	-	49,528
Community, recreation and cultural programs -		
Department of Parks and Recreation	1,324,838	633,044
Intergovernmental programs	<u>11,581,272</u>	<u>6,850,245</u>
Total expenditures	<u>21,755,666</u>	<u>25,091,937</u>
Excess (deficiency) of revenues over expenditures	(745,798)	(539,233)
Other financing sources (uses):		
Transfer from general fund	799,119	223,922
Transfer from capital projects fund	-	420,322
Transfer to CETA/JTPA funds	<u>(70,171)</u>	<u>(104,527)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(16,850)	484
Fund balance, beginning of year	640,858	640,374
Equity transfers to general fund	<u>(574,799)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 49,209</u>	<u>640,858</u>

CITY OF PITTSBURGH, PENNSYLVANIA
CIVIC AND CULTURAL ENRICHMENT FUNDS

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 4,077,328	5,032,195
Receivables:		
Accrued interest	165,600	154,011
Other	335,836	359,494
Due from other governments	<u>57,103</u>	<u>98,511</u>
Total assets	<u>\$ 4,635,867</u>	<u>5,644,211</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	154,926	64,044
Accrued liabilities	49,510	68,150
Due to general fund	<u>237,000</u>	<u>237,000</u>
Total liabilities	<u>441,436</u>	<u>369,194</u>
Fund balance:		
Reserved for encumbrances	377,041	677,928
Designated for subsequent years' expenditures	335,637	451,434
Undesignated	<u>3,481,753</u>	<u>4,145,655</u>
Total fund balance	<u>4,194,431</u>	<u>5,275,017</u>
Total liabilities and fund balance	<u>\$ 4,635,867</u>	<u>5,644,211</u>

CITY OF PITTSBURGH, PENNSYLVANIA
CIVIC AND CULTURAL ENRICHMENT FUNDS

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Interest earnings	\$ 165,600	154,011
Intergovernmental revenues:		
Federal	585,787	884,862
State	1,821,621	1,430,248
Charges for user services	2,131,374	1,956,886
Miscellaneous	<u>4,000</u>	<u>110,159</u>
Total revenues	<u>4,708,382</u>	<u>4,536,166</u>
Expenditures:		
Current operating:		
General government	1,211,913	2,897,989
Public safety - Bureaus of Police and Emergency Medical Services	93,975	565,835
Public works - Department of Public Works	1,475,011	1,081,813
Community, recreation and cultural programs - Department of Parks and Recreation	2,108,091	2,140,591
Intergovernmental programs	<u>74,667</u>	<u>2,640</u>
Total expenditures	<u>4,963,657</u>	<u>6,688,868</u>
Excess (deficiency) of revenues over expenditures	(255,275)	(2,152,702)
Other financing sources:		
Operating transfers from other funds:		
General fund	335,000	433,000
Operating transfers to other funds:		
General fund	(352,494)	(232,111)
Trust and agency	<u>(74,847)</u>	<u>-</u>
Total other financing sources	<u>(92,341)</u>	<u>200,889</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(347,616)	(1,951,813)
Fund balance, beginning of year	5,275,017	7,226,830
Equity transfers to general fund	<u>(732,970)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,194,431</u>	<u>5,275,017</u>

CITY OF PITTSBURGH, PENNSYLVANIA
NONRESIDENT CHARGES FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

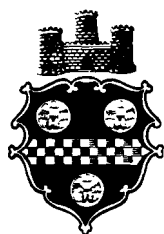
	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ -	<u>130,125</u>
Total assets	<u>\$ -</u>	<u>130,125</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities	<u>-</u>	<u>-</u>
Fund balance:		
Undesignated	<u>-</u>	<u>130,125</u>
Total fund balance	<u>-</u>	<u>130,125</u>
Total liabilities and fund balance	<u>\$ -</u>	<u>130,125</u>

CITY OF PITTSBURGH, PENNSYLVANIA
NONRESIDENT CHARGES FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues - charges for user services	\$ -	10,854
Expenditures - Public Safety	<u>-</u>	<u>25,821</u>
Deficiency of revenues over expenditures	-	(14,967)
Fund balance, beginning of year	130,125	145,092
Equity transfers	<u>(130,125)</u>	<u>-</u>
Fund balance, end of year	\$ <u>-</u>	<u>130,125</u>



DEBT SERVICE FUNDS

General Obligation - To 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 - To account for the payment of principal and interest on long-term debt issued by the Equipment Leasing Authority.

CITY OF PITTSBURGH, PENNSYLVANIA
DEBT SERVICE FUNDS

Combining Balance Sheet

December 31, 1989
(with comparative totals for December 31, 1988)

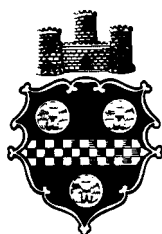
<u>Assets</u>	<u>General Obligation</u>	<u>Equipment Leasing Authority</u>	<u>Totals</u> <u>1989</u>	<u>1988</u>
Cash and short-term investments, at cost which approximates market	\$ 1,792,877	3,433,427	5,226,304	4,887,967
Accrued interest receivable	169,205	23,542	192,747	59,430
Due from general fund	-	-	-	28,875
Total assets	<u>\$ 1,962,082</u>	<u>3,456,969</u>	<u>5,419,051</u>	<u>4,976,272</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accrued interest and other payables	573,657	22,500	596,157	128,781
Accrued liabilities	<u>49,845</u>	<u>-</u>	<u>49,845</u>	<u>60,984</u>
Total liabilities	<u>623,502</u>	<u>22,500</u>	<u>646,002</u>	<u>189,765</u>
 Fund balances:				
Designated for debt service	<u>1,338,580</u>	<u>3,434,469</u>	<u>4,773,049</u>	<u>4,786,507</u>
Total liabilities and fund balances	<u>\$ 1,962,082</u>	<u>3,456,969</u>	<u>5,419,051</u>	<u>4,976,272</u>

CITY OF PITTSBURGH, PENNSYLVANIA
DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

	General <u>Obligation</u>	Equipment Leasing <u>Authority</u>	<u>Totals</u>	
			<u>1989</u>	<u>1988</u>
Revenues:				
Interest earnings	\$ 1,238,666	208,628	1,447,294	785,653
Expenditures:				
Current operating:				
Miscellaneous	1,347	-	1,347	1,286
Debt Service:				
Interest and fiscal charges	9,875,000	3,255,000	13,130,000	16,670,000
Principal retirement	22,219,742	1,459,847	23,679,589	24,336,405
Fiscal agent charges	<u>83,178</u>	<u>-</u>	<u>83,178</u>	<u>107,778</u>
Total expenditures	<u>32,179,267</u>	<u>4,714,847</u>	<u>36,894,114</u>	<u>41,115,469</u>
Deficiency of revenues over expenditures	(30,940,601)	(4,506,219)	(35,446,820)	(40,329,816)
Other financing sources (uses):				
Proceeds from escrow fund refinancing	-	-	-	207
Operating transfers from:				
General fund	29,094,742	4,653,545	33,748,287	31,627,822
Special revenue funds	-	1,563,386	1,563,386	5,196,704
Capital projects funds	209,166	-	209,166	742,930
Operating transfers to:				
Special revenue funds	<u>-</u>	<u>(87,477)</u>	<u>(87,477)</u>	<u>(5,806)</u>
Total other financing sources	<u>29,303,908</u>	<u>6,129,454</u>	<u>35,433,362</u>	<u>37,561,857</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(1,636,693)	1,623,235	(13,458)	(2,767,959)
Fund balances, beginning of year	<u>2,975,273</u>	<u>1,811,234</u>	<u>4,786,507</u>	<u>7,554,466</u>
Fund balances, end of year	\$ <u>1,338,580</u>	<u>3,434,469</u>	<u>4,773,049</u>	<u>4,786,507</u>



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, PENNSYLVANIA
CAPITAL PROJECTS FUNDS

Combining Balance Sheet

December 31, 1989
(with comparative totals for December 31, 1988)

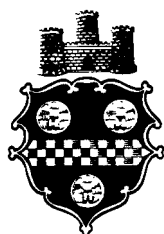
	Engineering and Construction	Water	Parks and Recreation	Public Works	General Services	Urban Redevelopment	Other	Totals	
								1989	1988
<u>Assets</u>									
Cash and short-term investments, at cost which approximates market	\$ 40,474,419	52,593	1,888,742	6,558,968	4,296,843	1,590,010	1,811,260	56,672,835	37,285,748
Intrafund receivable (payable)	-	-	-	828,790	-	-	(828,790)	-	-
Due from special revenue funds	-	-	-	-	-	-	1,205,678	1,205,678	1,621,374
Due from other governments	4,854,118	-	-	-	-	-	-	4,854,118	4,556,708
Total assets	\$ 45,328,537	52,593	1,888,742	7,387,758	4,296,843	1,590,010	2,188,148	62,732,631	43,463,830
<u>Liabilities and Fund Balances</u>									
Liabilities:									
Accounts payable	3,018,101	-	8,239	666,311	72,359	778,000	812,028	5,355,038	6,165,382
Retainage payable	1,189,695	-	-	29,149	-	-	-	1,218,844	328,699
Accrued liabilities	109,954	-	-	42,444	-	-	15,564	167,962	217,098
Due to special revenue funds	-	-	-	-	-	-	-	-	19,365
Total liabilities	4,317,750	-	8,239	737,904	72,359	778,000	827,592	6,741,844	6,730,544
Fund balances:									
Reserved for encumbrances	12,582,895	-	8,357	948,922	455,236	702,027	352,886	15,050,323	13,786,942
Designated for subsequent years' expenditures	28,427,892	52,593	1,872,146	5,700,932	3,769,248	109,983	1,007,670	40,940,464	22,946,344
Total fund balances	41,010,787	52,593	1,880,503	6,649,854	4,224,484	812,010	1,360,556	55,990,787	36,733,286
Total liabilities and fund balances	\$ 45,328,537	52,593	1,888,742	7,387,758	4,296,843	1,590,010	2,188,148	62,732,631	43,463,830

CITY OF PITTSBURGH, PENNSYLVANIA
CAPITAL PROJECTS FUNDS

Combining Statement of Revenues,
Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

	Engineering and Construction	Water	Parks and Recreation	Public Works	General Services	Urban Redevelopment	Other	Totals	
								1989	1988
Revenues:									
Intergovernmental revenues	\$ 14,201,046	-	-	-	-	-	-	14,201,046	8,780,209
Total revenues	14,201,046	-	-	-	-	-	-	14,201,046	8,780,209
Expenditures:									
Capital projects	35,847,985	-	510,786	8,977,151	2,685,026	2,543,477	1,035,838	51,600,263	42,296,934
Bond issuance cost	-	-	-	-	-	-	1,495,986	1,495,986	-
Total expenditures	35,847,985	-	510,786	8,977,151	2,685,026	2,543,477	2,531,824	53,096,249	42,296,934
Deficiency of revenues over expenditures	(21,646,939)	-	(510,786)	(8,977,151)	(2,685,026)	(2,543,477)	(2,531,824)	(38,895,203)	(33,516,725)
Other financing sources (uses):									
Bond proceeds	36,170,200	-	2,184,000	10,992,400	6,338,500	1,353,500	2,160,664	59,199,264	-
Operating transfers to:									
Special revenue funds	-	-	-	-	-	-	-	-	(420,322)
Debt service fund	-	-	-	-	-	(184,523)	(24,643)	(209,166)	(742,930)
Total other financing sources (uses)	36,170,200	-	2,184,000	10,992,400	6,338,500	1,168,977	2,136,021	58,990,098	(1,163,252)
Deficiency of revenues and other sources over expenditures and other uses	14,523,261	-	1,673,214	2,015,249	3,653,474	(1,374,500)	(395,803)	20,094,895	(34,679,977)
Fund balances, beginning of year	28,547,534	73,392	207,444	4,275,605	1,040,010	1,326,510	1,262,791	36,733,286	71,413,263
Equity transfers from (to) other funds	(2,060,008)	(20,799)	(155)	359,000	(469,000)	860,000	493,568	(837,394)	-
Fund balances, end of year	\$ 41,010,787	52,593	1,880,503	6,649,854	4,224,484	812,010	1,360,556	55,990,787	36,733,286



ENTERPRISE FUNDS

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 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, PENNSYLVANIA
ENTERPRISE FUNDS

Combining Balance Sheet - Assets

December 31, 1989
(with comparative totals for December 31, 1988)

	Water and Sewer <u>Authority</u>	Stadium <u>Authority</u>	<u>Totals</u> <u>1989</u> <u>1988</u>
Current assets:			
Cash and investments, at cost which approximates market	\$ 18,991,000	2,159,273	21,150,273 12,766,600
Accounts receivable, net of Water and Sewer Authority allowance for uncollectible accounts of \$15,992,558	11,371,000	255,042	11,626,042 13,208,146
Accrued interest	20,000	-	20,000 14,000
Prepaid expenses and other current assets	<u>48,000</u>	<u>189,548</u>	<u>237,548</u> <u>327,065</u>
Total current assets	<u>30,430,000</u>	<u>2,603,863</u>	<u>33,033,863</u> <u>26,315,811</u>
☞ Trusteed and restricted funds:			
Cash and investments, at cost which approximates market	125,407,000	1,164,595	126,571,595 145,860,043
Accounts receivable, net	-	679,501	679,501 1,015,112
Accrued interest	1,454,000	-	1,454,000 1,595,000
Deferred bond and financing expenses	<u>5,024,000</u>	<u>728,623</u>	<u>5,752,623</u> <u>6,870,436</u>
Total trusteed and restricted funds	<u>131,885,000</u>	<u>2,572,719</u>	<u>134,457,719</u> <u>155,340,591</u>
Property, plant and equipment:			
Stadium complex	-	52,576,990	52,576,990 50,938,704
Utility plant	60,638,000	-	60,638,000 40,067,000
Nonutility plant	1,409,000	-	1,409,000 1,207,000
Construction in process	<u>40,091,000</u>	<u>-</u>	<u>40,091,000</u> <u>37,757,000</u>
	102,138,000	52,576,990	154,714,990 129,969,704
Less accumulated depreciation	<u>5,798,000</u>	<u>18,726,620</u>	<u>24,524,620</u> <u>19,158,435</u>
Net property, plant and equipment	<u>96,340,000</u>	<u>33,850,370</u>	<u>130,190,370</u> <u>110,811,269</u>
Total assets	<u>\$ 258,655,000</u>	<u>39,026,952</u>	<u>297,681,952</u> <u>292,467,671</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
ENTERPRISE FUNDS

Combining Balance Sheet - Liabilities and Fund Equity

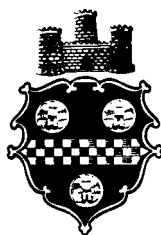
	Water and Sewer <u>Authority</u>	Stadium <u>Authority</u>	<u>Totals</u> <u>1989</u>	<u>1988</u>
Liabilities:				
Current liabilities:				
Accounts payable - contractor and accrued expenses	\$ -	2,222,188	2,222,188	-
Accounts payable	<u>55,000</u>	<u>508,694</u>	<u>563,694</u>	<u>503,878</u>
Total current liabilities	<u>55,000</u>	<u>2,730,882</u>	<u>2,785,882</u>	<u>503,878</u>
Current liabilities payable from trustee and restricted funds:				
Accounts payable	2,686,000	-	2,686,000	2,673,563
Accrued interest payable	4,501,000	1,562,442	6,063,442	6,117,268
Deferred revenue	-	1,274,635	1,274,635	1,231,141
Current portion of long-term debt	<u>-</u>	<u>1,695,000</u>	<u>1,695,000</u>	<u>1,600,000</u>
Total current liabilities payable from trustee and restricted funds	<u>7,187,000</u>	<u>4,532,077</u>	<u>11,719,077</u>	<u>11,621,972</u>
Long-term debt:				
Long-term debt, net of current portion	496,690,000	49,940,000	546,630,000	549,125,000
Less escrow funds	(230,980,000)	-	(230,980,000)	(230,106,000)
Less discount	<u>(13,728,000)</u>	<u>-</u>	<u>(13,728,000)</u>	<u>(14,477,000)</u>
Total long-term debt	<u>251,982,000</u>	<u>49,940,000</u>	<u>301,922,000</u>	<u>304,542,000</u>
Grants from the City of Pittsburgh	<u>-</u>	<u>4,311,353</u>	<u>4,311,353</u>	<u>345,525</u>
Total liabilities	<u>259,224,000</u>	<u>61,514,312</u>	<u>320,738,312</u>	<u>317,013,375</u>
Fund equity:				
Contributed capital:				
Restricted for construction purposes	-	7,398,631	7,398,631	7,398,631
Unrestricted	<u>5,277,000</u>	<u>-</u>	<u>5,277,000</u>	<u>5,277,000</u>
	5,277,000	7,398,631	12,675,631	12,675,631
Accumulated deficit	<u>(5,846,000)</u>	<u>(29,885,991)</u>	<u>(35,731,991)</u>	<u>(37,221,335)</u>
Total fund deficit	<u>(569,000)</u>	<u>(22,487,360)</u>	<u>(23,056,360)</u>	<u>(24,545,704)</u>
Total liabilities and fund equity	\$ <u>258,655,000</u>	<u>39,026,952</u>	<u>297,681,952</u>	<u>292,467,671</u>

CITY OF PITTSBURGH, PENNSYLVANIA
ENTERPRISE FUNDS

Combining Statement of Revenues, Expenses and
Changes in Accumulated Deficit

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

	Water and Sewer Authority	Stadium Authority	Totals	
			1989	1988
Operating revenues:				
Water charges	\$ 37,385,000	-	37,385,000	35,125,000
Rentals	-	2,853,008	2,853,008	2,358,319
Medallions	-	1,320,000	1,320,000	1,320,000
Stadium bond service charges	-	685,410	685,410	683,969
Concessions	-	1,393,104	1,393,104	861,009
Miscellaneous	-	443,772	443,772	473,975
Total operating revenues	37,385,000	6,695,294	44,080,294	40,822,272
Operating expenses:				
Salaries and wages	9,105,000	1,140,301	10,245,301	11,077,940
Utilities	3,363,000	707,792	4,070,792	3,545,153
Allocation of City indirect expenses	2,753,000	-	2,753,000	2,580,000
Depreciation and amortization	1,288,000	1,492,472	2,780,472	2,518,333
Purification chemicals	1,076,000	-	1,076,000	1,092,000
Payments to non-City water agencies	2,334,000	-	2,334,000	2,317,000
Repairs and maintenance	109,000	1,043,727	1,152,727	1,070,463
Insurance	-	365,791	365,791	718,379
Materials, supplies and rentals	881,000	-	881,000	738,000
Administrative and other operating expenses	475,000	861,813	1,336,813	1,400,805
Miscellaneous	1,113,000	-	1,113,000	1,566,000
Total operating expenses	22,497,000	5,611,896	28,108,896	28,624,073
Operating income	14,888,000	1,083,398	15,971,398	12,198,199
Nonoperating revenues (expenses):				
Interest income	9,245,000	289,130	9,534,130	7,036,525
Interest expense	(9,991,000)	(4,181,381)	(14,172,381)	(12,202,072)
Amortization of bond issue costs	(1,068,000)	-	(1,068,000)	(992,000)
Other	-	-	-	6,000
Loss on disposal of assets	-	(1,243,803)	(1,243,803)	-
Total nonoperating revenues (expenses)	(1,814,000)	(5,136,054)	(6,950,054)	(6,151,547)
Income (loss) before operating transfers	13,074,000	(4,052,656)	9,021,344	6,046,652
Operating transfers to general fund	(7,532,000)	-	(7,532,000)	(7,294,000)
Net income (loss)	5,542,000	(4,052,656)	1,489,344	(1,247,348)
Accumulated deficit, beginning of year	(11,388,000)	(25,833,335)	(37,221,335)	(35,973,987)
Accumulated deficit, end of year	\$ (5,846,000)	(29,885,991)	(35,731,991)	(37,221,335)



CITY OF PITTSBURGH, PENNSYLVANIA
ENTERPRISE FUNDS

Combining Statement of Cash Flows

For the Year Ended December 31, 1989
(Increase (Decrease) in Cash and Cash Equivalents)

	<u>Water and Sewer Authority</u>	<u>Stadium Authority</u>	<u>Total</u>
Cash flows from operating activities:			
Operating income	\$ 14,888,000	1,083,398	15,971,398
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Depreciation and amortization	<u>1,288,000</u>	<u>1,492,472</u>	<u>2,780,472</u>
	16,176,000	2,575,870	18,751,870
Change in operating assets and liabilities:			
Accounts receivable	806,000	1,111,715	1,917,715
Prepaid expenses	-	50,517	50,517
Other current assets	39,000	-	39,000
Accounts payable and accrued expenses	23,000	2,251,441	2,274,441
Accrued interest payable	-	(39,826)	(39,826)
Deferred revenue	-	43,494	43,494
Other	<u>(49,000)</u>	<u>-</u>	<u>(49,000)</u>
Net cash provided by (used in) operating activities	16,995,000	5,993,211	22,988,211
Cash flows from investing activities:			
Interest earnings	-	289,130	289,130
Interest earnings on restricted funds	26,481,000	-	26,481,000
Purchase of investment securities	(105,181,000)	-	(105,181,000)
Proceeds from sale and maturities of investment securities	92,211,000	-	92,211,000
Restricted cash and investments	<u>-</u>	<u>(81,552)</u>	<u>(81,552)</u>
Net cash provided by (used in) investing activities	13,511,000	207,578	13,718,578

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
ENTERPRISE FUNDS

Combining Statement of Cash Flows

For the Year Ended December 31, 1989
(Increase (Decrease) in Cash and Cash Equivalents)

	<u>Water and Sewer Authority</u>	<u>Stadium Authority</u>	<u>Total</u>
Cash flows from noncapital financing activities:			
Principal payment related to noncapital funds	\$ (64,000)	-	(64,000)
Interest payments related to noncapital funds	<u>(1,054,000)</u>	<u>-</u>	<u>(1,054,000)</u>
	(1,118,000)	-	(1,118,000)
Cash flows from capital and related financing activities:			
Payments to the City of Pittsburgh	(7,532,000)	-	(7,532,000)
Grants from the City of Pittsburgh	-	3,965,828	3,965,828
Principal payments related to capital funds	(736,000)	(1,600,000)	(2,336,000)
Interest payments related to capital funds	(31,583,000)	(4,181,381)	(35,764,381)
Additions to stadium complex	-	(3,206,563)	(3,206,563)
Acquisition and construction of capital assets	<u>(20,126,000)</u>	<u>-</u>	<u>(20,126,000)</u>
Net cash used in financing activities	<u>(59,977,000)</u>	<u>(5,022,116)</u>	<u>(64,999,116)</u>
Net increase (decrease) in cash and cash equivalents	(30,589,000)	1,178,673	(29,410,327)
Cash and cash equivalents at beginning of year	<u>85,261,000</u>	<u>980,600</u>	<u>86,241,600</u>
Cash and cash equivalents at end of year \$	<u>54,672,000</u>	<u>2,159,273</u>	<u>56,831,273</u>

TRUST AND AGENCY FUNDS

Pension Trust:

Comprehensive Board - To account for the investment and financing activities of the City's three pension plans.

Municipal Plan - 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 Plan - 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 Plan - 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.

Retirees' 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.

Meter Installation Program - To account for the receipt of monies from the Pittsburgh Water and Sewer Authority for the Department of Water's remote meter installation program.

Retirement Benefits - To account for assets accumulated for future reduction of the unfunded pension liability.

Agency Funds:

Employee Benefits - 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 - To account for the collection and payment of various payroll taxes withheld from and on behalf of City employees.

Parking Meter - 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 - To account for the City's liabilities for services rendered for which the City is unable to locate the payees. Liabilities unclaimed after seven years escheat to the Commonwealth.

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

Other - To account for miscellaneous monies not classified in other agency funds.

CITY OF PITTSBURGH, PENNSYLVANIA
TRUST AND AGENCY FUNDS

Combining Balance Sheet

December 31, 1989
(with comparative totals for December 31, 1988)

Assets	Pension Trust Funds					Expendable Trust Funds					Agency Funds	Totals	
	Comprehensive Board	Municipal Plan	Police Plan	Fire Plan	Retirees' Trust	Gifts and Donations	Workers' Compensation	Parks Endowments	Meter Installation Program	Retirement benefits		1989	1988
Cash and short-term investments, at cost which approximates market	\$ 81,492,916	18,716	89,998	35,165	972,166	433,947	4,590,378	303,054	89,000	17,081,859	17,350,529	122,457,728	106,034,921
Contributions receivable - participants	-	-	-	-	-	-	-	-	-	-	-	-	204,694
Accrued interest and dividends receivable	620,340	-	-	-	674	-	32,588	-	-	331,927	1,125	986,654	856,958
Due from General Fund	-	-	-	-	-	-	-	-	-	-	2,100,000	2,100,000	3,625,584
Due from Comprehensive Board	-	-	-	-	-	-	-	-	-	-	-	-	940,000
Total assets	\$ 82,113,256	18,716	89,998	35,165	972,840	433,947	4,622,966	303,054	89,000	17,413,786	19,451,654	125,544,382	111,662,157
Liabilities and Fund Balances													
Liabilities:													
Cash overdraft	-	-	-	-	-	-	-	-	-	-	-	-	779,579
Accrued liabilities & other payables	-	16,840	9,133	4,525	-	30,502	-	22,514	37,025	-	5,249,165	5,369,704	6,522,885
Deferred compensation payable	-	-	-	-	-	-	-	-	-	-	12,244,933	12,244,933	9,370,787
Due to General Fund	-	-	-	-	-	-	-	-	-	-	1,246,963	1,246,963	2,149,243
Due to Police Plan	-	-	-	-	-	-	-	-	-	-	-	-	940,000
Deposits held in trust	-	-	-	-	-	-	-	-	-	-	710,593	710,593	469,494
Total liabilities	-	16,840	9,133	4,525	-	30,502	-	22,514	37,025	-	19,451,654	19,572,193	20,231,988
Fund balances:													
Reserved for encumbrances	-	-	-	-	-	70,195	-	812	73	-	-	71,080	-
Reserved for endowments	-	-	-	-	-	-	-	279,728	-	-	-	279,728	266,269
Reserved for employee benefits	82,113,256	1,876	80,865	30,640	972,840	-	4,622,966	-	-	17,413,786	-	105,236,229	90,655,115
Designated for subsequent years' expenditures	-	-	-	-	-	15,244	-	-	-	-	-	15,244	-
Undesignated	-	-	-	-	-	318,006	-	-	51,902	-	-	369,908	508,785
Total fund balances	82,113,256	1,876	80,865	30,640	972,840	403,445	4,622,966	280,540	51,975	17,413,786	-	105,972,189	91,430,169
Total liabilities and fund balances	\$ 82,113,256	18,716	89,998	35,165	972,840	433,947	4,622,966	303,054	89,000	17,413,786	19,451,654	125,544,382	111,662,157

CITY OF PITTSBURGH, PENNSYLVANIA
PENSION TRUST FUNDS

Combining Statement of Revenues,
Expenses and Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

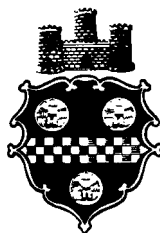
	Comprehensive Board	Municipal Plan	Police Plan	Fire Plan	Retirees' Trust	Totals	
						1989	1988
Operating revenues:							
Contributions:							
Participants	\$ 7,768,983	227,824	36,703	26,886	-	8,060,396	7,253,291
Employer	8,602,082	-	40,500	156,000	300,000	9,098,582	17,175,798
State	<u>28,377,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,377,352</u>	<u>28,169,898</u>
Total contributions	44,748,417	227,824	77,203	182,886	300,000	45,536,330	52,598,987
Investment income:							
Gains (losses) on security transactions	1,021,402	-	-	-	-	1,021,402	(754,597)
Interest and dividends	<u>4,899,879</u>	<u>113</u>	<u>7,727</u>	<u>6,883</u>	<u>77,110</u>	<u>4,991,712</u>	<u>3,732,299</u>
Total investment income	5,921,281	113	7,727	6,883	77,110	6,013,114	2,977,702
Miscellaneous	-	-	-	990	-	990	27,811
Total operating revenues	50,669,698	227,937	84,930	190,759	377,110	51,550,434	55,604,500
Operating expenses:							
Benefit payments	-	14,229,995	11,941,776	9,688,617	-	35,860,388	33,219,139
Administrative expenses	340,679	157,273	156,146	93,763	-	747,861	415,703
Fees for professional services	<u>293,827</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,827</u>	<u>241,042</u>
Total operating expenses	634,506	14,387,268	12,097,922	9,782,380	-	36,902,076	33,875,884
Net income (loss) before operating transfers	50,035,192	(14,159,331)	(12,012,992)	(9,591,621)	377,110	14,648,358	21,728,616
Operating transfers between pension funds	<u>(35,188,456)</u>	<u>14,143,000</u>	<u>12,048,194</u>	<u>9,593,000</u>	<u>(595,738)</u>	<u>-</u>	<u>-</u>
Net income (loss)	14,846,736	(16,331)	35,202	1,379	(218,628)	14,648,358	21,728,616
Fund balances, beginning of year	67,266,520	18,207	45,663	29,261	1,191,468	68,551,119	63,528,908
Equity transfers between funds	-	-	-	-	-	-	(16,706,405)
Fund balances, end of year	<u>\$ 82,113,256</u>	<u>1,876</u>	<u>80,865</u>	<u>30,640</u>	<u>972,840</u>	<u>83,199,477</u>	<u>68,551,119</u>

CITY OF PITTSBURGH, PENNSYLVANIA
EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative totals for the year ended December 31, 1988)

	Gifts and Donations	Workers' Compensation	Parks Endowments	Meter Installation Program	Retirement benefits	Totals	
						1989	1988
Revenues:							
Interest earnings	\$ -	396,087	480,987	-	1,221,893	2,098,967	1,897,053
Charges for user services	292,538	-	-	633,573	-	926,111	302,722
Donations	209,291	-	-	-	-	209,291	108,083
Other	264,118	-	2,788	-	8,642	275,548	332,724
Total revenues	765,947	396,087	483,775	633,573	1,230,535	3,509,917	2,640,582
Expenditures - current operating:							
Community, recreation and cultural programs:							
Community activities	572,204	-	-	-	-	572,204	322,068
School services	115,576	-	-	-	-	115,576	135,573
Parks and recreation	121,823	-	469,504	-	-	591,327	538,463
Meter installation	-	-	-	714,888	-	714,888	66,710
Miscellaneous	-	9,717	-	-	82,067	91,784	18,688
Total expenditures	809,603	9,717	469,504	714,888	82,067	2,085,779	1,081,502
Excess of revenues over expenditures	(43,656)	386,370	14,271	(81,315)	1,148,468	1,424,138	1,559,080
Other financing sources (uses):							
Operating transfers from other funds:							
Special revenues	74,847	-	-	-	-	74,847	-
General Fund	-	-	-	-	3,397,918	3,397,918	-
Operating transfers to other funds:							
General Fund	-	-	-	-	(5,000,000)	(5,000,000)	-
Total other financing sources (uses)	74,847	-	-	-	(1,602,082)	(1,527,235)	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	31,191	386,370	14,271	(81,315)	(453,614)	(103,097)	1,559,080
Fund balances, beginning of year	375,495	4,236,596	266,269	133,290	17,867,400	22,879,050	4,413,565
Equity transfer in	(3,241)	-	-	-	-	(3,241)	16,906,405
Fund balances, end of year	\$ 403,445	4,622,966	280,540	51,975	17,413,786	22,772,712	22,879,050



CITY OF PITTSBURGH, PENNSYLVANIA
GIFTS AND DONATIONS TRUST FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ <u>433,947</u>	<u>440,495</u>
Total assets	\$ <u>433,947</u>	<u>440,495</u>
 <u>Liabilities and Fund Balances</u>		
Liabilities:		
Accrued liabilities	30,502	-
Due to general fund	<u>-</u>	<u>65,000</u>
Total liabilities	<u>30,502</u>	<u>65,000</u>
 Fund balances:		
Reserved for encumbrances	70,195	-
Designated for subsequent years' expenditures	15,244	-
Undesignated	<u>318,006</u>	<u>375,495</u>
Total fund balances	<u>403,445</u>	<u>375,495</u>
 Total liabilities and fund balances	\$ <u>433,947</u>	<u>440,495</u>

CITY OF PITTSBURGH, PENNSYLVANIA
GIFTS AND DONATIONS TRUST FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Registration fees	\$ 292,538	302,722
Donations	209,291	108,083
Other	<u>264,118</u>	<u>319,972</u>
Total revenues	<u>765,947</u>	<u>730,777</u>
Expenditures - current operating:		
Community, recreation and cultural programs:		
Community activities	572,204	322,068
School services	115,576	135,573
Parks and recreation	<u>121,823</u>	<u>124,676</u>
Total expenditures	<u>809,603</u>	<u>582,317</u>
Excess (deficiency) of revenues over expenditures	(43,656)	148,460
Other financing sources (uses):		
Operating transfer from other funds:		
Special revenue	74,847	-
General fund	-	-
Operating transfer to other funds:		
General fund	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>74,847</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	31,191	148,460
Fund balances, beginning of year	375,495	227,035
Equity transfers	<u>(3,241)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 403,445</u>	<u>375,495</u>

CITY OF PITTSBURGH, PENNSYLVANIA
WORKERS' COMPENSATION TRUST FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 4,590,378	4,163,068
Accrued interest receivable	<u>32,588</u>	<u>73,528</u>
Total assets	<u>\$ 4,622,966</u>	<u>4,236,596</u>
 <u>Fund Balance</u>		
Fund balance - reserved for employee benefits	<u>4,622,966</u>	<u>4,236,596</u>
Total fund balance	<u>\$ 4,622,966</u>	<u>4,236,596</u>

CITY OF PITTSBURGH, PENNSYLVANIA
WORKERS' COMPENSATION TRUST FUND

Statement of Revenues, Expenditures
and Changes in Fund Balance

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Interest earnings	\$ 396,087	280,286
Expenditures - current operating:		
Trustee fee	<u>9,717</u>	<u>14,875</u>
Excess of revenues over expenditures	386,370	265,411
Fund balance, beginning of year	<u>4,236,596</u>	<u>3,971,185</u>
Fund balance, end of year	<u>\$ 4,622,966</u>	<u>4,236,596</u>

CITY OF PITTSBURGH, PENNSYLVANIA
PARKS ENDOWMENTS TRUST FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ <u>303,054</u>	<u>280,360</u>
Total assets	\$ <u>303,054</u>	<u>280,360</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accrued liabilities	<u>22,514</u>	<u>14,091</u>
Total liabilities	<u>22,514</u>	<u>14,091</u>
Fund balances:		
Reserved for encumbrances	812	-
Reserved for endowments	<u>279,728</u>	<u>266,269</u>
Total fund balances	<u>280,540</u>	<u>266,269</u>
Total liabilities and fund balances	\$ <u>303,054</u>	<u>280,360</u>

CITY OF PITTSBURGH, PENNSYLVANIA
PARKS ENDOWMENTS TRUST FUND

Statement of Revenues, Expenditures
and Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Interest on bonds	\$ 4,320	4,320
Endowment income	476,667	450,000
Other	<u>2,788</u>	<u>10,391</u>
Total revenues	483,775	464,711
Expenditures - current operating:		
Community, recreation and cultural programs:		
Frick Park/Oliver Bath House	<u>469,504</u>	<u>413,787</u>
Excess of revenues over expenditures	14,271	50,924
Fund balances, beginning of year	<u>266,269</u>	<u>215,345</u>
Fund balances, end of year	<u>\$ 280,540</u>	<u>266,269</u>

CITY OF PITTSBURGH, PENNSYLVANIA
METER INSTALLATION PROGRAM TRUST FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ <u>89,000</u>	<u>133,290</u>
Total assets	\$ <u>89,000</u>	<u>133,290</u>
 <u>Liabilities and Fund Balances</u>		
Liabilities:		
Accrued liabilities	<u>37,025</u>	<u>-</u>
Total liabilities	<u>37,025</u>	<u>-</u>
Fund balances:		
Reserved for encumbrances	73	-
Unreserved:		
Undesignated	<u>51,902</u>	<u>133,290</u>
Total fund balances	<u>51,975</u>	<u>133,290</u>
Total liabilities and fund balances	\$ <u>89,000</u>	<u>133,290</u>

CITY OF PITTSBURGH, PENNSYLVANIA
METER INSTALLATION PROGRAM TRUST FUND

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1989
(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Charges for user services	\$ <u>633,573</u>	<u>-</u>
Total revenues	633,573	-
Expenditures - current operating:		
Meter installation	<u>714,888</u>	<u>66,710</u>
Total expenditures	<u>714,888</u>	<u>66,710</u>
Deficiency of revenues over expenditures	(81,315)	(66,710)
Other financing sources (uses):		
Operating transfer from general fund	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Deficiency of revenues and other sources over expenditures and other uses	(81,315)	(66,710)
Fund balances, beginning of year	133,290	-
Equity transfers	<u>-</u>	<u>200,000</u>
Fund balances, end of year	<u>\$ 51,975</u>	<u>133,290</u>

CITY OF PITTSBURGH, PENNSYLVANIA
RETIREMENT BENEFITS TRUST FUND

Balance Sheet

December 31, 1989
(with comparative amounts for December 31, 1988)

	<u>1989</u>	<u>1988</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 17,081,859	17,472,810
Accrued interest receivable	<u>331,927</u>	<u>394,590</u>
Total assets	<u>\$ 17,413,786</u>	<u>17,867,400</u>
 <u>Fund Balance</u>		
Fund balance - reserved for employee benefits	<u>17,413,786</u>	<u>17,867,400</u>
Total fund balance	<u>\$ 17,413,786</u>	<u>17,867,400</u>

CITY OF PITTSBURGH, PENNSYLVANIA
RETIREMENT BENEFITS TRUST FUND

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended December 31, 1989

(with comparative amounts for the year ended December 31, 1988)

	<u>1989</u>	<u>1988</u>
Revenues:		
Interest earnings	\$ 1,221,893	1,162,447
Other	<u>8,642</u>	<u>2,361</u>
Total revenues	1,230,535	1,164,808
Expenditures - current operating:		
Miscellaneous	<u>82,067</u>	<u>3,813</u>
Excess of revenues over expenditures	1,148,468	1,160,995
Other financing sources (uses):		
Operating transfer from general fund	3,397,918	-
Operating transfer to general fund	<u>(5,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,602,082)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(453,614)	1,160,995
Fund balance, beginning of year	17,867,400	-
Equity transfer	<u>-</u>	<u>16,706,405</u>
Fund balance, end of year	<u>\$ 17,413,786</u>	<u>17,867,400</u>

CITY OF PITTSBURGH, PENNSYLVANIA
AGENCY FUNDS

Combining Balance Sheet

December 31, 1989
(with comparative totals for December 31, 1988)

	<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>1989</u>	<u>1988</u>
<u>Assets</u>								
Cash and short-term investments, at cost which approximates market	\$ 12,885,209	1,033,606	1,517	368,709	1,507,926	1,553,562	17,350,529	14,664,722
Accrued interest and dividends receivable	-	1,125	-	-	-	-	1,125	-
Due from general fund	<u>2,100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,100,000</u>	<u>3,625,584</u>
Total assets	<u>\$ 14,985,209</u>	<u>1,034,731</u>	<u>1,517</u>	<u>368,709</u>	<u>1,507,926</u>	<u>1,553,562</u>	<u>19,451,654</u>	<u>18,290,306</u>
<u>Liabilities</u>								
Accrued liabilities	2,740,276	534,608	-	368,709	393,135	1,212,437	5,249,165	6,480,640
Deferred compensation payable	12,244,933	-	-	-	-	-	12,244,933	9,255,929
Due to general fund	-	500,123	1,517	-	745,323	-	1,246,963	2,084,243
Deposits held in trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,468</u>	<u>341,125</u>	<u>710,593</u>	<u>469,494</u>
Total liabilities	<u>\$ 14,985,209</u>	<u>1,034,731</u>	<u>1,517</u>	<u>368,709</u>	<u>1,507,926</u>	<u>1,553,562</u>	<u>19,451,654</u>	<u>18,290,306</u>

CITY OF PITTSBURGH, PENNSYLVANIA
AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities

For the Year Ended December 31, 1989

	Balance January 1, 1989	<u>Additions</u>	<u>Deductions</u>	Balance December 31, 1989
<u>Employee Benefits</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ 9,964,977	32,129,927	(29,209,695)	12,885,209
Due from general fund	<u>3,625,584</u>	<u>2,100,000</u>	<u>(3,625,584)</u>	<u>2,100,000</u>
Total	<u>\$ 13,590,561</u>	<u>34,229,927</u>	<u>(32,835,279)</u>	<u>14,985,209</u>
<u>Liabilities</u>				
Accrued liabilities	4,334,632	29,793,205	(31,387,561)	2,740,276
Deferred compensation payable	<u>9,255,929</u>	<u>4,436,722</u>	<u>(1,447,718)</u>	<u>12,244,933</u>
Total	<u>\$ 13,590,561</u>	<u>34,229,927</u>	<u>(32,835,279)</u>	<u>14,985,209</u>
<u>Payroll Withholding</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	1,114,857	9,509,447	(9,590,698)	1,033,606
Accrued interest receivable	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>1,125</u>
Total	<u>\$ 1,114,857</u>	<u>9,510,572</u>	<u>(9,590,698)</u>	<u>1,034,731</u>
<u>Liabilities</u>				
Accrued liabilities	550,043	9,490,249	(9,505,684)	534,608
Due to general fund	<u>564,814</u>	<u>20,323</u>	<u>(85,014)</u>	<u>500,123</u>
Total	<u>\$ 1,114,857</u>	<u>9,510,572</u>	<u>(9,590,698)</u>	<u>1,034,731</u>
<u>Parking Meter</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>1,517</u>	<u>-</u>	<u>-</u>	<u>1,517</u>
<u>Liabilities</u>				
Due to general fund	<u>-</u>	<u>1,517</u>	<u>-</u>	<u>1,517</u>
Accrued liabilities	<u>1,517</u>	<u>-</u>	<u>(1,517)</u>	<u>-</u>
Total	<u>\$ 1,517</u>	<u>1,517</u>	<u>(1,517)</u>	<u>1,517</u>

CITY OF PITTSBURGH, PENNSYLVANIA
AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities
(Continued)

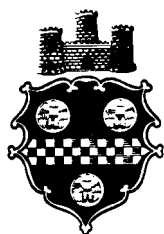
	Balance January 1, <u>1989</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1989</u>
<u>Unclaimed Liabilities</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>349,741</u>	<u>29,254</u>	<u>(10,286)</u>	<u>368,709</u>
<u>Liabilities</u>				
Accrued liabilities	\$ <u>349,741</u>	<u>29,254</u>	<u>(10,286)</u>	<u>368,709</u>
<u>Deposit</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>2,232,280</u>	<u>1,598,534</u>	<u>(2,322,888)</u>	<u>1,507,926</u>
<u>Liabilities</u>				
Accrued liabilities	270,663	1,183,726	(1,061,254)	393,135
Due to general fund	1,519,429	215	(774,321)	745,323
Deposits held in trust	<u>442,188</u>	<u>414,593</u>	<u>(487,313)</u>	<u>369,468</u>
Total	\$ <u>2,232,280</u>	<u>1,598,534</u>	<u>(2,322,888)</u>	<u>1,507,926</u>
<u>Other</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>1,001,350</u>	<u>1,199,220</u>	<u>(647,008)</u>	<u>1,553,562</u>
<u>Liabilities</u>				
Accrued liabilities	974,044	885,401	(647,008)	1,212,437
Deposits held in trust	<u>27,306</u>	<u>313,819</u>	<u>-</u>	<u>341,125</u>
Total	\$ <u>1,001,350</u>	<u>1,199,220</u>	<u>(647,008)</u>	<u>1,553,562</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
AGENCY FUNDS

Combining Statement of Changes in Assets and Liabilities
(Continued)

	Balance January 1, <u>1989</u>	<u>Additions</u>	<u>Deductions</u>	Balance December 31, <u>1989</u>
<u>Total Agency Funds</u>				
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ 14,664,722	44,466,382	(41,780,575)	17,350,529
Accrued interest receivable	-	1,125	-	1,125
Due from general fund	<u>3,625,584</u>	<u>2,100,000</u>	<u>(3,625,584)</u>	<u>2,100,000</u>
Total	<u>\$ 18,290,306</u>	<u>46,567,507</u>	<u>(45,406,159)</u>	<u>19,451,654</u>
<u>Liabilities</u>				
Accrued liabilities	6,480,640	41,381,835	(42,613,310)	5,249,165
Deferred compensation payable	9,255,929	4,436,722	(1,447,718)	12,244,933
Due to general fund	2,084,243	22,055	(859,335)	1,246,963
Deposits held in trust	<u>469,494</u>	<u>728,412</u>	<u>(487,313)</u>	<u>710,593</u>
Total	<u>\$ 18,290,306</u>	<u>46,569,024</u>	<u>(45,407,676)</u>	<u>19,451,654</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, PENNSYLVANIA

Statement of General Long-Term Debt

December 31, 1989
(with comparative amounts for December 31, 1988)

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

	<u>1989</u>	<u>1988</u>
Amount available in Debt Service Funds for retirement of bonds	\$ 4,773,049	4,786,507
Amount to be provided for retirement of bonds	417,864,451	371,310,993
Amount to be provided for capital lease obligations	8,138,767	4,500,080
Amount to be provided for deferred loan	1,704,000	1,278,000
Amount to be provided for accrued pension costs	204,787,000	202,093,000
Amount to be provided for accrued workers' compensation	58,590,000	55,800,000
Amount to be provided for accrued compensated absences	<u>454,000</u>	<u>1,510,000</u>
Total available and to be provided	<u>\$ 696,311,267</u>	<u>641,278,580</u>

GENERAL LONG-TERM DEBT PAYABLE

General obligation bonds payable	\$ 395,125,000	345,000,000
Revenues bonds payable	<u>27,512,500</u>	<u>31,097,500</u>
Total bonds payable	422,637,500	376,097,500
Capital lease obligations	8,138,767	4,500,080
Deferred loan	1,704,000	1,278,000
Accrued pension costs	204,787,000	202,093,000
Accrued workers' compensation	58,590,000	55,800,000
Accrued compensated absences	<u>454,000</u>	<u>1,510,000</u>
Total long-term debt payable	<u>\$ 696,311,267</u>	<u>641,278,580</u>

CITY OF PITTSBURGH, PENNSYLVANIA
General Fund Revenues and Other Financing Sources by Source

Last Ten Fiscal Years

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
Taxes, including penalty and interest	\$ 220,733,176	225,303,400	212,491,390	201,486,056	195,095,648	186,278,049	181,961,947	172,142,527	131,858,115	121,381,978
Interest earnings	7,648,576	6,832,810	8,065,671	6,299,898	8,438,042	9,125,601	8,441,351	13,068,409	10,887,647	5,729,673
Fines and forfeits	4,392,875	4,666,658	4,969,702	4,133,933	4,144,328	3,663,380	3,444,931	3,033,743	2,538,125	2,468,208
Licenses and fees	11,562,149	10,564,605	8,706,790	5,596,569	6,850,083	5,815,238	5,210,961	4,528,620	4,081,775	3,619,939
Pittsburgh Zoo receipts	1,479,290	1,155,505	1,167,294	1,225,863	1,207,777	1,537,250	921,370	557,487	562,823	615,962
Enterprise Funds administrative charge	-	-	-	-	-	500,000	1,200,000	1,000,000	960,000	-
Intergovernmental revenues	4,722,865	3,417,510	3,417,944	3,309,692	3,413,238	4,209,127	2,606,464	3,041,376	4,489,599	7,615,545
Miscellaneous	1,279,681	1,855,155	2,345,831	1,751,825	2,174,894	2,601,309	2,625,134	2,357,944	1,974,782	1,961,388
Other financing sources:										
Bond sale and capital lease										
obligation proceeds	1,691,443	4,315,820	977,234	3,003,747	6,010,000	3,750,000	-	-	-	-
Deferred loan proceeds	426,000	426,000	426,000	-	-	-	-	-	-	-
Operating transfers from:										
Special revenue funds	352,760	232,111	-	-	-	-	-	-	281,870	-
Debt service funds	-	-	-	-	-	-	-	-	7,000,000	-
Capital projects funds	-	-	349	-	-	-	-	-	930,899	229,442
Enterprise funds	7,532,000	7,294,000	4,092,000	5,461,000	4,813,000	5,056,847	1,837,303	1,294,752	842,779	1,931,980
Trust and agency funds	-	-	-	-	-	-	-	-	-	-
Special assessment funds	-	-	-	1,777	-	12,780	9,157	12,313	5,852	14,860
Trust funds	5,000,000	-	-	-	-	-	-	-	-	-
Retirement of advance to Stadium Authority	-	-	5,657,303	-	-	-	-	-	-	-
Total revenues and other financing sources	\$ 266,820,815	266,063,574	252,317,508	232,270,360	232,147,010	222,549,581	208,258,618	201,037,171	166,414,266	145,568,975

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund Expenditures and Operating Transfers by Function

Last Ten Fiscal Years

	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>1986</u>	<u>1985</u>	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
General government	\$ 15,646,592	19,591,224	17,659,717	19,389,491	14,685,693	14,035,464	14,064,887	10,560,446	10,075,205	10,248,529
Public safety	100,663,810	96,652,207	89,262,852	79,525,777	66,204,153	61,379,491	57,451,074	54,044,555	48,061,086	42,784,605
Public works	26,692,698	31,703,859	26,831,589	28,160,219	25,660,320	27,217,516	27,505,350	26,861,399	27,684,452	24,379,118
Sanitation	14,186,732	12,613,068	12,699,780	12,541,140	11,165,311	10,711,676	11,487,646	10,664,661	11,703,495	11,453,340
Community, recreation and cultural programs	18,848,251	18,207,873	17,770,880	38,402,332	23,395,370	20,684,765	16,593,205	15,132,060	13,563,804	12,726,708
Employee benefits and other	42,566,932	47,202,907	38,626,301	36,154,195	45,819,670	56,449,024	45,784,152	42,158,523*	34,847,156*	32,696,004*
Claims and judgments	646,903	390,907	788,318	405,043	478,392	398,201	1,296,041	*	*	*
Miscellaneous	2,377,023	826,388	748,721	362,962	804,630	771,004	667,813	*	*	*
Authorities debt subsidies	6,445,994	5,296,219	4,502,807	3,806,342	2,675,615	1,690,000	1,772,000	1,904,854	968,988	783,671
Operating transfers to:										
Special revenue funds	4,754,164	5,151,142	2,160,251	2,425,857	4,296,259	4,758,108	3,342,975	823,091	415,232	559,904
Debt service funds	33,748,287	31,627,822	32,127,529	35,750,283	30,716,815	31,524,795	29,722,157	28,635,361	13,245,005	20,565,994
Trust and agency funds	3,397,918	-	20,000	-	-	17,000	-	-	-	-
Total expenditures and transfers	\$ 269,975,304	269,263,616	243,198,745	256,923,641	225,902,228	229,637,044	209,687,300	190,784,950	160,564,423	156,197,873

* - Employee benefits and other includes claims and judgments and miscellaneous for 1982 and prior years and workers' compensation expenditures for 1984 and prior years.

CITY OF PITTSBURGH, PENNSYLVANIA
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 net levy collected	Percent of adjusted net levy collected	Percent of budget collected	Collections		Percent of budget collected	
											Budget	Receipts		
														Budget
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	
1987	1,842,642,781	151.5 mills	27.00 mills	94,523,920	93,453,230	88,813,466	88,253,629	93.4	94.4	99.4	3,500,000	4,534,392	129.6	
1988	1,965,627,614	151.5 mills	27.00 mills	96,861,871	96,889,675	91,180,430	91,089,362	94.0	94.0	99.9	3,500,000	4,248,170	121.4	
1989	1,978,453,320	151.5 mills	27.00 mills	99,032,985	98,262,261	94,000,000	91,446,973	92.3	93.1	97.3	4,500,000	4,501,190	100.1	

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.

CITY OF PITTSBURGH, PENNSYLVANIA

Property Tax Rates - All Overlapping Governments

Last Ten Fiscal Years

Fiscal year	City			School district	County	Total
	Land	Buildings	Average*			
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	32.00 mills	55.047	36.000 mills	29.000 mills	120.047 mills
1983	151.5 mills	27.00 mills	54.900	36.000 mills	29.000 mills	119.900 mills
1984	151.5 mills	27.00 mills	51.850	40.000 mills	29.000 mills	120.850 mills
1985	151.5 mills	27.00 mills	52.067	40.000 mills	29.000 mills	121.067 mills
1986	151.5 mills	27.00 mills	51.802	40.000 mills	31.250 mills	123.052 mills
1987	151.5 mills	27.00 mills	51.298	46.000 mills	31.250 mills	128.548 mills
1988	151.5 mills	27.00 mills	49.883	46.000 mills	31.250 mills	127.133 mills
1989	151.5 mills	27.00 mills	50.086	46.000 mills	35.000 mills	131.086 mills

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

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable

December 31, 1989

<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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
General Public Improvement Bonds, 1970, Series A	3/01/70	\$ 7,500,000	\$ 375,000	\$375,000 annually through 1990	6.00	\$ 11,250	\$ 375,000
General Public Improvement Bonds, 1970, Series B	11/01/70	10,500,000	525,000	\$525,000 annually through 1990	5.63	29,531	525,000
General Public Improvement Bonds, 1971, Series A	10/01/71	9,300,000	930,000	\$465,000 annually through 1991	5.00	46,500	465,000
General Public Improvement Bonds, 1972, Series A	5/01/72	11,400,000	1,710,000	\$570,000 annually through 1992	5.25	74,812	570,000
General Obligation Bonds of 1973, Series A	4/01/73	14,000,000	4,140,000	\$950,000 in 1990	5.20	190,580	950,000
				\$1,000,000 in 1991	5.20		
				\$1,050,000 in 1992	5.20		
				\$1,140,000 in 1993	5.20		
General Obligation Bonds of 1974, Series A	4/01/74	14,350,000	5,285,000	\$945,000 in 1990	5.30	255,792	945,000
				\$1,000,000 in 1991	5.40		
				\$1,050,000 in 1992	5.40		
				\$1,110,000 in 1993	5.50		
				\$1,180,000 in 1994	5.00		
General Obligation Bonds of 1976, Series A	8/01/76	10,300,000	5,365,000	\$635,000 in 1990	6.60	368,795	635,000
				\$675,000 in 1991	6.70		
				\$715,000 in 1992	6.80		
				\$760,000 in 1993	6.90		
				\$810,000 in 1994	7.00		
				\$860,000 in 1995	7.00		
				\$910,000 in 1996	7.00		
Carried forward			18,330,000			977,260	4,465,000

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 18,330,000			\$ 977,260	\$ 4,465,000
General Obligation Bonds of 1977, Series A	6/01/77	\$ 13,200,000	7,340,000	\$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	5.40 5.50 5.60 5.70 5.80 5.88 5.88 5.88	400,240	740,000
General Obligation Bonds of 1978, Series A	7/01/78	14,000,000	8,515,000	\$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	6.20 6.30 6.40 6.50 6.50 6.50 6.50 6.50 6.50	548,840	745,000
Carried forward			<u>34,185,000</u>			<u>1,926,340</u>	<u>5,950,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 34,185,000			\$ 1,926,340	\$ 5,950,000
General Obligation Bonds, Series of 1985	8/01/85	\$ 224,185,000	49,895,000	\$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	6.90 7.20 7.50 7.75 7.90 8.10 8.40	2,857,185	5,700,000
General Obligation Bonds, Series A of 1986	7/01/86	63,510,000	63,495,000	\$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	3,809,850	5,000
General Obligation Bonds, Series B of 1986	10/15/86	190,000,000	187,550,000	\$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	5.25 5.40 5.70 5.90 6.10 6.30 6.50 6.75 6.88 7.00 7.00 7.00 7.00 7.00 7.00 7.00 7.00 7.00	12,976,825	5,000
Carried forward			<u>335,125,000</u>			<u>21,570,200</u>	<u>11,660,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 335,125,000			\$ 21,570,200	\$ 11,660,000
General Obligation Bonds, Series of 1989	9/01/89	\$ 60,000,000	60,000,000	\$1,020,000 in 1990	5.75	4,097,700	1,020,000
				\$1,080,000 in 1991	5.90		
				\$1,145,000 in 1992	6.00		
				\$1,210,000 in 1993	6.10		
				\$1,285,000 in 1994	6.20		
				\$1,365,000 in 1995	6.30		
				\$1,450,000 in 1996	6.40		
				\$1,545,000 in 1997	6.50		
				\$1,645,000 in 1998	6.55		
				\$1,755,000 in 1999	6.60		
				\$1,870,000 in 2000	6.60		
				\$1,990,000 in 2001	6.75		
				\$2,125,000 in 2002	6.80		
				\$2,270,000 in 2003	6.80		
				\$2,425,000 in 2004	6.90		
				\$2,590,000 in 2005	6.90		
				\$2,770,000 in 2006	7.00		
				\$2,965,000 in 2007	7.00		
				\$3,175,000 in 2008	7.00		
				\$3,395,000 in 2009	7.00		
				\$3,635,000 in 2010	7.00		
				\$3,885,000 in 2011	7.13		
				\$4,165,000 in 2012	7.13		
				\$4,460,000 in 2013	7.13		
				\$4,780,000 in 2014	7.13		
Total General Obligation Bonds payable			<u>395,125,000</u>			<u>25,667,900</u>	<u>12,680,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
<u>Equipment Leasing Authority Revenue Bonds:</u>							
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series of 1984	10/15/84	\$ 6,300,000	\$ 6,300,000	\$6,300,000 in 1990	53% of prime 9.5% ceiling	\$ 598,500	\$ 6,300,000
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1986-A	8/15/86	5,700,000	3,330,000	\$1,045,000 in 1990 \$1,105,000 in 1991 \$1,180,000 in 1992	% 5.75 6.25 6.50	191,044	1,045,000
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1986-B	8/26/86	5,000,000	2,840,000	\$860,000 in 1990 \$945,000 in 1991 \$1,035,000 in 1992	52% of prime 9.5% ceiling	269,800	860,000
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1988-A	8/01/88	7,965,000	6,480,000	\$1,670,000 in 1990 \$1,565,000 in 1991 \$1,450,000 in 1992 \$1,420,000 in 1993 \$375,000 in 1994	% 5.75 6.00 6.20 6.40 6.60	371,449	1,670,000
Total Equipment Leasing Authority Revenue Bonds payable			<u>18,950,000</u>			<u>1,430,793</u>	<u>9,875,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable
(Continued)

Public Auditorium Authority Revenue Bonds (City Share):	Date of issue	Amount sold	Amount outstanding	Maturity information	Coupon or ceiling rate of interest	1990 maximum debt service requirements	
						Interest	Principal
Auditorium Bonds (Performing Arts Center Project), 1984 Series D	6/15/84	\$ 3,750,000	\$ 2,982,500	\$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	% 9.25 9.50 9.75 10.00 10.25 11.00 11.00 11.00 11.00 11.00	\$ 314,169	\$ 192,500
Auditorium Bonds (Renovation of Civic Arena), 1985 Series E	12/15/85	6,010,000	5,580,000	\$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	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	472,480	162,500
Total Auditorium Authority Revenue Bonds payable			8,562,500			786,649	355,000

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
Schedule of Bonds and Notes Payable
(Continued)

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(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA
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>1990 maximum debt service requirements</u>	
<u>Water and Sewer Authority Bonds:</u>						<u>Interest</u>	<u>Principal</u>
Adjustable Rate Tender Revenue Bonds, Series of 1985	3/29/85	\$ 100,000,000	\$ 97,900,000	\$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	5.125% through the next tender date, 9/01/91	\$ 5,017,375	\$ 900,000
Carried forward			<u>97,900,000</u>			<u>5,017,375</u>	<u>900,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
<u>Water and Sewer Authority Bonds, continued:</u>							
Brought forward			\$ 97,900,000			\$ 5,017,375	\$ 900,000
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	6.3% through the next tender date, 9/01/91	8,486,100	-
Carried forward			<u>232,600,000</u>			<u>13,503,475</u>	<u>900,000</u>

(Continued)

**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>1990 maximum debt service requirements</u>	
						<u>Interest</u>	<u>Principal</u>
Brought forward			\$ 232,600,000			\$ 13,503,475	\$ 900,000
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	% 5.90 6.20 6.40 6.70 6.90 7.10 7.20 7.30 7.40 7.50 7.50 7.63 7.63 7.63 7.25 7.25 7.25 7.25 7.25 7.25 7.25 7.25 7.25 6.00 6.00	18,607,815	-
Total Water and Sewer Authority Bonds outstanding			496,690,000				
Less escrow funds			230,980,000				
Less discount on bonds			13,728,000				
Total Water and Sewer Authority Bonds payable			251,982,000			32,111,290	900,000
Total Bonds and Notes Payable			\$ 726,254,500			\$ 64,113,391	\$ 25,505,000

CITY OF PITTSBURGH, PENNSYLVANIA

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

"Local Government Unit Debt Act"

December 31, 1989

	Nonelectoral <u>Debt</u>	Lease Rental <u>Debt</u> (3)
Gross debt (1):		
Principal amount of bonds issued and outstanding:		
General obligation	\$ 395,125,000	-
Equipment Leasing Authority	-	18,950,000
Auditorium Authority:		
Serviced by the City	-	8,562,500
Serviced by others	-	6,610,000
Stadium Authority (2)	-	49,940,000
Total gross debt	<u>395,125,000</u>	<u>84,062,500</u>
Items deductible from gross debt:		
Cash and legal investments held in sinking fund for payment of bonds and notes	1,962,082	3,433,427
Cash in bond fund applicable to debt	34,579,049	-
Delinquent real estate taxes for the years 1976 to 1987 inclusive	6,337,544	-
Amount due from 1989 appropriations	-	982,492
Self-liquidating and subsidized debt:		
Auditorium Authority	-	2,194,500
Water and Sewer Authority	<u>23,986,000</u>	-
Total deductions	<u>66,864,675</u>	<u>6,610,419</u>
Net debt	<u>\$ 328,260,325</u>	<u>77,452,081</u>

- (1) Direct obligations of the Pittsburgh Water and Sewer Authority in the amount of \$492,190,000 are not considered debt of the City for purposes of this calculation.
- (2) Bonded debt of the Stadium Authority does not include note payable of \$355,000, which is not guaranteed by the City.
- (3) Capitalized leases with principal balances of \$8,138,768 are not considered debt of the City for purposes of this calculation.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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	\$	328,260,325
Net lease rental debt		<u>77,452,081</u>
Net nonelectoral and lease rental debt	\$	<u>405,712,406</u>

DEBT INCURRING MARGIN

	<u>1986</u>	<u>1987</u>	<u>1988</u>
Total net revenues of the City	\$ <u>271,694,136</u>	\$ <u>284,564,500</u>	\$ <u>306,158,013</u>
139 Borrowing base (arithmetic average of total net revenues for said three full fiscal years)			\$ <u>287,472,216</u>

	Net nonelectoral debt (borrowing base x 250%)	Net nonelectoral and lease rental debt (borrowing base x 350%)
Debt limitations	\$ 718,680,540	1,006,152,756
Less existing net debt	(<u>328,260,325</u>)	(<u>405,712,406</u>)
Remaining debt incurring margin	\$ <u>390,420,215</u>	<u>600,440,350</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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 general bonded debt</u>	<u>Ratio of net general bonded debt to assessed value</u>	<u>Net general bonded debt per capita</u>
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	8,382,780	214,372,420	14.67	506
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	4,422,912	235,850,088	15.35	556
1984	423,938	1,646,276,852	256,743,000	6,995,167	225,197,833	13.68	531
1985	423,938	1,767,939,639	314,817,500	7,125,631	277,264,369	15.68	654
1986	423,938	1,803,933,583	367,185,000	8,017,725	359,167,275	19.91	847
1987	423,938	1,842,642,781	354,740,000	4,133,480	350,606,520	19.03	827
1988	423,938	1,965,627,614	345,000,000	2,975,273	342,024,727	17.40	807
1989	423,938	1,978,453,320	395,125,000	1,338,580	393,786,420	19.90	929

CITY OF PITTSBURGH, PENNSYLVANIA

Computation of Direct and Overlapping Debt

December 31, 1989

<u>Name of Government</u>	<u>Net general bonded debt</u>	<u>Percentage applicable to City of Pittsburgh</u>	<u>City of Pittsburgh share of debt</u>
City of Pittsburgh:			
General obligation	\$ 395,125,000	% 100	\$ 395,125,000
Equipment Leasing			
Authority	18,950,000	100	18,950,000
Stadium Authority (1)	51,280,000	100	51,280,000
Auditorium Authority	30,095,000	50	15,047,500
City of Pittsburgh School			
District	109,348,870	100	109,348,870
County of Allegheny	520,349,583	27	<u>140,494,387</u>
Total direct and over-			
lapping debt			\$ <u>730,245,757</u>

(1) Bonded debt of the Stadium Authority does not include note payable of \$355,000, which is not guaranteed by the City.

CITY OF PITTSBURGH, PENNSYLVANIA

City Employment

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Regular budgeted positions</u>	<u>Actual January payroll</u>
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
1987	5,456	4,886
1988	5,221	4,849
1989	5,257	4,896

CITY OF PITTSBURGH, PENNSYLVANIA

Principal Real Estate Taxpayers

December 31, 1989

<u>Taxpayer</u>	<u>Principal type of business</u>	<u>1989 Assessed valuation</u>	<u>Percentage of total tax levied</u>
600 Grant Street Associates (U.S. Steel Building)	Real Estate	\$ 77,500,000	% 3.93
Market View Incorporated (Subsidiary of PPG Industries)	Real Estate	55,750,000	2.82
500 Grant Street Associates (One Mellon Bank Center)	Real Estate	53,750,000	2.72
Oxford Development	Real Estate	32,977,000	1.67
Equitable Life Assurance Society of the United States	Real Estate	28,630,340	1.45
Pittsburgh National Bank	Commercial Banking	24,277,800	1.23
Grant Liberty Development Group Company	Real Estate	24,000,000	1.21
Mellon Bank, N.A.	Commercial Banking	22,500,380	1.14
Landmarks Real Estate Company	Real Estate	19,392,400	0.98
Penn Liberty Holding Company	Real Estate	<u>16,900,000</u>	<u>0.85</u>
		<u>\$ 355,677,920</u>	<u>% 18.00</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Insurance in Force

For the Year Ended December 31, 1989

<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	06/01/89 - 12/31/89	\$100,000.00 per accident \$50,000 business interruption per occurrence	\$ 6,599
Errors & Omissions Insurance Western World Insurance	Public Safety E.M.S.	07/01/89 - 07/01/90	\$500,000 endorsement \$2,500 deductible each claim	55,130
Surety Bond	Finance			Not rebid
Fire Insurance Northbrook Property & Casualty Insurance Company	General Services Blanket	01/01/89 - 12/31/89	All risk and extended coverage	97,893
Excess Workers' Compensation	Finance			Not rebid
Point Park Police Imperial Casualty & Indemnity Co.	Public Safety Police	09/17/89 - 09/17/90	\$500,000 each occurrence \$1,000,000 aggregate \$2,500 deductible	3,121

CITY OF PITTSBURGH, PENNSYLVANIA

Salaries and Surety Bonds of Principal Officials

For the Year Ended December 31, 1989

<u>Official</u>	<u>Annual salary</u>	<u>Amount of Surety Bond</u>
Mayor	\$ 67,324	\$ 10,000
Director of Finance	66,000	200,000
Controller	42,521	20,000
Members of City Council (9)	38,387 each	10,000 each

CITY OF PITTSBURGH, PENNSYLVANIA

Territorial Growth of Pittsburgh

December 31, 1989

<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, PENNSYLVANIA

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'Hara 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, PENNSYLVANIA

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



