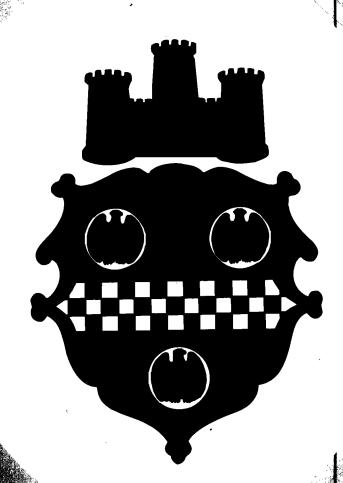
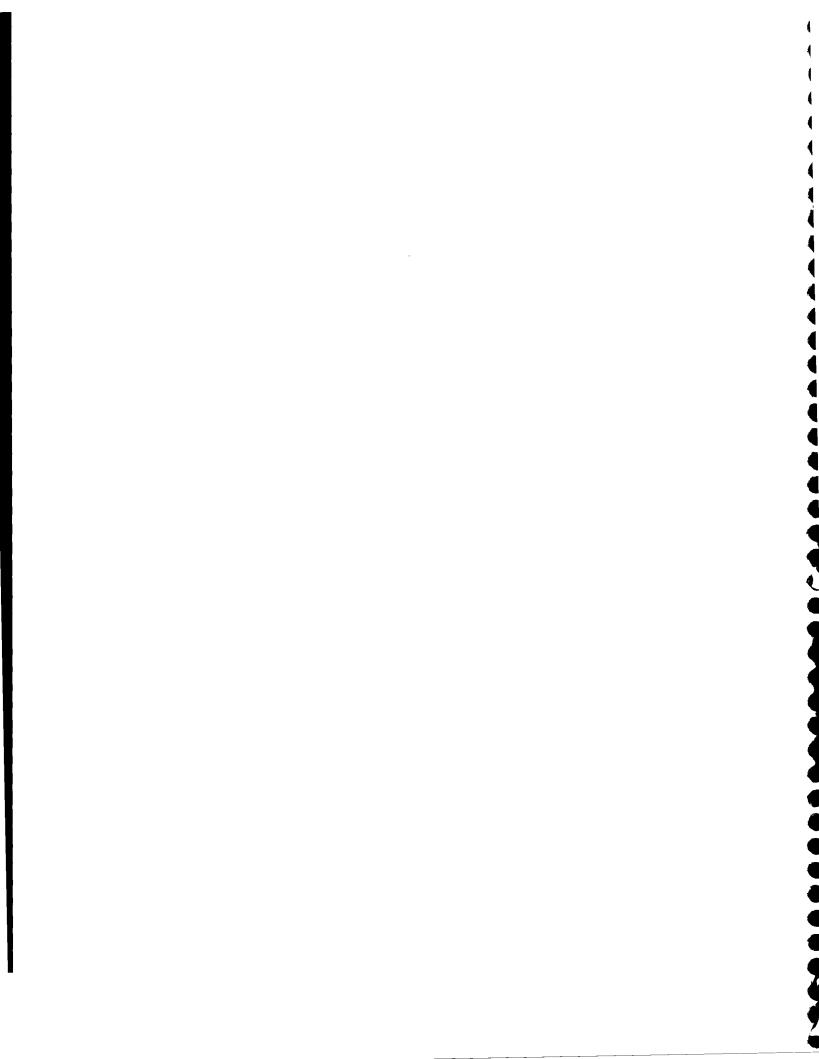
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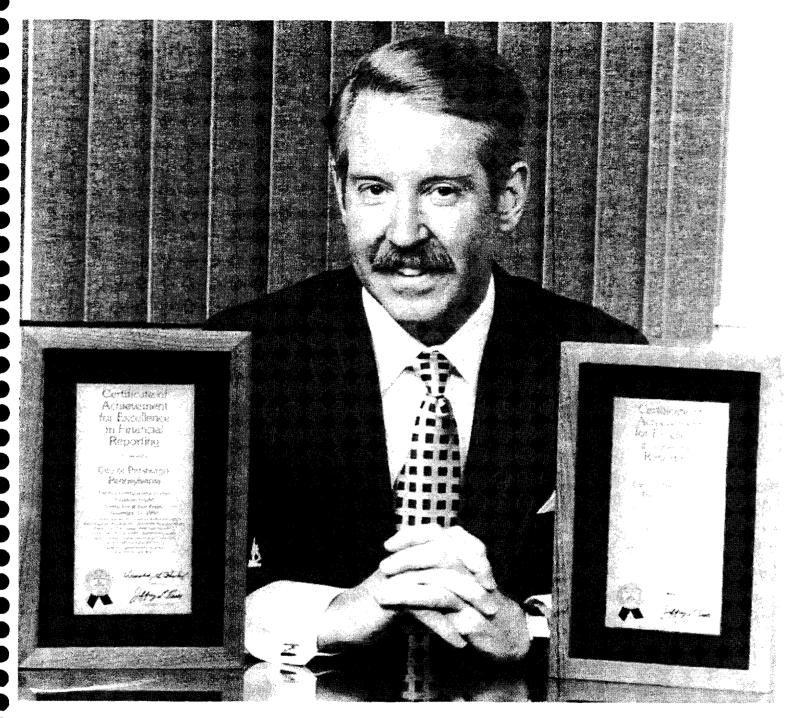
#### COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED DECEMBER 31,1997

Prepared by: Office of City Controller

TOM FLAHERTY, CONTROLLER



Tom Flaherty City Controller

#### Comprehensive Annual Financial Report

#### Year Ended December 31, 1997

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## INTRODUCTORY SECTION

## LETTER OF TRANSMITTAL

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OFFICE OF THE CITY CONTROLLER
TOM FLAHERTY, CONTROLLER

412-255-2055 FAX 412-255-2958

June 30, 1998

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

I am pleased to submit an Annual Financial Report of the City of Pittsburgh for the year ended December 31, 1997.

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 various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities 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. This report contains all the funds and account groups of the City. Also included in this report is the financial data of the component units that are considered part of the City's reporting entity.

#### INTRODUCTION

This 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 at the confluence of the Ohio, Monongahela, and Allegheny Rivers. The City of Pittsburgh, which serves as the County seat for Allegheny County, is the largest of the 130 municipalities that make up Allegheny County. Downtown Pittsburgh - commonly known as the Golden Triangle - is the regional center of Southwestern Pennsylvania, Eastern Ohio, and Northern West Virginia. According to the 1990 Census, the city's population is approximately 370,000.

#### **Economic Background**

Pittsburgh has consistently been a leader in developing and capitalizing on new industries. In the mid-1800's, Pittsburgh gained notoriety for developing its glassmaking, ironworks, and steelmaking industries. By the late 1800's and well into the 1900's, Pittsburgh was known as the world's steel producing capital. This continued until the late 1970's and early 1980's when the steel industry collapsed. In recent years, the City of Pittsburgh has undergone an incredible transformation of its economy. Today, heavy manufacturing no longer fuels Pittsburgh's economy. Instead, the City has experienced a tremendous rebirth of its economy, reestablishing itself as a leader in technological innovation. The same entrepreneurial spirit that forged Pittsburgh's industrialization and growth in the past has been reborn, producing a diverse economy consisting of high technology, finance, healthcare, retail, and education sectors. Pittsburgh's economy is now fueled in part by information technology and biotechnology firms that have grown out of the region's strong universities. In addition, the region's advanced manufacturing sector continues to play a key role in the economic growth of Pittsburgh.

#### **Economic Condition and Outlook**

The City of Pittsburgh continues to build and strengthen its economy not only by growing and expanding the existing businesses that are already located in the City, but also by working to attract new businesses and industries to the region. By implementing a strategy of supporting the growth of the existing business core, while at the same time marketing the competitive advantages that the City of Pittsburgh has to attract new businesses, the City's economy has strengthened and become more diversified. Pittsburgh has come a long way in rebuilding an economy that was in extreme peril only a few short years ago, but the City cannot merely rest on its recent successes. By developing this strategy, marketing the competitive advantages of the City, and listening to the business community, the City of Pittsburgh can and will achieve strong levels of economic growth that will propel it into the 21st Century.

One of the areas that the City of Pittsburgh has focused on over the past couple of years has been the revitalization of downtown Pittsburgh as the core of the region. Many physical improvements have been made to downtown Pittsburgh to improve its appearance, and also to reestablish it as a regional destination point. With the formation of a Business Improvement District in 1996, the Pittsburgh Downtown Partnership has spearheaded the efforts to address maintenance, safety, and marketing efforts for downtown Pittsburgh. The City has worked hard to reassert downtown Pittsburgh as the retail hub for the region. With the planned Fall '98 opening of the new Lazarus department store at the corner of Fifth Avenue and Wood Street, the planned renovation of the Mellon Bank Building at Smithfield Street into a Lord and Taylor store, and the proposed attraction of specialty stores on the Fifth/Forbes Avenue corridor, downtown Pittsburgh's retail sector has positioned itself very well for the future. To complement the retail revitalization in downtown, the City has worked to reposition Pittsburgh as the entertainment and destination hub of the region. The expanded convention center, along with the

proposal to build new sports facilities for the Pirates and the Steelers, will allow downtown Pittsburgh to attract visitors to Pittsburgh not only from the surrounding region, but also from all over the world. The downtown office climate will also get a boost as long time Pittsburgh corporations, PNC Bank and Mellon Bank, both plan to construct new operations centers for their banking operations. Their investment in downtown, along with that of many other companies including Highmark Blue Cross/Blue Shield at Penn Avenue Place, GNC, ALCOA, and Kvaerner Metals choosing downtown Pittsburgh for their expansion is a sign of confidence in the economic future of Pittsburgh.

The City of Pittsburgh has also implemented an aggressive strategy to reclaim the City's valuable riverfront property and has developed innovative ways to re-use the abandoned industrial sites left behind by the dismantling of the steel industry. The City of Pittsburgh, through the Urban Redevelopment Authority, has implemented an aggressive strategy of land acquisition and site preparation to lay the groundwork for business development. The City, through the Urban Redevelopment Authority, has worked to attract high technology companies and tenants to the Pittsburgh Technology Center on Second Avenue. Companies such as Aristech Chemical Corporation, Union Switch & Signal, and Aerial Communications have located their operations at the Pittsburgh Technology Center where a steel mill previously existed. The City and the Urban Redevelopment Authority also purchased the 130 acre former LTV South Side Works site in late 1993, and the hope is to have a mixed use development at this site- including housing, office space, warehousing/distribution space, and light industrial space. Currently, UPMC is in the process of building an 80,000 square foot distribution center, and more developments, including an incubator for small bio-medical firms, are in the planning stages. In addition, the residential and commercial developments that have occurred on Washington's Landing have shown that the strategy of land acquisition and site preparation can be used very effectively as a business development strategy.

The City of Pittsburgh has worked very hard to strengthen and revitalize Pittsburgh's neighborhoods. The City has worked to encourage new housing construction in the neighborhoods, as evidenced by the Crawford Square Development in the Hill District and the proposed Allequippa Terrace mixed-income housing development. The idea here is to attract new residents into the City of Pittsburgh and provide both new residents of the City and also existing residents of the City a higher quality of life. The City has also worked to improve the quality of life in the various neighborhoods by partnering with developers to attract new stores back into the neighborhoods, such as a new Shop 'N Save at the Lawrenceville Shopping Center development and a new Home Depot in East Liberty.

The City of Pittsburgh has fostered its rebirth in the high technology industry. The strength of university research in biotechnology, bioengineering, robotics, and computer sciences are all evidence to this transformation. University Research and Development (R&D) spending is an increasingly significant sign that the City is working to capitalize and commercialize the technology that is being developed at the City's universities. This R&D spending represents the development and refinement of new technology that will spawn new companies, new jobs and new wealth. During the past 15 years, Pittsburgh has more than doubled its number of technology-driven firms, creating over 1,200 new enterprises during this time. Today, nearly 2,400 high technology firms employ over 90,000 individuals, accounting for roughly nine percent of the total workforce in Greater Pittsburgh. In fact, the Pittsburgh region now ranks in the top ten in the nation in total employment of computer software professionals. Pittsburgh is also cited as the third largest hub for the environmental technology business and services industry in the country. In aggregate, high-technology companies have produced over 30,000 new jobs since 1980, offsetting job losses from other industries in the region.

The overall outlook for Pittsburgh in 1998 and beyond is very positive. The investments and initiatives that the City has undertaken in the past several years are starting to lead to more business development, increased residential construction, and have fostered a belief among leaders and residents that the City's next Renaissance is right around the corner. The City of Pittsburgh cannot rest on its previous successes, but must continue to make infrastructure and physical improvements to keep the economic development momentum moving forward. The City needs to build off the successes of the past and continue to push for a sustained economic vitality that will lead Pittsburgh into the 21st Century.

#### **MAJOR INITIATIVES**

The major initiatives of the City can be classified into four development objectives: Downtown Development, Industrial Site Re-use Development, Neighborhood Development, Riverfront Development.

<b>Development Objective</b>	Investment	Jobs Created/Retained
Downtown Development	\$1,082,400,814	7,029
Industrial Site Re-use Development	405,445,000	857
Neighborhood Development	738,705,932	1,565
Riverfront Development	620,587,066	<u>635</u>
TOTAL INVESTMENT	<u>\$2,847,138,812</u>	<u>10,086</u>

The following is a summary of selected projects within each initiative.

#### **Downtown Development**

O'Reilly Theater - The construction of a 650-seat theater in the 600 block of Penn Avenue for the new home of the Pittsburgh Public Theater.

Total cost: \$18 million

**David L Lawrence Convention Center** - The expansion of the convention center to 350,000-sq. ft. including additional meeting rooms and a 40,000 sq. ft. ballroom overlooking the Allegheny River.

Total cost: \$267 million

PNC Bank Operations Center - The construction of a 400,000 sq. ft bank operation center at the corner of Grant Street and First Avenue.

Total cost: \$70 million

Mellon Bank Operations Center - The construction of a 600,000 sq. ft. bank operation center and a 650-space parking garage at the corner of Ross Street and Sixth Avenue.

Total cost: \$114 million

Lord & Taylor - The conversion of a Mellon Bank building located at the corner of Fifth Avenue and Smithfield Street into a 120,000 sq. ft. upscale department store.

Total Cost: \$36 million

#### Industrial Site Re-use Development

A.I.M., Inc.- The construction of a 26,000 sq. ft. headquarters located at Penn Avenue and 30<sup>th</sup> Street for the world's largest distributor of musical gift items.

Total cost: \$2.6 million

Harbor Gardens - The redevelopment of a 4.5 acre site, formerly the Chateau Shopping Center for the headquarters of Mascaro Construction, Bidwell Training Center/Penn State University Garden Center and office space.

Total cost: \$15 million

**South Side Works** - The redevelopment of the 130-acre former LTV Steel property located on the Monongahela River at South 25<sup>th</sup> and East Carson Streets into a mixed-use development. The project is to include retail, light industrial, office and residential developments. UPMC is currently in the process of constructing the first building on this site – an 80,000 square foot distribution and warehousing facility.

**DecoTex, Inc.** – The acquisition of a building at 7301 Penn Avenue for the relocation of a silk-screen printing company.

Total cost: \$1 million

**Thirty-Second Street Business Center** – The construction of two 48,000 sq. ft. flex warehouse buildings on the former site of the Lectromelt Corporation property located on the Allegheny River at 32<sup>nd</sup> Street and AVRR.

Total cost: 4 million

#### **Neighborhood Development**

The Home Depot - The demolition of the Sears building located on Highland Avenue between East Liberty Boulevard and Penn Circle North for the construction of a 115,000 sq. ft. home and garden center.

Total cost: \$11 million

Crawford Square – The construction of 277 rental and 89 townhouses and detached homes for the redevelopment of a mixed-income community in the Crawford-Robert neighborhood of the Hill District.

Total cost: \$41 million

New Pennley Place – The redevelopment of the Pennley Park public housing community into a mixed-income development to include the construction of 81 townhouses and the renovation of 197 apartments.

Total cost: \$25 million

**Lawrenceville Shopping Center** – The construction of a 70, 000 sq. ft. shopping center at the corner of 55<sup>th</sup> and Butler Street.

Total cost: 5.3 million

**Grandview Crest** – The construction by Paragon Homes of eight luxury townhouses on the former site of St. Mary's of the Mount High School.

Total cost: \$5.5 million

Allequippa Terrace - The conversion of the former Terrace Village public housing community into a mixed-income development to contain 1,227 townhouses and apartments.

Total cost: \$109 million

#### **Riverfront Development**

Fort Duquesne Riverfront Park - The construction of a riverfront park along the Allegheny River from Stanwix Street to Tenth Street.

Total cost: \$8 million

**South Shore Place** - The construction by Signature Homes of 120 townhouses located on the Monongahela River between South 17<sup>th</sup> and South 19<sup>th</sup> Streets.

Total cost: \$21.4 million

McKesson Automated Health Care - The construction of a 53,000-sq. ft. headquarters for the relocation of a manufacturer of robotic pharmaceutical dispensing equipment.

Total cost: \$4.6 million

Aristech Chemical Corporation – The construction of an 87,000 sq. ft. research and development facility for Aristech's Polypropylene Technical Center.

Total cost: \$16 million

#### THE REPORTING ENTITY

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

This report includes all the funds and account groups of the City and also incorporates the financial data of those component units which have been determined to be part of the City's reporting entity in accordance with Government Accounting Standards Board (GASB) Statement Number 14, "The

<u>Financial Reporting Entity</u>". This statement requires governments to define its reporting entity in two parts: (1) Primary Government, and (2) Component Units.

A component unit is a legally separate entity which meets any one of the following criteria:

- a. The primary government appoints the voting majority of the board of the entity, and is able to impose its will on the entity, or the entity can provide a financial benefit to, or impose a financial burden on the primary government.
- b. The entity is fiscally dependent upon the primary government.
- c. The financial statements of the primary government would be misleading if data from the entity was not included.

Accordingly, for reporting purposes, the Primary Government consists of the following entities, in addition to the City, (1) City of Pittsburgh Equipment Leasing Authority, (accounted for in Special Revenue, Debt Service Funds, and General Long-Term Debt Account Group and (2) Pension Trust Funds of the City of Pittsburgh, (accounted for in Trust and Agency Funds), which is comprised of the Comprehensive Municipal Pension Fund, Municipal Employees Plan, Police Pension Plan, and the Fire Pension Plan. Under GASB Statement Number 14, the entities are considered Blended Component Units since their financial data is required to be blended with the City's to present the financial results of the total primary government.

Additionally, under GASB Statement Number 14, some entities' relationship with the City are such that they should be reported along with the City's financial data but not actually blended in the report. These entities are considered as "Discrete Component Units" and their financial data is presented in a separate column from the primary government. The sum of the primary government and discrete component units renders financial totals for the entire "financial reporting entity". The entities that are discretely presented in this report are: (1) Pittsburgh Water and Sewer Authority, (2) the Stadium Authority of the City of Pittsburgh, (3) the Public Parking Authority of Pittsburgh, (4) the Pittsburgh Sports and Festival Federation, (now known as the Pittsburgh Federation for Events and Promotion), and (5) the Urban Redevelopment Authority of Pittsburgh. A further discussion of the financial reporting entity can be found in Note 1(A) of the general purpose financial statements in the financial section of this report.

#### 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, Special Revenue (Community Development Fund only), and Capital Projects Fund are controlled by an annual legally appropriated budget. Capital Projects are also controlled on a multi-year basis.

#### REVENUES

Revenue Analysis: Revenues for governmental fund types (General Fund, Special Revenue, Debt Service, and Capital Project Funds) totaled \$380.9 million in 1997, an increase of \$5.2 million, compared to revenues of \$375.7 million in 1996. Total revenues overall increased by less than 2%. Increases in the General Fund of \$7 million and the Capital projects Fund of \$6.2 million were offset by decreases in Special Revenue of \$5.1 million and Debt Service of \$2.1 million.

The General Fund, as well as all the General Governmental Fund types, experienced moderate increases in most revenue categories. The General Fund's \$7 million net increase came from increases in Intergovernmental revenues of \$8 million, and Licenses and Fees of \$3 million, and decrease in Taxes of \$5 million. Capital project's revenue growth resulted from additional Intergovernmental revenues from both federal and state sources.

Decreases in Special Revenue revenues relate to Intergovernmental revenue. Reduced HUD reimbursable expenditures resulted in reduced HUD revenues drawn down. Debt service experienced a reduction in interest earnings over the prior year.

The amount of revenues from various sources, the percent of total revenues, and the amount of increase (decrease) over 1996 have been summarized in Table-A on page I-9 of this letter.

Table - A

# REVENUES (Governmental Funds) (amounts expressed in millions)

SOURCE	1996 <u>ACTUAL</u>	% OF <u>TOTAL</u>	1997 <u>ACTUAL</u>	% OF <u>TOTAL</u>	Increase (Decrease) Over 1996	% Increase (Decrease)
Taxes, penalty, & interest	\$ 269.2	71.3%	\$ 263.8	69.3%	\$ (5.4)	(2.0%)
Payment in lieu of taxes	\$ 3.6	1.0%	2.2	.6%	(1.4)	(39.7%)
Interest earnings	\$ 8.9	2.4%	8.4	2.2%	(.5)	(5.3%)
Fines & Forfeits	\$ 6.9	1.9%	7.3	1.9%	.5	6.5%
Licenses & fees	\$ 8.3	2.3%	11.2	2.9%	2.9	34.6%
Intergovernmental	\$ 59.1	15.7%	64.0	16.8%	5.0	8.4%
Charges for services	\$ 18.5	5.0%	22.3	5.9%	3.8	20.4%
Miscellaneous	\$ 1.2	0.4%	1.7	0.4%	0.5	43.4%
TOTAL REVENUES	\$ 375.7	100.0%	\$ 380.9	100.0%	\$ 5.2	1.4%

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 1997 remained constant at 32.0 mills on buildings and 184.5 mills on land. A mill is \$1 on each \$1,000 of assessed value. All real estate in the County is reassessed every three years. The 1997 total assessed valuation of \$2,047,441,000 increased by \$10.9 million from the 1996 valuation of \$2,036,489,000.

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

**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 26% 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 5% 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 had been made upon certain classes of personal property based upon assessments made by the County. This tax was eliminated in 1995 as required by the Regional Assets Legislation.

**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 in three installments, but a 2% discount is granted if paid by February 10th. If an installment payment is not made on time, 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. 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.

#### **EXPENDITURES**

Expenditures for governmental fund types in 1997 decreased to \$419.3million, compared to \$442.8 million in 1996 representing a decrease of 5.3 % or \$ 23.5 million overall.

The largest dollar increase in expenditures was a \$19.7 million increase in the General Government category; mainly due to two reclassifications from 1996. The General Fund department of General Services was moved from Public Works into the General Government function. The Special Revenue Fund of JTPA reclassified its expenditures from Intergovernmental to General Government.

The largest decrease in expenditures occurred in the Employee Benefit category. This is due to the prior year inclusion of the \$37 million pension bond payment to the Pension Fund within the Employee Benefit category. In 1997, the City was required to report the State pension aid as a General Fund receipt and disbursement. The State Aid funds were included as part of the Employee benefit budget for pension. This explains the majority of the net decrease from 1996 of \$16.0 million.

Another category showing a large decrease is Intergovernmental. The decrease of \$13.4 million is attributable partly to the reclassification of \$8 million of Special Revenue JTPA expenditures from Intergovernmental to General Government. Another \$4.6 million of the change is due to lower expenditures in the Special Revenue Community Development fund.

Claims and judgments appear as a negative expenditure in 1997 due to low cash basis expenditures and a large reversal of a prior year GAAP accrual. The City anticipated large unfavorable judgments at December 31, 1996, but experienced favorable settlements during 1997.

The comparative data for each functional area of expenditure is presented in Table-B on the following page.

Table - B

#### **EXPENDITURES**

(Governmental Funds)
(amounts expressed in millions)

SOURCE	1996 <u>ACTUAL</u>	% OF TOTAL	1997 <u>ACTUAL</u>	% OF <u>TOTAL</u>	Increase (Decrease) Over 1996	% Increase (Decrease)
General Government	\$ 31.7	7.2%	\$ 51.4	12.3%	\$ 19.7	62.1%
Public Safety	134.6	30.4%	137.8	32.9%	3.2	2.4%
Public Works	36.5	8.2%	27.2	6.5%	(9.3)	(25.5%)
Sanitation	12.8	2.9%	12.1	2.9%	(0.7)	(5.5%)
Cultural & Recreation	8.6	1.9%	8.4	2.0%	(0.2)	(.2.3%)
Employee Benefits	89.5	20.2%	73.5	17.5%	(16.0)	(17.9%)
Claims & Judgments	4.4	1.0%	(3.9)	(0.9%)	(8.3)	(1,886%)
Miscellaneous	1.2	0.3%	1.0	0.2%	(0.2)	(16.7%)
Intergovernmental	23.6	5.3%	10.2	2.4%	(13.4)	(56.8%)
Capital Projects	46.1	10.4%	45.6	10.9%	(0.5)	(1.1%)
Bond Issuance Costs	1.6	0.4%	0.6	0.1%	(1.0)	(62.5%)
Debt Service & Subsidies	52.2	11.8%	55.4	13.3%	3.2	6.1%
TOTAL EXPENDITURES	\$ 442.8	100.0%	\$ 419.3	100.0%	\$ (23.5)	(5.3%)

#### OTHER FINANCING SOURCES AND USES

During 1997, the City received the third and final annual payment related to the sale of its water and sewer system to the Pittsburgh Water and Sewer Authority (PWSA). The capital lease/sale agreement calls for payments from the PWSA to the City: \$35 million in 1995, \$40 million in 1996, and \$21 million in 1997. The 1997 payment of \$21 million was recorded as Capital Lease Proceeds in Other Financing Sources. The City also was required to show the State Pension Aid, which had previously been recorded directly to the Pension Fund, as a receipt and disbursement of the General Fund. In 1997 the pension state aid is reported as an Other Financing Source, and the expenditure is included as a pension cost within the Employee Benefit category. The net effect of all other financing sources and uses for 1997, was a net source of \$95.7 million, which was a \$15.7 million increase compared to 1996. This increase is attributable to the net of \$70 million of capital bond proceeds; \$33 million higher than 1996's pension bonds, and a decrease in PWSA lease proceeds of \$19 million.

#### GENERAL FUND - FUND BALANCE

The General Fund is reported upon using the modified accrual basis of accounting as required by generally accepted accounting principles (GAAP). For the year ended December 31, 1997, the general fund shows, for the second year in a row, a positive unreserved, undesignated fund balance. Fund balance is \$41.5 million. GAAP requires the City to reserve the portion of its fund balance for those items which are not available for expenditure. The required reservation of fund balance was \$1.8 million at December 31, 1997. This results in a total surplus of \$43.2 million. GAAP requires that a matching of revenues and expenditures be made in the year that such items occur.

#### DEBT ADMINISTRATION

At December 31, 1997, the City's debt, as reported in the General Long Term Debt Account Group, was as follows:

Gross bonded debt	\$727,325,247
Less: Debt Service fund	_16,749,155
Net bonded debt	\$ <u>710,576,092</u>
Ratio of net bonded debt to assessed value	33.92%
Ratio of net bonded debt to market value	8.48%
Net bonded debt per capita	\$1,922

The gross bonded debt of the City consists of \$637,767,650 of general obligation bonds, \$13,945,000 of Public Auditorium revenue bonds, and \$75,612,597 of Urban Redevelopment Authority (URA) Taxable Revenue Bonds and self-supporting bonds. The City has assigned Regional Asset District revenue and incremental taxes derived from Tax Increment Financing (TIF) Districts to the URA to pay debt service on the self-supporting bonds. It is the policy of the City to obtain bond insurance on its debt issues to obtain the most favorable market rates and upgrade its bond ratings to the highest available ratings. Per the official statement on the City's December 1997, bond issue, the City's bond ratings were: Moody's Aaa, Standard & Poor's AAA, and Fitch AAA.

On December 15, 1997, the City issued \$70,150,000 of General Obligation Bonds, Series 1996A, B & C with an average interest rate of 5.07%.

The net proceeds of the Series 1997A, B & C of \$68,940,000 (after underwriting fees, issuance costs, and a transfer of \$422,867 of capitalized interest to the Debt Service Fund), were used to provide funds for capital projects.

#### RISK MANAGEMENT

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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 non-current 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 1997 are as follows: (1) maintain an irrevocable trust fund (currently \$5,000,000); the City's contribution to the fund is determined annually in negotiations with the Commonwealth of Pennsylvania Department of Labor, (2) satisfy the financial responsibility requirements established by the Commonwealth; (3) establish liability reserves based upon expected future payments for all claims outstanding one year or more at the end of the fiscal year. The City complied with all of the above requirements during 1996. The irrevocable trust, which is recorded as an expendable trust fund, may only be used in the event of default by the City under the self-insurance regulations.

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The City covers all claim settlements and judgments, not covered by insurance, within its general and capital projects funds. Details of the types of insurance coverage maintained by the City can be found in the Schedule of Insurance in Force and Schedule of Salaries and Surety Bonds of Principal Officials found in the Other Information Appendix following the Statistical Section of this report.

#### **DISCRETE COMPONENT UNIT - ENTERPRISE FUND**

#### PITTSBURGH WATER AND SEWER AUTHORITY

The Water and Sewer Authority was created in February, 1984 by City Council under the Municipal Authorities Act of 1945 to assume responsibility for the operation and improvement of the water distribution and wastewater collection systems. Pursuant to a lease and management agreement dated March 29, 1984 between the Authority and the City (the "Lease"), the Water and Sewer System was leased to the Authority. The Lease appointed the City as the Water and Sewer Authority's agent to manage, operate and maintain the systems for the term of the lease, subject to the general supervision, direction and control of the Water and Sewer Authority.

Pursuant to a Capital Lease Agreement dated July 15, 1995, the Authority and the City terminated the Lease. The Capital Lease Agreement, which has a term of 30 years, provides for payments totaling approximately \$101 million to be made to the City during the initial three years and further provides that on September 1, 2025, upon payment of one dollar (\$1.00) the Authority will acquire title to the Water and Sewer System.

Concurrently, with entering into the Capital Lease Agreement, the City and the Authority entered into a Cooperation Agreement, dated as of June 15, 1995 pursuant to which the City will provide certain specified engineering, communications, vehicle maintenance, legal, information and financial services to the Authority on a fee for service basis and the Authority shall make certain other payments to the City to reimburse it for costs and capital expenses incurred by the City in regard to the operation and maintenance of the Sewer System.

#### **AWARDS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report for the fiscal year ended December 31, 1996. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Pittsburgh has received a Certificate of Achievement for the last five consecutive years (fiscal years ended 1992-1996.) We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### **ACKNOWLEDGEMENTS**

The preparation of this report could not be possible without the concerted effort of the entire staff of the Controller's Office. The continued efforts of the accounting department are gratefully appreciated. I would like to thank the employees of the various departments and authorities 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 LLP, Terry and Stephenson P.C., and Maher Duessel in the preparation of this report and their professional conduct throughout the audit engagement.

Respectfully submitted,

Tom Flaherty City Controller

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

# City of Pittsburgh, Pennsylvania

For its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 1996

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

UNITED STATES AS CANADA CANADA SEAL.

CHICAGO

CHICAGO

Presiden

Executive Director

# CITY OF PITTSBURGH, PENNSYLVANIA ELECTED CITY OFFICIALS

December 31, 1997 8

**MAYOR** 

**Tom Murphy** 

**CONTROLLER** 

**Tom Flaherty** 

**MEMBERS OF COUNCIL** 

Robert O'Connor, President, District 5

Sala Udin, Finance/Budget Committee, District 6

Dan Onorato, District 1
Alan Hertzberg, District 2
Eugene Ricciardi, District 3

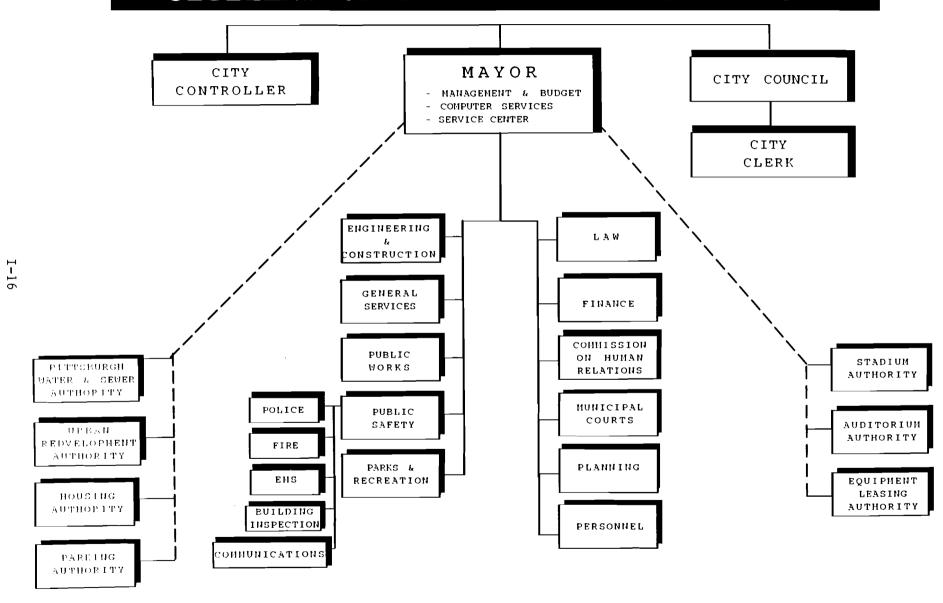
Joseph Cusick, District 4

James Ferlo, President, District 7

Dan Cohen, District 8

Valerie McDonald, District 9

#### CITIZENS OF THE CITY OF PITTSBURGH



## FINANCIAL SECTION

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One Mellon Bank Center Pittsburgh, PA 15219 Telephone 412 391 9710 Telex 7106642199 PMM & CO PGH Telefax 412 391 8963

#### **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, 1997, 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 Sports and Festival Federation, Inc., the Urban Redevelopment Authority of Pittsburgh, the Public Parking Authority of Pittsburgh, the Stadium Authority of the city of Pittsburgh and the Pittsburgh Water and Sewer Authority, which statements reflect total assets and operating revenues comprising 100 percent of the discretely presented component units. 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 65 percent and 97 percent, respectively, of the related Fiduciary Fund totals. The financial statements mentioned in the preceding sentences were audited by other auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included for them, is based solely upon the 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 misstatement. 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 and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, 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, 1997, and the results of its operations and the cash flows of its discretely present component units 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 8, 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, 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 are supplementary information 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 introductory or statistical section as set forth in the table of contents and, therefore, express no opinion thereon.

KAMG Pert Herwick LLP.

Pittsburgh, Pennsylvania June 29, 1998

## GENERAL PURPOSE FINANCIAL STATEMENTS

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## GENERAL PURPOSE FINANCIAL STATEMENTS

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## Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units

#### December 31, 1997

	Governmental Fund Types				
		Special	Debt	Capital	
	<u>General</u>	Revenue	<u>Service</u>	<b>Projects</b>	
Assets and other debits:					
Assets:					
Cash and investments (note 3)	\$ 76,726,767	16,457,265	16,728,737	87,101,308	
Receivables:					
Real estate tax (net of uncollectible accounts of					
\$3,485,000) (note 6)	6,659,950	-	-	-	
Other receivables	5,737,383	3,364,278	-	-	
Other (net of allowance for uncollectible					
accounts of \$1,297,500)	3,082,607	-	•	24,850	
Accounts receivable (net of uncollectible					
accounts of \$7,275,000)	-	-	-	-	
Receivable from PWSA (note 4)	929,739	-	-	-	
Accrued interest	406,709	81,390	254,785	-	
Due from other funds (note 13)	4,098,605	564,475	-	-	
Due from primary government	-	-	-	6,356,914	
Due from other governments (note 12)	3,643,143	5,153,310	-	2,128,312	
Grant receivable - Allegheny Regional Asset					
District (note 20)	-	-	-	-	
Inventories, at cost	-	•	-	-	
Trusteed and restricted funds (notes 3 and 5)	-	-	-	-	
Property, plant and equipment (Component Units					
net of \$104,020,603 accumulated depreciation)					
(note 7)	-	•	•	-	
Assets held for sale	-	•	-	-	
Other noncurrent assets	-	-	-	•	
Other debits:					
Amount available in debt service funds for					
retirement of bonds	-	•	-	-	
Amount to be provided for retirement of bonds	-	-	-	-	
Amount to be provided for other long-term					
obligations	<u>-</u>	-			
Total assets	\$ <u>101,284,903</u>	<u>25,620,718</u>	<u>16,983,522</u>	<u>95.611.384</u>	

Fuduciary Fund Type		nt Group	Primary Government (Memorandum Only)	Discretely Presented	Reporting Entity (Memorandum Only)
Trust and	General Fixed	General		Component	
Agency	<u>Assets</u>	Long-term Debt	<u>Total</u>	<u>Units</u>	<u>Total</u>
227,843,158	-	-	424,857,235	237,966,699	662,823,934
-	-	-	6,659,950	-	6,659,950
27,149	-	-	9,128,810	-	9,128,797
-	•	-	3,107,457	213,567	3,321,024
_	-	-	-	213,572,639	213,572,639
-	-	-	929,739		929,739
718,549	-	•	1,461,433	356,571	1,818,004
625,498	•	-	5,288,578	7,596,110	12,884,701
-	-	•	6,356,914	, , , <u>-</u>	6,356,914
-	-	-	10,924,765	1,605,055	12,529,820
_				7,354,420	7,354,420
_	-	<u>.</u>	<u>•</u>	1,999,000	1,999,000
_	_	_	<u>-</u>	116,473,116	116,473,116
-	-	-	-	110,475,110	110,473,110
	177 207 267		177 207 267	490 097 207	667 294 574
-	177,397,267	-	177,397,267	489,987,307 26,377,354	667,384,574 26,377,354
-	•	•	-	15,694,822	15,694,822
•	-	•	•	13,094,022	13,094,822
-	-	16,749,155	16,749,155	-	16,749,155
-	-	710,576,092	710,576,092	1,555,000	712,131,092
	-	302,606,000	302,606,000	435,704	_ 303,041,704
229,214,354	177,397,267	1.029.931.247	1,676,043,395	1,121,187,364	2,797,230,759
					(Continued)

### Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units, Continued

		Governmental Fund Types			
			Special	Debt	Capital
		<u>General</u>	Revenue	<u>Service</u>	<u>Projects</u>
Liabilities, equity and other credits:					
Liabilities:					
Accounts payable	\$	5,912,501	4,119,850	-	3,658,735
Retainage payable	•	-	-	-	878,097
Accrued interest payable		-	•	234,367	•
Accrued liabilities		6,637,976	1,238,000	-	129,695
Deferred compensation payable		-	,,	_	•
Accounts payable - primary government		-	-	_	-
Due to other funds (note 13)		822,472	3,257,406	_	1,330,211
Due to other governments		6,872,249	742,496	-	-,000,000
Deposits held in trust		-	•	-	-
Grants payable from the primary government		_	_	-	-
Bonds payable, net (note 10)		-	-	-	-
Deferred loan (note 10)		-	-	-	-
Accrued pension costs (notes 8 and 10)		-	-	-	-
Accrued workers' compensation (notes 10 and 22)		16,408,000	-	-	-
Accrued compensated absences (note 10)		14,084,000	-	-	-
Accrued claims and judgments (notes 10 and 22)		1,550,000	-	-	-
Deferred revenue (note 4)		5,743,500	992,367	-	-
Total liabilities	-	58,030,698	10,350,119	234,367	5,996,738
Equity and other credits:					
Contributed capital (note 15)		-	-	-	-
Investment in general fixed assets		-	-	-	-
Total other credits	-	<del></del>		•	
Retained earnings (accumulated deficit) (note 17)		-	-	-	-
Fund balances:					
Reserved for:					
Endowments		-	-	-	-
Encumbrances		1,776,972	285,961	•	7,253,442
Employee retirement system		-	-	-	-
Unreserved:					
Designated for debt service		-	-	16,749,155	-
Designated for subsequent years'					
expenditures		-	634,959	-	82,361,204
Undesignated (note 17)	_	41,477,233	<u>14,349,679</u>		<del></del>
Total fund equity and other credits	_	43,254,205	15,270,599	16,749,155	89,614,646
Total liabilities, equity and credits	\$ <u>1</u>	101,284,903	<u>25,620,718</u>	16,983,522	95,611,384

Fuduciary			Primary Government	Discretely	Reporting Entity
Fund Type		nt Group	(Memorandum Only)	Presented	(Memorandum Only)
Trust and	General Fixed	General	Tradel	Component	er 1
Agency	<u>Assets</u>	Long-term Debt	<u>Total</u>	<u>Units</u>	<u>Total</u>
•	-	-	13,691,086	26,989,239	40,680,325
•	-	-	878,097	-	878,097
-	-	-	234,367	9,551,235	9,785,602
2,115,895	-	•	10,121,566	4,542,000	14,663,566
54,114,527	-	•	54,114,527	1,354,959	55,469,486
•	-	-	•	563,189	563,189
6,235,403	-	•	11,645,492	7,596,110	19,241,602
53,361	-	•	7,668,106	7,095,569	14,763,675
1,112,932	-	•	1,112,932	-	1,112,932
-	-	•	-	22,775,168	22,775,168
-	-	727,325,247	727,325,247	775,130,285	1,502,455,532
-	-	3,834,000	3,834,000	-	3,834,000
•	-	188,380,000	188,380,000	•	188,380,000
•	-	85,147,000	101,555,000	-	101,555,000
-	•	17,845,000	31,929,000	435,704	32,364,704
•	-	7,400,000	8,950,000	-	8,950,000
			<u>6,735,867</u>	112,434,928	<u>119,170,795</u>
63,632,118	-	1.029,931,247	1,168,175,287	968,468,386	2,136,643,673
-	-	-	-	25,888,183	25,888,183
<u>-</u>	177,39 <u>7,2</u> 67	=	177,397,267	11,599,574	188,996,841
•	177,397,267	•	177,397,267	37,487,757	214,885,024
•	-	-	-	90,867,447	90,867,447
89,719	-	•	89,719	_	89,719
139,160	•	-	9,455,535	7,961,536	17,417,071
150,320,395	-	-	150,320,395	-	150,320,395
-	-	-	16,749,155	-	16,749,155
14,904,270	_		97,900,433	10,783,148	108,683,581
128.692	-	-	_55,955,604	5,619,090	61,574,694
165,582,236	177,397,267		507,868,108	152,718,978	660,587,086
<u>229,214,354</u>	<u>177.397.267</u>	1.029.931.247	1,676,043,395	1,121,187,364	2,797,230,759

### Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units

For the Year Ended December 31, 1997

	Governmental Fund Types			
	<del></del>	Special	Debt	Capital
	<u>General</u>	Revenue	Service	<u>Projects</u>
Revenues:				
Taxes, including penalty and interest	\$ 263,767,398 √	-	•	-
Payment in lieu of taxes	2,171,328	-	-	-
Interest and dividends	5,960,325	335,192	2,136,728	-
Fines and forfeits	7,350,459	-	_,,	-
Licenses and fees	11,171,146	-	-	_
Intergovernmental revenues	14,407,484	38,103,378	_	11,543,553
Charges for user services	-	21,288,725	-	990,338
Loan repayments	-	,,	-	•
Miscellaneous	1,583,775	137,671	-	
Total revenues	306,411,915	59,864,966	2,136,728	12,533,891
Expenditures:				
Current operating:				
General government	33,603,963	9,759,919	-	-
Public safety	118,978,605	18,883,060	-	-
Public works	18,188,246	8,978,707	-	-
Sanitation	12,050,168	-	-	-
Community, recreational and cultural	4,632,616	3,774,018	-	-
Employee benefits	73,534,596	•	•	-
Claims and judgments	(3,254,607)	-	-	(600,000)
Urban development	-	-	-	-
Administrative	-	_	-	-
Miscellaneous	980,174	-	•	-
Intergovernmental programs	, -	18,228,564	-	-
Capital projects	-	5,141,631	-	36,297,691
Debt service:				
Principal retirement and lease payments	1,047,770	-	13,739,045	-
Interest and fiscal charges	32,405	-	31,551,923	-
Bond issuance cost	•	-	-	600,581
Authorities debt subsidies	9,025,334			
Total expenditures	268,819,270	64,765,899	45,290,968	36,298,272
Excess (deficiency) of revenues				
over (under) expenditures	37,592,645	(4,900,933)	(43,154,240)	(23,764,381)

	Primary Government		
Fiduciary	Totals	Discretely	Reporting Entity
Fund Type	(Memorandum Only)	Presented	(Memorandum Only)
Expendable		Component	
Trust	<u> 1997</u>	<u>Units</u>	<u>Total</u>
-	263,767,398	-	263,767,398
•	2,171,328	-	2,171,328
733,420	9,165,665	1,632,856	10,798,521
-	7,350,459	-	7,350,459
-	11,171,146	-	11,171,146
-	64,054,415	27,621,695	91,676,110
492,738	22,771,801	1,398,697	24,170,498
-	-	7,572,748	7,572,748
655,999	<u>2,377,445</u>	1,334,509	<u>3,711,954</u>
1,882,157	382,829,657	39,560,505	422,390,162
-	43,363,882	-	43,363,882
-	137,861,665	-	137,861,665
-	27,166,953	-	27,166,953
-	12,050,168	-	12,050,168
1,570,320	9,976,954	-	9,976,954
•	73,534,596		73,534,596
-	(3,854,607)	-	(3,854,607)
_	(2,221,231)	34,603,738	34,603,738
_	-	4,862,928	4,862,928
•	980,174	1,645,781	2,625,955
_	18,228,564	1,015,701	18,228,564
_	41,439,322	_	41,439,322
-	41,439,322	_	41,437,322
	14 707 015		1470/015
-	14,786,815	-	14,786,815
-	31,584,328	•	31,584,328
-	600,581	•	600,581
<del></del>	9,025,334	<u>-</u>	9,025,334
1,570,320	416,744,729	41,112,447	<u>457,857,176</u>
311,837	(33,915,072)	(1,551,942)	(35,467,014)
711,037	(33,713,072)	(1,221,772)	
			(Continued)

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Funds and Discretely Presented Component Units, Continued

	Governmental Fund Types				
		Special	Debt	Capital	
	<u>General</u>	Revenue	<u>Service</u>	<b>Projects</b>	
Excess (deficiency) of revenues over (under)					
expenditures brought forward	\$ 37,592,645	(4,900,933)	(43,154,240)	(23,764,381)	
Other financing sources (uses):					
Bond proceeds	-	-	-	69,997,888	
Proceeds from fixed asset disposition	•	627,811	-	-	
Operating transfers from other funds	741,000	7,460,305	46,817,887	4,174,656	
Operating transfers from discretely presented					
component units	•	-	3,270,000	-	
Operating transfers to other funds	(53,942,031)	(527,785)	(13,504,467)	(4,567,421)	
Capital lease proceeds - PWSA	21,017,250	•	•	-	
Pension state aid	<u>14,159,321</u>	<u>-</u>		<u> </u>	
Total other financing sources (uses)	( <u>18,024,460</u> )	7,560,331	36,583,420	69,605,123	
Excess (deficiency) of revenues and other					
financing sources over (under)					
expenditures and other financing uses	19,568,185	2,659,398	(6,570,820)	45,840,742	
Fund balance at beginning of year	23,686,020	12,611,201	23,319,975	43,773,904	
Fund balance at end of year	\$ <u>43,254,205</u>	15,270,599	16,749,155	89,614,646	

See accompanying notes to financial statements.

	Primary Government		
Fiduciary	Totals	Discretely	Reporting Entity
Fund Type	(Memorandum Only)	Presented	(Memorandum Only)
Expendable		Components	
Trust	<u>1997</u>	<u>Units</u>	<u>Total</u>
<del></del>	<del></del>		<u></u>
311,837	(33,915,072)	(1,551,942)	(35,467,014)
-	69,997,888	-	69,997,888
•	627,811	_	627,811
14,053,671	73,247,519	974,955	74,222,474
•	3,270,000	(974,955)	2,295,045
(705,815)	(73,247,519)	-	(73,247,519)
-	21,017,250	-	21,017,250
-	<u>14,159,321</u>	<del>-</del>	14,159,321
<u>13,347,856</u>	<u>109,072,270</u>	<u>-</u>	109,072,270
13.659.693	75,157,198	(1,551,942)	73,605,256
2,367,985	105,759,085	<u>25,915,716</u>	<u>131,674,801</u>
16,027,678	180,916,283	24,363,774	205,280,057
10.027.070	100,210,203	<u>47,505,117</u>	203,200,031

## Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General Fund, Special Revenue - Community Development and Capital Projects

## For the Year Ended December 31, 1997 (Amounts expressed in thousands)

		General Fund	
		Contract - date	Variance
	Budget		Favorable
	as Amended	Actual	(Unfavorable)
	us i mienava	11010111	(5.24, 5.45.5)
Revenues:		0.60 400	2.250
Taxes, including penalty and interest	\$ 259,164	262,422	3,258
Interest earnings	3,500	5,790	2,290
Fines and forfeits	7,150	7,236	86
Licenses and fees	4,757	5,472	715
Intergovernmental	19,138	16,954	(2,184)
Miscellaneous	669	463	(206)
Provision of services, break even and joint operations	25,964	22,215	<u>(3,749)</u>
Total revenues	320,342	320,552	210
Expenditures:			
Current operating:			
General government	28,319	24,770	3,549
Public safety	114,870	109,254	5,616
Public works	41,427	38,222	3,205
Community, recreational and cultural	4,619	4,202	417
Employee benefits	76,111	76,028	83
Claims and judgments	1,901	1,329	572
Citizens Review Board	125	-	125
Utilities	7,752	7,743	9
Miscellaneous	4,553	3,902	651
Intergovernmental programs	•	, •	•
Capital projects	-	-	-
Debt service: Debt service	45,679	45,649	30
Debt service subsidy	2,825	2,825	-
Transfers	4,175	4,175	-
Total expenditures	$\frac{332,356}{332,356}$	318,099	14,257
rotai expenditures	332,330	510,022	14,207
Excess (deficiency) of revenues over	(10.014)	2.452	14.467
(under) expenditures	(12,014)	2,453	14,467
Other financing sources (uses):			
Capital lease obligation proceeds	•	14,006	14,006
Bond proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers out	•	(14,159)	(14,159)
State Pension aid		14,159	<u>14,159</u>
Net other financing sources		14,006	14,006

	Special Revenu munity Develor			Capital Projects	•
Budget as Amended	<u>Actual</u>	Variance Favorable (Unfavorable)	Budget as Amended	Actual	Variance Favorable ( <u>Unfavorable</u> )
- -	-	-	- -	• •	- -
-	-	-	-	•	-
54,599	22,961	(31,638)	2,970	10,301	7,331
54.599	22,961	$(\overline{31,638})$	2,970	10,301	7,331
13,466 934	5,432	8,034	-	-	-
934 14,447	580 5,546	354 8,901	-	-	-
2,261	794	1,467	-	•	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-		-	-	-
23,491	9,925	13,566	-	-	-
-	-	•	75,000	39,420	35,580
-	-	•	•	-	-
-	-	•	-	-	-
-	-	-	-	- -	<del>-</del>
54.599	22,277	32,322	<u>75,000</u>	<u>39,420</u>	35,580
-	684	684	(72,030)	(29.119)	42,911
-	-	-	•		-
-	•	-	69,998 4,174	69,998 4,174	-
-	-	-	(4,567)	(4,567)	-
<del></del> :			69,605	69,605	<del></del>

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General Fund, Special Revenue - Community Development and Capital Projects, Continued

		General Fund	
	Budget as Amended	Actual	Variance Favorable ( <u>Unfavorable</u> )
Excess (deficiency) revenues and other financing sources (under) expenditures and other uses	\$ (12,014)	16,459	28,473
Fund balances - budgetary basis, beginning of year Fund balance - budgetary basis, end of year	\$ <u>12,014</u>	<u>40,579</u> 57,038	28,565 57,038
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):  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 Net effect of GAAP basis recognition of other financing sources (uses)		(16,893) 2,947 162	
Fund balances - GAAP basis, end of year		\$ <u>43.254</u>	

See accompanying notes to financial statements.

Special Revenue

Com	munity Develor	oment		Capital Projects	
Budget as Amended	<u>Actual</u>	Variance Favorable (Unfavorable)	Budget as Amended	<u>Actual</u>	Variance Favorable (Unfavorable)
-	684	684	(2,425)	40,486	42,911
<u> </u>	1,392 2,076	1,392 2,076	<u>2,425</u>	43,072 83,558	40,647 83,558
	(1,307)			702	
	(536)			2,233	
	(116)			-	
	_(32)			_3,122	
	<u>85</u>			<u>89,615</u>	

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/ Fund Balances - Pension Trust Funds and Discretely Presented Component Units

For the Year Ende	December 31, 1997
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			Total
	Fiduciary	Discretely	(Memorandum
	Fund Type	Presented	Only)
	Pension	Component	Reporting
	<u>Trust</u>	<u>Units</u>	<b>Entity</b>
0.0000	:		
Operating revenues:	6	52 014 000	52.014.000
Water and waste charges	\$ -	53,014,000	53,014,000
Contributions	50,098,355	-	50,098,355
Investment income	16,318,207	0.742.250	16,318,207
Rentals	!	2,743,352	2,743,352
Concessions	-	720,698	720,698
Medallions	-	605,046	605,046
Parking receipts	-	20,875,648	20,875,648
Debt service rental	-	1,217,429	1,217,429
Program interest income	•	9,124,352	9,124,352
Property management revenue	-	2,457,311	2,457,311
Sales of housing units		1,407,384	1,407,384
Miscellaneous	1,547	1,553,579	1,555,126
Total operating revenues	66,418,109	93,718,799	160,136,908
Operating expenses:			
Benefit payments and dues	58,720,494	-	58,720,494
Salaries and wages	-	3,223,051	3,223,051
Utilities	-	589,477	589,477
Interest expense	-	3,110,029	3,110,029
Depreciation and amortization	-	15,091,407	15,091,407
Cooperation agreement operating expenses	-	7,980,000	7,980,000
Payments to non-City water agencies	-	2,260,000	2,260,000
Repairs and maintenance	-	1,324,058	1,324,058
Insurance	-	516,865	516,865
Administrative and other operating	780,285	11,420,753	12,201,038
Parking tax expense	•	3,600,347	3,600,347
Direct operating expenses	-	15,985,638	15,985,638
Fair value discount/lender fee	-	834,751	834,751
Property management improvement	-	1,410,772	1,410,772
Cost of housing units sold	-	1,787,019	1,787,019
Miscellaneous	<u>831,167</u>	<u> </u>	1,644,474
Total operating expenses	60,331,946	69,947,474	130,279,420
Operating income (carried forward)	6,086,163	23,771,325	29,857,488
			(Continued)

Combined Statement of Revenues, Expenses and Changes in Retained Earnings/ Fund Balances - Pension Trust Funds and Discretely Presented Component Units, Continued

	Fiduciary Fund Type Pension Trust	Discretely Presented Component <u>Units</u>	Total (Memorandum Only) Reporting Entity
Operating income (brought forward)	\$ 6,086,163	23,771,325	29,857,488
Non-operating revenue (expense):			
Interest income	-	12,254,926	12,254,926
Interest expense	-	(37,687,217)	(37,687,217)
Amortization	-	(341,000)	(341,000)
Meter and wharf receipts	-	706,255	706,255
Other income	-	27,633	27,633
Meter and wharf expenses	-	(594,359)	(594,359)
Payment in lieu of taxes	-	(1,369,666)	(1,369,666)
Other expense	-	(421,838)	(421,838)
Earned government grants	-	12,323,088	12,323,088
Allegheny Regional Asset District Grant		10,000,000	10,000,000
Total non-operating revenues (expenses)	<del>-</del>	(5,102,178)	(5,102,178)
Net income	6,086,163	18,669,147	24,755,310
Retained earnings, fund balances at beginning of year Retained earnings, fund balances at end of year	\$ 143,468,395 149,554,558	72,198,300 90,867,447	215,666,695 240,422,005

See accompanying notes to financial statements.

#### Combined Statement of Cash Flows - Discretely Presented Component Units

#### For the Year Ended December 31, 1997

	Component Units (Proprietary Fund Type)
Cash flows from operating activities:	
Operating income	\$ 23,771,325
Reconciliation of operating income to net cash	
provided by operating activities:	
Depreciation and amortization	15,412,508
Interest	<u>3,110,029</u>
	42,293,862
Changes in operating assets and liabilities:	
Accounts receivable	6,463,804
Prepaid expenses	(29,229)
Other current assets	(897,668)
Accounts payable and accrued expenses	4,250,358
Deferred revenue	5,607,971
Due to primary government	2,428,460
Change in accrued payroll and withholdings	(570,000)
Loans issued	(20,247,899)
Loan repayments *	38,650,768
Net cash provided by operating activities	77,950,427
Cash flows from investing activities:	
Interest earnings	19,256,791
Purchase of investment securities	(217,962,763)
Proceeds from sale and maturities of investments	218,181,974
Change in restricted cash and investments	3,992,937
Payments received on notes receivable	189,584
Equity conveyed to affiliated entity	(17,806,025)
Contributed capital	17,806,025
Net cash provided by investing activities	23,658,523
• • •	(Continued)

#### Combined Statement of Cash Flows - Discretely Presented Component Units, Continued

	Component Units (Proprietary Fund Type)
Cash flows from non-capital financing activities:	
Principal payment related to non-capital funds	\$ (11,408,047)
Interest payment related to non-capital funds	(16,023,099)
Payment in lieu of taxes	(1,369,666)
Meter and wharf receipts	706,255
Meter and wharf expenses	(594,359)
Other, net	12,172,700
Grants from the Allegheny Regional Asset District	10,000,000
Proceeds from borrowing	50,375,216
Cost of borrowing	(549,782)
Early redemption of bonds	(8,603,282)
Net cash provided by non-capital financing activities	34,705,936
Cash flows from capital and related financing activities:	2 (00 000
Development grant from City of Pittsburgh	2,600,000
Principal payments related to capital funds	(11,559,050)
Interest payments related to capital funds	(28,126,793)
Additions to Stadium complex	(1,989,172)
Property conveyed to affiliated entity	30,376,732
Acquisition and construction of capital assets	(81,735,863)
Proceeds from sale of assets	8,930
Principal paid on capital lease obligation	(21,017,000)
Proceeds from issuance of revenue bonds related to capital funds	800,000
Bond issuance costs	(30,977)
Repayment - GNMA securities	3,192,575
Net cash used in capital and related financing activities	( <u>107,480,618</u> )
Net increase in cash	28,834,268
Cash and cash equivalents at beginning of year	56,643,987
Cash and cash equivalents at end of year	\$ 85,478,255
•	<del></del> _
Supplemental information:	
Cash and cash equivalents	237,966,699
Non-proprietary cash and cash equivalents	(46,545,512)
Trusteed and restricted funds	114,454,216
Long-term restricted investments	(218,376,440)
Restricted funds which are not cash or investments	(2,020,708)
Total cash and cash equivalents, end of year	\$ <u>85,478,255</u>

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

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#### Notes to General Purpose Financial Statements

For the Year Ended December 31, 1997

#### (1) Organization and Summary of Significant Accounting Policies

#### **Description of City**

The City of Pittsburgh, Pennsylvania (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, cultural and recreational, 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) The Financial Reporting Entity

Consistent with the guidance contained in Government Accounting Standards Board (GASB) No. 14, "The Financial Reporting Entity," the criteria used by the City to evaluate the possible inclusion of related entities (Authorities, Boards, Councils, etc.) within its reporting entity are financial accountability and the nature and significance of the relationship. In determining financial accountability in a given case, the City reviews the applicability of the following criteria:

The City is financially accountable for:

- 1. Organizations that make up the legal City entity.
- 2. Legally separate organizations if City officials appoint a voting majority of the organization's governing body and the City is able to impose its will on the organization or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.
  - a. <u>Impose its Will</u> If the City can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.
  - b. <u>Financial Benefit or Burden</u> Exists if the City (1) is entitled to the organization's resources or (2) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide support to, the organization or (3) is obligated in some manner for the debt of the organization.

#### Notes to General Purpose Financial Statements, Continued

3. Organizations that are fiscally dependent on the City. Fiscal dependency is established if the organization is unable to adopt its budget, levy taxes or set rates or charges or issue bonded debt without approval by the City.

Based on the foregoing criteria, the reporting entity has been defined to include all the fund types and account groups for which the City is financially accountable or for which there is a significant relationship. 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. Audit reports of the component units are available for public inspection in the Controller's office.

#### (B) Individual Component Unit Disclosures

#### **Blended Component Units**

Some component units, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and are reported as part of the primary government. The component units reported in this way are the following:

City of Pittsburgh Equipment Leasing Authority Employee Pension Plans

#### City of Pittsburgh Equipment Leasing Authority (Equipment Leasing Authority)

The Equipment Leasing Authority (ELA) was incorporated in 1980 to serve as a financing vehicle for the acquisition of equipment. The Board consists of a Deputy Mayor, Directors of the Department of General Services and the Department of Finance, one member of City Council and one individual designated by City Council.

#### Notes to General Purpose Financial Statements, Continued

Although it is legally separate from the City, the ELA is reported as if it were part of the primary government, because its sole purpose is to finance the City equipment needs. Its operations are included with special revenue fund types, debt service fund types and the general long-term debt account group. It operates on a December 31 fiscal year.

#### **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. As required by Pennsylvania Law, a comprehensive board oversees funding and investing activities. This Board consists of seven members, four 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 operate on a fiscal year ending December 31. Their operations are included as fiduciary fund types.

#### Discretely Presented Component Unit Disclosures

Component units which are not blended as part of the primary government are discretely presented by reporting component unit financial data in a column separate from the financial data of the primary government. The component units presented in this manner are the following:

#### Proprietary Type

Pittsburgh Water and Sewer Authority
Stadium Authority of the City of Pittsburgh
Public Parking Authority of Pittsburgh
Pittsburgh Sports and Festival Federation
Urban Redevelopment Authority of Pittsburgh

#### Governmental Type

Urban Redevelopment Authority of Pittsburgh

Notes to General Purpose Financial Statements, Continued

#### Pittsburgh Water and Sewer Authority

The Pittsburgh Water and Sewer Authority (PWSA) was incorporated in February 1984 under the Municipality Authorities Act of 1945 to assume responsibility for the operation and improvement of the City's water distribution and waste water collection systems. In 1984, pursuant to a Lease and Management Agreement, the Authority leased the entire City water supply, distribution and waste water collection system (the System) from the City and assumed responsibility for establishing and collecting user fees and charges and for maintaining and improving the System. The Lease and Management Agreement provided for the City to operate and maintain the System for the Authority subject to the general supervision of the Authority.

The City and the Authority agreed to terminate the Lease and Management Agreement in July 1995 and concurrently entered into an Agreement and a Capital Lease Agreement (collectively referred to as the Agreements). The effect of these Agreements, as more fully described in note 4, was to substantially transfer financial and management responsibility for the System to the Authority.

The Authority is legally separate from the City and is reported as a component unit. The Board consists of one City Council member, the City Treasurer, the City Finance Director and four members chosen by the Mayor. The PWSA operates on a fiscal year ending December 31.

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

The Stadium Authority was established to construct and operate Three Rivers Stadium. The Stadium Authority is administered by a five-member board, all of whom are appointed by the Mayor. The principal revenue sources are from rentals of the stadium and parking facilities and from service charges on event tickets. The City has guaranteed the subsidization of operating deficits and the debt service requirements of the outstanding debt of the Stadium Authority. The Stadium Authority operates on a fiscal year ending March 31.

(Continued)

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#### Notes to General Purpose Financial Statements, Continued

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.

#### 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 93.5% to the Parking Authority and 6.5% to the City. Accordingly, the City derives a financial benefit from the Parking Authority. The Parking Authority operates on a fiscal year ending September 30.

#### Pittsburgh Sports and Festival Federation, Inc.

The Pittsburgh Sports and Festival Federation, Inc. (the Federation) is a non-profit corporation organization under Section 501(c)(3) of the Internal Revenue Code. The Federation was incorporated for the purpose of coordinating, organizing and promoting recreational, cultural and educational events; such as sports and community events, amateur athletic competitions, music, dance and theatrical performances, fairs, festivals, exhibitions and parades or any other promotional programs that stimulate convention and visitor activity within the City of Pittsburgh and surrounding areas. The Mayor appoints the entire Board of Directors subject to the approval of City Council and may remove any director at will.

The funding for the Pittsburgh Sports and Festival Federation, Inc. was received primarily from the County of Allegheny. The Federation operates on a March 31 year end.

#### Notes to General Purpose Financial Statements, Continued

#### Urban Redevelopment Authority of Pittsburgh

The Urban Redevelopment Authority of Pittsburgh (the URA) was established in 1946 under the Pennsylvania Urban Redevelopment Law. The URA acquires and clears blighted property; initiates rebuilding with the private sector; negotiates with the federal, state, county and local governments for public funds and facilities; and works to maintain and improve Pittsburgh neighborhoods and business districts. Funding for the URA projects and programs is obtained primarily through intergovernmental grants. Additionally, the Authority has incurred note and bond indebtedness to finance specific programs.

The URA is considered to be a component unit of the City as the Mayor of Pittsburgh appoints the Board of Directors of the URA and a financial benefit/burden relationship exists between the City and the URA.

The reporting entity of the URA includes the accounts of all URA operations as well as three entities which qualify as component units of the URA under the provisions of GASB Statement No. 14. The component units of the URA are the URA Housing Corporation, the Pittsburgh Economic and Industrial Development Corporation and the Pittsburgh Housing Development Corporation.

The URA and all component units operate on a fiscal year ending December 31. Separate financial statements for these component units can be obtained through the Finance Department of the URA.

#### Notes to General Purpose Financial Statements, Continued

Complete financial statements of the individual component units can be obtained from their respective administrative offices.

#### Administrative Offices:

City of Pittsburgh Equipment Leasing Authority City-County Building, 5th Floor 414 Grant Street Pittsburgh, PA 15219 Pittsburgh Water and Sewer Authority 441 Smithfield Street Pittsburgh, PA 15222

City of Pittsburgh Employee Pension Plan Offices City-County Building, 9th Floor 414 Grant Street Pittsburgh, PA 15219 Pittsburgh Parking Authority 232 Boulevard of the Allies Pittsburgh, PA 15219

Stadium Authority of the City of Pittsburgh 300 Stadium Circle Pittsburgh, PA 15212

Pittsburgh Sports and Festival Federation, Inc. One Riverfront Center Pittsburgh, PA 15222

Urban Redevelopment Authority of Pittsburgh 200 Ross Street Pittsburgh, PA 15219

The following pages present condensed financial statements for the discretely presented component units.

#### Notes to General Purpose Financial Statements, Continued

## Discretely Presented Component Unit Condensed Financial Statements (Amounts expressed in thousands)

			Stadium		Public
	PSFF	PWSA	Authority	URA	Parking Authority
	March 31,	December 31,	March 31,	December 31,	September 30,
	1997	1997	1997	1997	1997
	1777	1997	1777	1777	1777
	Condensec	l Balance Sheets			
Current assets:					
Cash and investments	<b>\$</b> 71	31,650	4,125	198,366	3,755
Other	4	16,792	9,921	230,596	1,761
Trusteed and restricted assets	-	96,415	1,321	2,019	16,718
Non-current assets and other debits	-	4,809	71	7,405	3,410
Net fixed assets	10	305,673	33,974	79,515	70,815
Other debits	•	-	•	1,991	, -
Total assets	\$ <u>85</u>	455.339	49.412	519.892	96,459
Current liabilities:					
Current portion of long-term debt	-	-	1,837	-	2,454
Current maturities of long-term					
debt - City of Pittsburgh	-	-	1,285	-	-
Accounts payable - City of					
Pittsburgh	11	930	-	-	563
Other	10	5,737	5,610	28,980	4,261
Deferred revenue	•	-	1,590	101,248	•
Non-current liabilities:					
Long-term payable to City					
of Pittsburgh	-	-	21,525	-	-
Grants from the City of					
Pittsburgh	-	-	22,775	•	-
Capital lease obligation and					
other liabilities	-	21,626	-	-	-
Long-term debt	-	424,968	16,559	253,509	52,992

# Notes to General Purpose Financial Statements, Continued

# Discretely Presented Component Unit Condensed Financial Statements, continued (Amounts expressed in thousands)

<u>PSFF</u>

Stadium

**Authority** 

<u>URA</u>

Public Parking

**Authority** 

	March 31,	December 31,	March 31,	December 31,	September 30,
	<u> 1997</u>	<u>1997</u>	<u> 1997</u>	<u> 1997</u>	<u> 1997</u>
	Condensed Bala	ance Sheets, conti	nued		
Fund equity:				11.700	
Investment in general fixed asset Contributed capital	s \$ -	5,277	-	11,600 2,072	5 700
Restricted for construction	-	3,277	•	2,072	5,708
purposes	_	_	12,831	_	_
Retained earnings (deficit)	64	(3,199)	(34,600)	98,120	30,481
Fund balance	_	-	-	24,363	•
Total liabilities and	. <del>_</del>	<del></del>		<del></del>	
equity	\$ <u>85</u>	455,339	<u>49,412</u>	<u>519.892</u>	<u>96,459</u>
Condensed Statement				ined Earnings	
	(Amounts exp	ressed in thousan	ids)		
					Public
			Stadium		Parking
	PSFF	<b>PWSA</b>	Authority	URA	Authority
	March 31.		March 31,	December 31,	
	1997	1997	1997	1997	1997
	1777	1221	1221	1771	1221
Operating revenues	\$ 598	53,244	5,772	13,214	20,891
Operating expenses:					
Depreciation and amortization	7	8,467	2,572	804	3,248
Other	<u>744</u>	<u>25,790</u>	10,282	<u>5,808</u>	<u>12,227</u>
Operating income	44.50		( <b>=</b> 000)		
(loss)	(153)	18,987	(7,082)	6,602	5,416
Non-operating revenues (expenses):					
Interest expense	-	(20,429)	-	(14,088)	(3,170)
Other	_=	2,310	10,000	20,264	$\frac{11}{2,257}$
Net income (loss)	(153)	868	2,918	12,778	2,257
Retained earnings (deficit)/fund					
balance, beginning of year	<u>217</u>	<u>(4,067)</u>	(37,518)	<u>85,343</u>	<u>28,224</u>
Retained earnings (deficit)/fund	.—				
balance, end of year	\$ <u>64</u>	<u>(3.199</u> )	( <u>34,600</u> )	<u>98,121</u>	<u>30,481</u>
				,	(Continued)

#### Notes to General Purpose Financial Statements, Continued

#### Joint Venture

# 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 1989, 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 approximate 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 each agreed to pay one-half of any operating deficits. Furthermore, the City and County have executed support agreements for each of the Auditorium Authority's outstanding bond issues whereby the City and the County have equally pledged payment of the debt service. As of December 31, 1997, the City's portion of outstanding Auditorium Authority debt service was \$13,945,000 with certain restrictions.

While the City guarantees one-half the operating deficits and a portion of the Auditorium Authority's debt service, it does not have any equity interest in the Auditorium Authority's surpluses. For the year ended June 30, 1997, the Auditorium Authority's enterprise fund (operations of David L. Lawrence Convention Center) had a retained earnings of \$1,310,932 with net income of \$646,418.

Under a sublease agreement effective July 1, 1981, as amended, the Auditorium Authority leases the Civic Arena and surrounding parking areas to SMG Pittsburgh L.P. (SMG). SMG operates and is responsible for all expenses and maintenance of the Civic Arena.

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 Auditorium Authority operates on a fiscal year ending June 30. Complete financial statements for the Auditorium Authority can be obtained from its administrative office at 1001 Penn Avenue, Pittsburgh, PA 15222.

## Notes to General Purpose Financial Statements, Continued

## Related Organizations

## 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 subsidize the operations of the Housing Authority and does not guarantee its debt service.

The Housing Authority operates on a fiscal year ending December 31.

## Jointly Governed Organization

The Allegheny County Sanitary Authority (ALCOSAN) was organized under the Municipality Authorities Act of 1945 to collect, transport and treat waste water for the City of Pittsburgh and seventy-seven (77) other Allegheny County municipalities. ALCOSAN'S board has seven members: three are appointed by the City, three are appointed by the County and one is appointed jointly by the County and City. The City has no ongoing financial interest or responsibility for ALCOSAN.

#### (C) Fund Accounting Structure

The City's accounting structure embraces "fund" accounting which is the standard for governmental accounting as fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities promulgated by the Governmental Accounting Standards Board.

## Notes to General Purpose Financial Statements, Continued

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. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

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.

<u>Special Revenue Funds</u> - 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.

<u>Debt Service Funds</u> - 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.

<u>Capital Projects Fund</u> - A capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

#### 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.

(Continued)

## Notes to General Purpose Financial Statements, Continued

#### Account Groups:

General Fixed Assets - This account group was established to present a summary of the fixed assets of the City.

General Long-Term Debt - This account group is used to account for all long-term obligations of the City, general obligation and other bonds, capital lease obligations, accrued unfunded pension expense, workers' compensation expense, claims and judgments, compensated absences and deferred loans.

#### (D) Measurement Focus

All governmental funds and expendable trusts 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.

The reported fund balance (net current assets) is considered a measure of "available expendable resources." Governmental fund operating statements present increases (revenue 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 expendable resources" during the year. Expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities.

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 pension trust funds report increases (revenues) and decreases (expenses) in total economic net worth.

## Notes to General Purpose Financial Statements, Continued

#### (E) 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, tax liens sold and taxpayer assessed taxes and the next 12 months for other revenues, including payment in lieu of taxes. The City accounts for taxpayer-assessed revenues (primarily earned income and parking taxes) in accordance with Government Accounting Standards Board (GASB) Statement No. 22, "Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds," which establishes that revenues from taxpayer-assessed taxes, net of refunds, should be recognized in the period in which they become susceptible to accrual. 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 the receipt or earlier if the susceptible to accrual criteria are met.

Expenditures are recorded when the liability is incurred if it is expected to be paid within the next 12 months, except for interest and principal on general long-term obligations which are 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 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)

#### Notes to General Purpose Financial Statements, Continued

#### (F) Budgetary Data

- 1. <u>General Budget Policies</u> 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 operating 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 generally based on a proposed six-year capital program which must be updated each year and submitted to City Council by the Mayor at least 30 days prior to the day the operating budget is submitted. The capital budget also includes appropriations for the Community Development Block Grant (CDBG). Budget and actual data for CDBG is reflected in the special revenue fund-community development. The remainder of the capital budget is reflected in the capital projects fund.

#### Notes to General Purpose Financial Statements, Continued

- h. Formal budgetary integration is employed as a management control device for the general fund, special revenue community development fund (only) 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 special revenue community development fund and the capital projects fund are prepared on a project basis. The general fund, special revenue community development fund and capital project fund have legally adopted annual budgets.
- i. All budgets are prepared and controlled on a line item basis. For financial statement purposes, budgets have been summarized at a function level. Due to the voluminous number of projects, separately issued line item capital budget reports are available from the City Controller's Office. The general fund budget to actual comparison at the legal level of appropriation is located with the general fund combining statements.
- j. Operating appropriations lapse at year end. City Council can, however, authorize, by resolution, the carryover of appropriations to the following year. Community development and capital projects appropriations carryover to subsequent years without formal reappropriation.
- k. Operating budget figures are as amended by City Council with Mayoral approval. These budget amendments represent line item transfers between expenditure accounts. During 1997, there were no supplemental appropriations made to the operating budget.
- 2. Encumbrances Encumbrances accounting, under which purchase orders, resolutions, contracts and other commitments for future expenditures are recorded in order to reserve that portion of the applicable appropriation, is employed in all governmental funds of the City. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(Continued)

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#### Notes to General Purpose Financial Statements, Continued

3. <u>Budget Basis of Accounting</u> - The general fund budget is adopted on a cash basis. 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, budget figures, as amended, for community development and capital projects reflect current year appropriations and unexpended prior year's appropriations.

## (G) Cash and Cash Equivalents

For statement of cash flow purposes, cash and cash equivalents include all highly liquid investments, including trusteed and restricted assets, with an original maturity of three months or less.

#### (H) 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.

#### (I) Other Assets

Other assets consist primarily of receivables for rents, accrued interest, payments in lieu of taxes and emergency medical services.

#### (J) Fixed Assets

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisitions and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if the actual historical cost is not available. Estimated historical costs were determined by using either (1) standard costing which is a known average installed cost for a like unit at the estimated acquisition date, (2) normal costing which is the present cost of reproducing new assets indexed by a reciprocal factor of the price increase from the estimated date acquired to the appraisal date or (3) public documents that indicate the City's cost.

#### Notes to General Purpose Financial Statements, Continued

Public domain (infrastructure) general fixed assets such as streets, sidewalks and bridges are not recorded as general fixed assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest costs incurred during the construction of fixed assets are not capitalized and no depreciation has been taken on general fixed assets.

Since 1992 was the first year that assets were recorded in the general fixed assets group, it is not practical to determine the source of investments in general fixed assets prior to December 31, 1991.

The Stadium complex, the Water and Sewer assets, Parking Authority facilities and Urban Redevelopment Authority buildings and improvements 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 as shown in the table below.

	Estimated Useful Life in Years					
	<u>PWSA</u>	Stadium Authority	Parking Authority	<u>URA</u>		
Utility assets	30 - 40	-	-	-		
Parking facilities	-	-	50	-		
Equipment	10	5 - 10	10	-		
Stadium complex	-	45	-	-		
Buildings and improvements	-	-	-	30		

Notes to General Purpose Financial Statements, Continued

#### (K) Compensated Absences

Compensated absences are accounted for in accordance with Government Accounting Standards Board (GASB) Statement No. 16, "Accounting for Compensated Absences." The City provides for compensated absences in the following manner:

Fourteen sick days per year are accumulated up to a maximum of approximately 112 days, depending on the bargaining unit, for those employees not eligible for the insured sick leave plan or for those who have elected not to participate in the plan. The City accrues an amount for sick leave to the extent that it is probable that benefits will result in termination payments.

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 can be reasonably estimated.

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 financial resources.

An additional amount for employer FICA that is directly associated with the payment of compensated absences is accrued.

#### (L) Pensions

Pension cost for accounting purposes is computed in accordance with Accounting Principles Board Opinion No. 8 (APB No. 8). Reported expense is equal to normal cost, amortization of unfunded liabilities over 30 years, non-benefit plan expenses and net actuarial gains or losses, less employer and employee contributions and state pension aid under Act 205 (see note 8).

## Notes to General Purpose Financial Statements, Continued

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 Plans

#### **Primary Government**

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 unforseeable 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.

## **Discretely Presented Component Units**

The URA offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all 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.

(Continued)

## Notes to General Purpose Financial Statements, Continued

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

The URA 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 URA believes that it is unlikely that it will use the assets of the plan to satisfy the claims of general creditors in the future.

The URA does not match employees' voluntary contributions to the plan.

## (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 expendable available financial resources. Amounts not payable currently are reported in the general long-term debt account group; as non-current 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 1997 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 payments for all claims outstanding one year or more at the end of any fiscal year.

#### Notes to General Purpose Financial Statements, Continued

Presently, the irrevocable trust may be used by the State of Pennsylvania only in the event of default by the City under the self-insurance regulations. No risk financing activity is currently being recorded in this trust fund. All risk financing activity is recorded in the general fund. This fund is included with expendable trust funds since it was created by a legal trust indenture. Accordingly, the fund balance in the Expendable Trust has been reserved in the accompanying financial statements.

In 1987, the Water and Sewer Authority elected to become self-insured for general liability coverage and established a Self-Insured Escrow Fund (general liability) to cover potential liability claims. Through December 31, 1997, there have been no claims paid from this fund.

# (O) GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting"

The proprietary funds of the City and its discretely presented component units follow all GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, APB Opinions and ARBs issued on or before November 30, 1989, and have elected not to apply the FASB Statements and Interpretations issued after November 30, 1989, to their financial statements.

#### (P) Reclassification of Prior Year Statements

Certain previously reported items in the financial statements have been reclassified to conform to the current year's classification.

#### (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 cash flows 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)

## Notes to General Purpose Financial Statements, Continued

## (2) Reconciliation of Generally Accepted Accounting Principles to Budgetary Basis

## (A) General Fund

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 Fund is reconciled below to the Combined Statement of Revenues, Expenditures and Changes in Fund Balances:

	General Fund (in thousands)
Excess of revenues and other sources over expenditures and other uses - GAAP basis	\$ 19,568
Revenues: Increase in revenues susceptible to accrual recorded when received in cash on the budgetary basis Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis Capital lease proceeds budgeted as revenue Operating transfers budgeted as revenues Total	(2,947) 9,336 7,010 <u>741</u> 14,140
Expenditures:  Decrease in expenditures recognized on a GAAP basis recorded when paid in cash on the budgetary basis Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis Pension state aid recorded as expenditure reimbursement Operating transfers budgeted as expenditures  Total	(162) (9,336) 14,159 ( <u>53,941</u> ) (49,280)
Other financing (sources) uses:  Operating transfers budgeted as revenues and expenditures Capital lease proceeds budgeted as revenues Pension benefit contribution recorded as expenditures Decrease in other financing sources susceptible to accrual but recorded when received in cash on the budgetary basis  Total	53,200 (7,010) (14,159)
Excess of revenues and other sources over expenditures and other uses - budgetary basis	\$ <u>16,459</u> (Continued)

## Notes to General Purpose Financial Statements, Continued

## (B) Special Revenue Community Development

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 - Special Revenue - Community Development only - is reconciled below to the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Fund presented on a GAAP basis:

••••••

	Special Revenue
	(in thousands)
Excess of revenues and other sources over expenditures and	
other uses - GAAP basis - all Special Revenue Funds	\$ 2,659
Adjustment for non-budgeted Special Revenue Funds	(2,659)
Revenues:	
Increase of revenues susceptible to accrual recorded when	
received in cash on the budgetary basis	3,186
Revenues for non-budgeted Community Development Funds	( <u>2,650</u> )
Total	536
Expenditures:	
Decrease in expenditures recognized on a GAAP basis	
recorded when paid in cash on the budgetary basis	(2,221)
Expenditures for non-budgeted Community Development	
Funds	<u>2,337</u>
Total	116
Other financing (sources) uses:	
Decrease in operating transfers susceptible to accrual	
but not budgeted	32
Total	32
Excess of revenues and other sources over expenditures	
and other uses - budgetary basis	\$ <u>684</u>
	(Continued)

## Notes to General Purpose Financial Statements, Continued

## (C) Capital Projects

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 - Capital Projects is reconciled below to the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Fund presented on a GAAP basis:

	Capital Projects
	(in thousands)
Excess of expenditures and other uses over revenues and	
other sources - GAAP basis	\$ 45,841
Revenues:	
Revenue and reimbursements to trust funds	(991)
Increase in revenues susceptible to accrual recorded when	(>>1)
received in cash on the budgetary basis	(5,417)
Operating transfers	4,175
Total	$\frac{1175}{(2,233)}$
Expenditures:	
Trust fund expenditures	894
Decrease in expenditures recognized on a GAAP basis but	074
recorded when paid in cash on the budgetary basis	551
Operating transfers	<u>(4,567)</u>
Total	$\frac{(4,507)}{(3,122)}$
1 Otal	(3,122)
Excess of revenues and other sources over expenditures and	
other uses - budgetary basis	\$ <u>40,486</u>
	(Continued)

## Notes to General Purpose Financial Statements, Continued

## (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, 1997, except the Stadium Authority and the Pittsburgh Sports and Festival Federation, Inc., which are as of March 31, 1997, and the Public Parking Authority, which is as of September 30, 1997, is as follows:

Current Unrestricted	Cash	<u>Investments</u>	<u>Total</u>
Primary Government - Unrestricted			
City Treasurer (most governmental, expendable trust and agency funds) Equipment Leasing Authority (special	\$ 24,646,181	196,003,902	220,650,083
revenue and debt service funds) Pension Trust Funds	692,198 9,341,222	20,993 140,038,212	713,191 149,379,434
Deferred Compensation Plan Total Primary Government -	8,257	_54,106,270	54,114,527
Unrestricted	34,687,858	390,169,377	424,857,235
Component Units - Unrestricted PWSA Stadium Authority Public Parking Authority	31,650,000 220,996 969,761	3,904,023 2,785,059	31,650,000 4,125,019 3,754,820
PSFF URA Total Component Units -	70,827 46,763,172	151,602,861	70,827 198,366,033
Unrestricted	<u>79,674,756</u>	158,291,943	237,966,699
Total Unrestricted	114,362,614	548,461,320	662,823,934
Current Restricted			
Component Units - Restricted PWSA Stadium Authority Public Parking Authority PSFF	653,000 291,197 -	94,771,000	95,424,000 291,197 16,718,311
URA Total Component Units -	<del>-</del>	2,018,900	2,018,900
Restricted	<u>944,197</u>	113,508,211	114,452,408
Total Unrestricted and Restricted	\$ <u>115,306,811</u>	661,969,531	777,276,342
			(Continued)

## Notes to General Purpose Financial Statements, Continued

The bank balances of cash and cash equivalents 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 deposits insured or collateralized with securities held by a City entity or its agent in the City's name. Category 2 includes deposits collateralized with securities held by the counterparty's trust department or agent in the City's name. Category 3 deposits are those which are uncollateralized or which are collateralized with securities held by the counterparty or by the trust department or agent but not in the City's name. Deposits classified as Category 3 are secured by pooled collateral held by an agent of the City's banks in the bank's name as permitted by Act 72 of the Commonwealth of Pennsylvania, dated August 6, 1971 (Act 72).

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.

## (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.

## Notes to General Purpose Financial Statements, Continued

- 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 the 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.
- The carrying amount of all investments under the control of the City Treasurer at December 31, 1997, is presented in the accompanying table. Underlying balances are predominantly short-term investments.
- Cost approximates market for all of the foregoing investments with the exception of pension investments where market exceeds cost.
- The City maintains compensating balances with some of its depository banks to offset specific charges for check clearing and other services.

#### (B) Equipment Leasing Authority

Trust indentures authorize the Equipment Leasing Authority to invest in obligations of the U.S. government, repurchase agreements for government obligations and money market funds that invest solely in U.S. government obligations. Throughout the year ended December 31, 1997, the Equipment Leasing Authority invested its funds in one or more of the above authorized investments.

(Continued)

## Notes to General Purpose Financial Statements, Continued

The cost of all investments at December 31, 1997, for the funds of the Equipment Leasing Authority included in special revenue funds and debt service funds is presented in the accompanying table. Underlying balances are predominantly short-term investments.

#### (C) Pension Trust

The pension trust funds, whose deposits and investment are held separately from those of the City, are assigned to professional money managers that specialize in certain types of investments. The investment alternatives of these money managers are generally restricted to those in which they specialize.

The assets of the Comprehensive Fund are invested under the direction of the Board with the assistance of the Executive Director and an outside investment consultant. The investment consultant serves as a manager of the six to eight independent money managers of the fund.

The assets of the fund consist of two components: (1) the Operating Fund and (2) the Long-Term Assets Fund. The Operating Fund's purpose is to provide the general cash flow requirements of the fund and to fund the benefits/operating payments of the three plans. The Long-Term Assets Fund is designed to achieve growth in terms of both capital appreciation and income toward funding the unfunded pension liability.

Operating Fund investments are limited to U.S. treasuries with maturities less than ten years; federal agencies, commercial paper, bank acceptances and certificates of deposit (CD) with maturities less than 270 days and approved by PNC Fixed-Income Research; repurchase agreements with maturities less than 91 days; asset backed securities rated "AAA" by Standard & Poor's or Moody's; collateralized mortgage obligations (CMO) backed by U.S. federal agencies with average life and prepayment restrictions; corporate and municipal bonds rated "AA" or better by Standard & Poor's or Moody's.

Except for issues guaranteed directly or indirectly by the U.S. government, the combined holdings of securities from one issuer may not constitute more than 10% of the Operating Fund at the time of purchase. Except for direct U.S. government treasury issues, a maximum of 30% of the market value of the holdings may be invested in any one government agency; also no more than 10% of the market value may be invested in any single bank issue at time of purchase.

## Notes to General Purpose Financial Statements, Continued

The Long-Term Assets Fund requires an asset mix of 45% large-capital domestic equities, 15% small-capital domestic equities and 40% domestic fixed income securities or other investments specifically authorized by the Board. Each class is to have a minimal cash reserve allocation. Acceptable investments include: equities - high quality common stocks or convertible securities; fixed income securities - including U.S. treasury and agency issues, U.S. corporate bonds, mortgage related securities, Yankee Notes/Bonds and cash equivalents - U.S. treasury bills and repurchase agreements, money market funds, commercial paper and CDs of the custodian bank.

Pension trust fund investments are assigned to professional money managers that specialize in certain types of investments. The investment alternatives of these money managers are generally restricted to those in which they specialize.

The Trust invests in asset-backed securities to maximize yields. Such securities market values may be affected by the cash flows from principal and/or interest payments received on the underlying assets. Thus the market values could be sensitive to prepayments, delinquencies and interest rate changes.

The following summarizes pension trust fund investments which individually are 5% or more of net assets available for benefits, at cost:

Hirtle Callaghan Trust International Equity	
Portfolio Fund #8	\$ <u>18,104,217</u>
MAS Funds High Yield Portfolio Fund #2137	\$ <u>13,434,863</u>
Morgan Grenfell Investment Trust Fixed Income	
Fund #361	\$ 17,475,643

## (D) Deferred Compensation Plan

The City participates in a deferred compensation plan sponsored by the Allegheny League of Municipalities. The associated assets, carried at market, are held in pooled accounts. The trust indentures authorize the Deferred Compensation Plan to invest in obligations of U.S. treasury and money market mutual funds.

# (E) Water and Sewer Authority

The Water and Sewer Authority (the Authority) is authorized to invest in obligations of the U.S. government and government-sponsored agencies and instrumentalities; fully insured or collateralized certificates of deposit; commercial paper of the highest rating; repurchase agreements collateralized by government obligations or securities and highly rated bank promissory notes or investment funds or trusts. Throughout the year ended December 31, 1997, the Authority invested its funds in such authorized investments.

#### Notes to General Purpose Financial Statements, Continued

## (F) Stadium Authority

The trust indentures authorize the Stadium Authority to invest in obligations of the U.S. government, certificates of deposit and repurchase agreements. Throughout the year ended March 31, 1997, the Stadium Authority invested its funds in one or more of the above authorized investments.

## (G) Public Parking Authority

The trust indentures authorize the Public Parking Authority of Pittsburgh to invest in obligations of the U.S. government, corporate notes, municipal bonds, money market funds and certificates of deposit. The majority of the investments are restricted by terms and agreements of the Authority.

## (H) Urban Redevelopment Authority

Pennsylvania statutes and the trust indentures related to certain debt transactions provide for investment of URA funds into certain authorized investment types including U.S. Treasury bills, other short-term U.S. and Pennsylvania government obligations, insured or collateralized time deposits and certificates of deposit, certain commercial paper and repurchase agreements and highly rated bank promissory notes or investment funds or trusts.

The deposit and investment practices of the URA and its component units adhere to statutory and contractually required and prudent business practice. Deposits of the governmental funds are either maintained in demand deposits or savings accounts and certificates of deposit. There were no deposit or investment transactions during the year that were in violation of either the state statutes or the trust indentures.

The bank balances of cash and cash equivalents of the City and its component units are summarized by category as follows: primary government unrestricted category 1 - \$3,953,405, category 2 - \$8,842,641 and category 3 - 29,808,459; component unit unrestricted category 1 - \$4,810,132 and category 3 - \$71,118,372; component unit restricted category 1 - \$200,000 and category 3 - \$754,197.

# Notes to General Purpose Financial Statements, Continued

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

Primary Government - Unrestricted	Carrying Amount	Market <u>Value</u>	Category
(A) City Treasurer (most governmental, expendable trust and agency funds):			
Repurchase agreements	\$ 29,848,000	29,848,000	3
Money market mutual funds Guaranteed investment	76,361,003	76,361,003	N/A
contract	89,794,899	88,531,738	N/A
Total	196,003,902	194,740,741	
(B) Equipment Leasing Authority:			
Money market mutual funds	20,993	20,993	N/A
(C) Pension Trust:			
Preferred and common stocks U.S. government & agency	48,586,893	70,385,857	2
obligations	15,272,725	15,832,932	2
Corporate and other obligations	76,178,594	77,320,752	2
Total	140,038,212	163,539,541	
(D) Deferred Compensation:			
Money market trust funds	54,106,270	54,106,270	N/A
Total Primary			
Government -			
Unrestricted	390,169,377	412,407,545	
			(Continued)

# Notes to General Purpose Financial Statements, Continued

Component Units - Unrestricted	Carrying Amount	Market <u>Value</u>	Category
(E) Stadium Authority: Money market pooled investments	\$ 3,904,023	3,904,023	N/A
(F) Pittsburgh Parking Authority: Local government securities Money market mutual funds Total	48,777 <u>2,736,282</u> 2,785,059	48,777 2,736,282 2,785,059	1 N/A
(G) URA: U.S. government and agency obligations U.S. government and agency obligations Pooled Investment Fund Total	95,984,176 38,599,092 17,019,593 151,602,861	98,434,576 39,615,613 17,019,593 155,069,782	1 3 N/A
Total Component Units - Unrestricted  Total Unrestricted	158,291,943 548,461,320	161,758,864 574,166,409	
Component Units - Restricted	, ,	, ,	
(H) PWSA:			
Repurchase agreements U.S. government and agency	3,534,000	3,534,000	3
obligations Guaranteed investment contracts Local government securities	5,263,000 71,698,000 14,276,000	5,267,000 71,698,000 14,276,000	3 N/A 3
Total	94,771,000	94,775,000	
(I) Pittsburgh Parking Authority: Commercial paper Corporate obligations	1,045,740 9,671,016	1,045,384 9,666,796	2 3
Money market mutual funds	2,764,720	2,764,720	N/A
U.S. government and agency obligations Total	3,236,835 16,718,311	3,189,744 16,666,644	3
			(Continued)

#### Notes to General Purpose Financial Statements, Continued

Component Units - Restricted	Carrying <u>Amount</u>	Market <u>Value</u>	Category
(J) URA: Pooled investment funds Total	\$ <u>2,018,900</u> <u>2,018,900</u>	2,018,900 2,018,900	N/A
Total Component Units - Restricted	113,508,211	113,460,544	
Grand Total	\$ 661.969.531	687,626,953	

## (4) Transactions With the Pittsburgh Water and Sewer Authority

In 1984, pursuant to a Lease and Management Agreement, the Authority leased the entire City water supply, distribution and wastewater collection system (the System) from the City and assumed responsibility for establishing and collecting user fees and charges and for maintaining and improving the System. The Lease and Management Agreement provided for the City to operate and maintain the System for the Authority subject to the general supervision of the Authority.

The City and the Authority agreed to terminate the Lease and Management Agreement in July 1995 and concurrently entered into a Cooperation Agreement and a Capital Lease Agreement (collectively referred to as the Agreements).

## Cooperation Agreement

Although executed in its final form in July, the Cooperation Agreement was substantially effective January 1, 1995. On that date, City water department employees became employees of the Authority. The Authority assumed workers' compensation and compensated absence liabilities which had accrued during the era of the City's Water Department.

#### Notes to General Purpose Financial Statements, Continued

Direct costs of the System's water operations are now generally paid directly by the Authority under the Cooperation Agreement. The City continues to provide the Authority with various services in accordance with the Cooperation Agreement and the Authority reimburses the City for direct and indirect costs attributed by the City to the operation and maintenance of the System.

Under the Agreements, the Authority will continue to provide up to 600,000,000 gallons of water annually for the City's use without charge. The Authority also continues to reimburse the City for the cost of subsidizing water service to those residents living in the City but beyond the Authority's service area so that those water users pay charges which are based upon the Authority's rates.

#### System Lease

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The City and Authority entered into a Capital Lease Agreement (the Capital Lease), effective July 27, 1995, with a term of thirty years, commencing as of July 15, 1995 and ending on September 1, 2025. The Capital Lease stipulates minimum lease payments of approximately \$101,000,000, including interest, all of which have been satisfied. The Authority has the option to purchase the System in 2025 for \$1.

The City recorded payments of \$21,017,000 received in 1997 as an other financing source in the accompanying statement of revenues, expenditures and changes in fund balances of the General Fund.

As of December 31, 1997, the City has retained the pension obligation for the Authority's employees who participate in the City's Municipal Pension Plan. The extent of the Authority's participation in such obligation with respect to these employees whose membership continued upon becoming employees of the Authority is determined by the shared interpretation of the City and the Authority of the intent of the Cooperation Agreement.

Uncertainty exists about the future obligation of the Authority and its employees to make contributions to the Plan. Such contributions are contingent upon the continuing eligibility of the Authority's employees to participate in the City's Plan. Eligibility for ongoing employee participation in the City's Plan could end if the Authority were to introduce another pension plan. At this time, the Authority and City have no definite plans to establish another pension plan for the Authority, other than an agreement in principle that the Authority should have its own plan in the future. Future obligations of the Authority to make contributions to the Plan may also be subject to other amendments of the existing arrangement agreed upon by the Authority and the City.

# Notes to General Purpose Financial Statements, Continued

# (5) Trusteed and Restricted Funds

The following is a summary of trusteed and restricted funds:

	Cash and	041	T-4-1
Component Units	investments	<u>Other</u>	<u>Total</u>
<u>component cials</u>			
Pittsburgh Water and Sewer Authority (PWSA):			
Construction	\$ 3,956,000	19,000	3,975,000
Debt service	19,807,000	671,000	20,478,000
Operating reserve	5,646,000	26,000	5,672,000
Self-insured escrow	653,000	-	653,000
Capital projects fund	57,600,000	275,000	57,875,000
Acquisition fund	-	-	-
Other	<u>7,762,000</u>		7,762,000
Subtotal	95,424,000	991,000	96,415,000
Stadium Authority:			
Parking maintenance	<u>291,197</u>	<u>1,029,708</u>	1,320,905
Subtotal	291,197	1,029,708	1,320,905
Parking Authority:			
Operating reserve	2,250,000	-	2,250,000
Debt service	2,862,136	-	2,862,136
Debt service reserve	2,987,642	-	2,987,642
Debt service project fund	1,367,025	-	1,367,025
Capital improvement fund	1,417,737	-	1,417,737
Construction	47,846	-	47,846
Renewal and replacement	2,338,901	-	2,338,901
Revenue	2,129,980	-	2,129,980
City meter	213,624	-	213,624
City wharf	368,383	-	368,383
Excess coverage	<u>735,037</u>	<u>-</u>	735,037
Subtotal	16,718,311		16,718,311
Subtotal	112,433,508	2,020,708	114,454,216
Less PWSA accrued interest payable	7,766,000	-	7,766,000
URA investments, restricted  Total component units trusteed	<u> 2,018,900</u>	<del>-</del>	2,018,900
and restricted funds	<b>\$</b> <u>106,686,408</u>	<u>2.020.708</u>	108,707,116
			(Continued)

Notes to General Purpose Financial Statements, Continued

#### (6) 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 every three years. The County implemented a freeze on real estate tax assessments as of January 1, 1996, which is currently being contested.

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 annually or in three installments, at the taxpayers' option, due the last day of February, April 30 and July 31. A 2% discount is allowed on either the first installment or the full year tax payment, if paid by February 10. If no payment is received by the last day of February, the installment payment privilege is forfeited, and the entire tax for the year is considered delinquent. Penalty and interest at the rate of 1.5% per month is imposed on delinquent payments.

Delinquent taxes are liened every 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.

## Notes to General Purpose Financial Statements, Continued

#### Tax Lien Sale

In April of 1998, the City received the second installment of approximately \$8 million on the tax lien sale initiated in 1996. During 1996, the City and the Pittsburgh School District consummated a sale of substantially all their property tax liens for the tax years 1988 through 1995. Liens for delinquent municipal sewage charges were also included in the portfolio. In conjunction with this sale, the City and PWSA reached an agreement whereby PWSA assumed all the City obligations and rights under an agreement with Allegheny County Sanitary Authority to purchase all delinquent sewage receivable over 90 days old. The City also agreed to transfer approximately \$3,000,000 from the proceeds to the PWSA. The liens totaling approximately \$51.2 million representing delinquencies of principal and interest were sold in two groups to a single purchaser, National Tax Funding, L.P., for approximately \$32,200,000 (group one \$18,200,000 and group two \$14,000,000) with the proceeds allocated as follows: City of Pittsburgh -\$16,000,000; School Board - \$11,200,000; Pittsburgh Water and Sewer - \$3,000,000 and \$2,000,000 to establish a tax lien repurchase fund. The liens were sold without recourse; however, the sale of the second group of liens was subject to certain conditions contained in the applicable agreements. National Tax Funding, L.P., has agreed to purchase the tax receivables for 1996, 1997 and 1998 on all the properties included in the original sale if they become liens. Subsequent tax lien sales have generated proceeds of approximately \$2 million, received in December 1997.

#### (7) Fixed Assets

The following is a summary of changes in the general fixed assets account group during 1997:

	Balance January 1, 1997	Additions (amo	<u>Deletions</u> unts in thousand	<u>Transfers</u>	Balance December 31, 1997
Land and buildings Machinery and equipment Capital leases Construction-in-progress Total general fixed	\$ 111,772,407 45,947,714 11,774,592 1,066,156	317,113 7,467,139 - 	(1,281,319)	1,399,621 - - (1,399,621)	113,489,141 52,133,534 11,774,592
assets	\$ <u>170,560,869</u>	<u>8,117,717</u>	( <u>1.281.319</u> )	<del></del>	<u>177,397,267</u>
					(Continued)

## Notes to General Purpose Financial Statements, Continued

A summary of discretely presented component units property, plant and equipment is as follows:

	<u>1997</u>
	(amounts in thousands)
Stadium complex	\$ 67,033
Land and parking facilities	97,767
Machinery and equipment	3,232
Utility plant	201,347
Nonutility plant	7,772
Capitalized system lease	102,166
Construction-in-progress	35,522
URA land, building and improvement	18,688
URA property on lease	24,170
URA development and related costs	40,443
Total	598,140
Less accumulated depreciation Net component unit property,	(108,153)
plant and equipment	\$ <u>489.987</u>

## (8) Pension Plans (See Also Footnote 23, Subsequent Event)

## (A) Organization and Description of Plans

The City of Pittsburgh is responsible for the funding of retirement benefits for the three pension plans described below. Investments of the plans, in accordance with Act 205, are administered under the direction of the Comprehensive Municipal Pension Trust Fund Board.

#### The Municipal Pension Fund

The Municipal Pension Fund of the City of Pittsburgh (the Plan) was established by Act 259 of May 28, 1915, P.L. 596. Every full-time employee of the City of Pittsburgh and the Pittsburgh Water and Sewer Authority (PWSA) who is not covered by the Policemen's Plan or the Firemen's Plan is required to join the Plan after serving a 90-day probation period. The Plan is a single employer defined benefit plan, and its purpose is to provide retirement, disability and other benefits to its members. The City of Pittsburgh and members of the Plan are required to make contributions to the Plan for the purpose of paying benefits and administrative expenses. At January 1, 1997, the date of the most recent actuarial valuation, the Plan had 2,316 active members and 1,958 retirees, disableds and survivors.

#### Notes to General Purpose Financial Statements, Continued

Effective January 1, 1995, the City terminated employment of the 255 employees of its Water Department. As part of a Cooperation agreement with PWSA, the 255 terminated employees became employees of PWSA. The new PWSA employees' membership in the Municipal Plan continues with no break in service, as provided for by the Municipal Pension Act, because PWSA has no retirement plan. The City considers PWSA a part of the reporting entity and thus believes the plan continues to be a single employer plan. As of the date of these financial statements, no separate allocations of contributions to the Plan, Plan assets or Plan liabilities have been allocated to the employees of PWSA, nor have any actuarial determinations been made. PWSA reimburses the City's general fund for its portion of employer contributions in an amount which is not actuarially determined.

Retirement benefits are available at the employee's option upon attainment of age 60, and completion of 20 years of service, normal retirement. A plan member is eligible for early retirement upon attainment of age 50 and completion of eight years of service. For early retirees, benefit payments may be deferred until 60 years of age, or paid immediately at reduced amounts, as defined by the plan. Upon completion of eight years of service, and attainment of age 40, an employee may terminate and remain eligible to receive benefits by continuing to make contributions to age 50. An employee who was a member prior to January 1, 1975, may terminate at any age after 15 years of service and be vested by continuing contributions to age 50.

Employees who become permanently disabled during the performance of their duties and who are unable to continue to perform those duties are eligible to receive a disability pension. Employees who become otherwise disabled are eligible for a disability pension if eight years of service have been completed.

Retirement benefits for employees who were members of the Plan prior to January 1, 1975, equal 60% of three-years average pay, but no less than \$130 monthly if such pay is less than \$450; or 55% of the first \$650 of three-years average pay and 30% of the excess but not less than \$270 if such pay is greater than \$450. The benefit for employees who became members after January 1, 1975, is equal to 50% of three-years average pay, four-years average pay if hired after December 31, 1987, reduced at age 65 by 50% of the Social Security benefit. The aforementioned benefits are prorated for employees with less than 20 years of service. All members receive a service increment of 1% of three-year average pay, four-year average pay if hired after December 31, 1987, for each year of service in excess of 20, to a maximum of \$100 per month.

#### Notes to General Purpose Financial Statements, Continued

- A member who meets the disability requirements, but who is not eligible to retire, is entitled to a disability benefit based upon his earnings at the date of disability without proration for service less than 20 years. For eligible employees hired on or after January 1, 1988, the following rules apply:
  - a. If an employee is age 60 or older with eight years of service, he will receive his normal retirement benefit.
  - b. If an employee becomes disabled before attaining age 60, but with at least eight years of service, his benefit will be calculated as though he was age 60 with his service being the greater of 1) his service at disablement or 2) the lesser of 20 years and his completed service assuming he had continued to work until age 60.
  - c. The above benefit will be reduced so that the combination of this benefit and the employee's monthly workers' compensation benefit shall not exceed the employee's regular salary level at the time of disablement.

- A survivor benefit is available to the surviving spouse upon the death of an active member eligible for early retirement. The benefit amount is equal to 50% of the member's pension had the member retired at the date of death. A survivor benefit equal to the excess of the member's contributions over the retirement benefits paid is provided to the beneficiary of a member whose death occurs after the retirement date. The member's contributions are returned to the beneficiary of a member whose death occurs prior to eligibility for early retirement.
- Upon termination, and prior to vesting, a member's contributions are refundable without interest to the member. Employee contributions to the Plan are 5% of pre-tax pay for employees hired prior to January 1, 1988, and 4% of pre-tax pay for those thereafter.
- In May 1995, the City offered its employees who are covered by the Municipal Pension Plan and who had attained the age of 50 with a minimum of eight (8) years of service an Early Retirement Incentive Program (the Program). The Program became effective July 1, 1995, for those employees who elected to participate by June 30, 1995, and who had become members of the Plan prior to January 1, 1988.

#### Notes to General Purpose Financial Statements, Continued

The retirement benefit for employees who became members of the Plan before January 1, 1975, is 55% of the first \$650 of average monthly compensation plus 30% of the amount in excess of \$650. Employees who became members after December 31, 1974, receive a retirement benefit of 50% of average monthly compensation, which is reduced by 50% of the employee's social security primary insurance amount upon attainment of age 65. Employees with 20 years of service receive an additional benefit of 1% of average monthly compensation for each complete year in excess of 20. The retirement benefit for employees with less than 20 years of service will be reduced by 5% for each year of service less than 20. In addition, for employees electing the program who have not attained the age of 60, the retirement benefit is reduced by 1/2% for each month that the payments commence prior to age 60, except for those hired before January 1, 1975, with 25 years of service. Average monthly compensation is defined as the average of salaries and wages during the highest 36 months of the final 60 months preceding retirement, excluding overtime.

#### The Policemen's Relief and Pension Fund

The Policemen's Relief and Pension Fund of the City of Pittsburgh (the Plan) was established by Act 99 of May 25, 1935, P.L. 233. The Plan is a single employer defined benefit plan and its purpose is to provide retirement, disability and other benefits to its members. P.L. 233 requires the City of Pittsburgh and members of the Plan to make contributions to the Plan for the purpose of paying benefits and administrative expenses.

All employees of the Bureau of Police, including substitute uniformed employees, are eligible for membership in the Plan. At January 1, 1997, the Plan had 1,153 active members and 1,628 retirees, disableds and survivors.

Retirement benefits are available at the employee's option upon completion of 20 years of service and attainment of age 50. Employees who become permanently disabled in the line of duty, and who are unable to perform the duties of their position, are eligible to receive a disability pension. Employees who become permanently disabled other than in the line of duty become eligible to receive a disability pension if they have completed ten years of service.

(Continued)

#### Notes to General Purpose Financial Statements, Continued

The regular pension benefit is equal to 50% of the highest 12 consecutive months' pay at the time of retirement. Employees hired after December 31, 1991, receive a pension benefit based on a 36-month average pay. An arbitration award dated March 30, 1992, changed the method used to calculate pension benefits for employees. Under the new method, pension benefits are determined on the basis of the last 36 months average pay instead of the last 48 months average pay for employees hired on or after January 1, 1992. Employees hired prior to January 1, 1992, receive pension benefits on the basis of the highest 12 consecutive months' pay at the time of retirement.

Service increments of \$20 per month for each year of service between 20 and 25 years and \$25 per month for each year in excess of 25 years are included in the retirement benefit. A death benefit is available for the survivors, as defined by the plan, of any member who dies in the performance of his duties. A surviving spouse benefit, which is applicable to deaths not in the line of duty, may also be elected by plan participants.

Effective January 1, 1989, regular pensioners receiving benefits prior to January 1, 1984, and disabled pensioners receiving benefits prior to January 1, 1985, received an increase in benefits based upon retirement years.

An employee who terminates employment after 20 years of service, and before age 50, is considered fully vested in the plan. The accrued benefit is payable at age 50 and is based on average pay at the time of termination. A terminated member may elect to continue making contributions to the plan, equal to the contribution rate in effect at the time of termination. In this event, the monthly benefit payable at age 50 will be based on the rate of pay which would have been in effect had the employee continued to work until age 50. If a member terminates employment before completing 20 years of service, accumulated employee contributions are refundable.

Employee contributions to the Plan are 6% of pay plus \$1 per month. Those electing the surviving spouse benefit contribute an additional 1/2% of pay.

Notes to General Purpose Financial Statements, Continued

#### The Firemen's Relief and Pension Plan

The Firemen's Relief and Pension Fund of the City of Pittsburgh (the Plan) was established by Act of May 25, 1933, P.L. 1050. The Plan is a single employer defined benefit plan. Its purpose is to provide retirement, disability and other benefits to its members. P.L. 1050 requires the City of Pittsburgh and members of the Plan to make contributions to the Plan for the purpose of paying benefits and administrative expenses.

All employees of the Bureau of Fire, including the commanding officer and chief of the bureau, are eligible for membership in the fund. At January 1, 1997, the Plan had 826 active members and 1,043 retirees, disableds and survivors.

Retirement benefits are available at the employee's option upon completion of 20 years of service for any participant employed before January 1, 1976, or for those years employed thereafter, completion of 20 years service and attainment of age 50. Employees who become permanently disabled in the line of duty and who are unable to perform the duties of their position are eligible to receive a disability pension. Employees who become permanently disabled other than in the line of duty become eligible to receive a disability pension if they have completed ten years of service.

The regular pension benefit is equal to 50% of the wages earned during any three calendar years of service or the last 36 months average pay immediately preceding retirement. A service increment of \$20 per month in 1991 and thereafter is paid each member for each year of service in excess of 20. A death benefit is available for the survivors, as defined by the plan, of any member who dies in the performance of his duties. A surviving spouse benefit may also be elected by plan participants which is applicable to deaths not in the line of duty. A lump-sum death benefit of \$1,200 is paid to the beneficiary of any deceased member.

Normal vesting occurs upon attainment of age 50 and 20 years of service. Upon termination of employment a member's contributions, without accumulation of interest, are refundable.

(Continued)

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# Notes to General Purpose Financial Statements, Continued

Employee contributions to the Plan are 6% of pay plus \$1 per month. Those electing the surviving spouse benefit contribute an additional 1/2% of pay.

# (B) Funding Status and Progress

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In 1984, the Pennsylvania General Assembly passed the "Municipal Pension Plan Funding Standard and Recovery Act" (Recovery Act), which has significantly improved the administration and funding of all municipal pension plans. 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 significant increase in the amount of state pension aid received by the City's plans.

In accordance with the Municipal Pension Plan Funding Standard and Recovery Act of 1984 (Act 205), 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 receive and invest the City's pension assets.

The City has three defined benefit pension plans (Municipal, Policemen's and Firemen's), which are administered by the respective pension boards, the majority of whose members are elected by the employees. The Police and 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 Policemen's or Firemen's Plan is required to join the Municipal Plan after serving a 90-day probationary period.

Commonwealth of Pennsylvania 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 contribution.

# Notes to General Purpose Financial Statements, Continued

Act 205 contains both mandatory and optional remedies for municipalities to design a program for dealing with unfunded pension liabilities. 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 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 seven members, four appointed by the Mayor and approved by Council, and one elected from each plan, manages the investments of all pension assets and funds for each plan's monthly 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.

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 began 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.

Act 189 of 1990 amended the provisions of Chapter 3 of Act 205. Amendments require (1) annual payroll used in the calculation of financial requirements to be that of the current year (of the calculation) plus projected payroll to the end of the year and (2) an estimated state aid amount not be deducted from the total financial requirements in determining the minimum municipal obligations. The revised definition of the Minimum Municipal Obligation (MMO) is effective for MMO's developed and adopted for budgeting purposes subsequent to 1991. Additionally, the provisions for payment of the MMO were revised to require any one of three alternative methods, more fully described in Act 189, and payment of the MMO is to occur by December 31 of each year.

(Continued)

# Notes to General Purpose Financial Statements, Continued

# **Actuarial Assumptions**

The most recent actuarial reports disclosed the following information with respect to the plans as of January 1, 1997:

Significant assumptions underlying the actuarial computations include mortality, termination, vesting, marital status and retirement estimates, as well as the following:

	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>
Assumed rate of return on investments	% <u>8.75</u>	<u>8.75</u>	<u>8.75</u>
Assumed salary increases:			
Cost-of-living	3.75	3.75	3.75
Merit/seniority	<u>75</u>	75	75
	% <u>4.50</u>	4.50	<u>.75</u> <u>4.50</u>
Assumed post-retirement benefit increases	% <u>6.5</u>	<u></u> =	=

# Pension Benefit Obligation

The "pension benefit obligation," which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, and any steprated benefits 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.

# Notes to General Purpose Financial Statements, Continued

The Plan's actuary uses the "unit credit actuarial cost" method to determine the pension benefit obligation. The following table summarizes the net unfunded pension benefit obligation by individual plan, according to the most recent actuarial report as of January 1, 1997:

	Comprehens	ive			
	Trust	<u>Municipal</u> (am	Police ounts in thous	<u>Fire</u> sands)	<u>Total</u>
Pension benefit obligation:  Vested benefits:  Retirees and beneficiaries  currently receiving benefits	\$ -	116,151	202,049	96,499	414,699
Terminated members not yet receiving benefits	-	•	517	-	517
Active members: Accumulated employee contributions Employer-financed - vested Total vested	<u>-</u>	28,374 	20,995 <u>14,966</u> 238,527	27,678 <u>36,944</u> 161,121	77,047 <u>67,808</u> 560,071
Employer-financed - nonvested Total pension benefit obligation		<u>15,353</u> 175,776	<u>38,819</u> 277,346	35,321 196,442	89,493 649,564
Net assets available for benefits, at cost, from December 31, 1997, financial statements (market value \$156,975) Unfunded pension	<u>143,298</u>	10	138	19	<u>143,465</u>
benefit obligation	<b>\$</b> ( <u>143.298</u> )	<u>175,766</u>	<u>277,208</u>	<u>196,423</u>	<u>506,099</u>

## Contributions

For funding purposes, the City utilizes actuarially determined contributions under Act 205. The actuarial assumptions used to determine funding requirements are the same as those used to determine pension benefit obligations. The Plan's actuary uses the "Entry Age Normal Actuarial Cost" method as described in Act 205 of 1984, which is independent of the actuarial method used to determine the PBO.

The actuarially required pension contributions for the plan year beginning January 1, 1997, are as follows:

# Notes to General Purpose Financial Statements, Continued

# Required Contributions

	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Normal cost	\$ 3,326,036	5,236,352	4,570,788	13,133,176
Percent of covered payroll	<b>%</b> 5.07	11.46	10.39	8.46
Amortization payment	4,217,639	15,325,658	9,931,840	29,475,137
Percent of covered payroll	% 6.43	33.54	22.58	18.98
Estimated member				
contributions	(3,042,076)	(2,938,115)	(2,877,761)	(8,857,952)
Percent of covered payroll	% <u>4.64</u>	6.43	6.54	5.71
Required contributions	\$ 4.501.599	<u>17.623.895</u>	11,624,867	<u>33.750.361</u>
Percent of covered payroll	% <u>6.86</u>	<u>38,57</u>	<u>26.43</u>	<u>21.74</u>
Total 1997 payroll	\$ 72,230,527	53.952.988	46,300,917	172,484,432
Covered 1997 payroll	\$ <u>65.599.618</u>	45,689,744	43,977,106	<u>155,266,468</u>

# Contributions Made

During 1997, the City contributed \$23,173,861 from the General Fund and \$2,000,000 from the Retirees Trust Fund. Plan participants contributed \$8,765,173 and state aid totaled \$14,159,321. (See table below.) The contribution from the Retirees Trust Fund funded pension benefit increases, which are separate from the actuarially determined pension liability.

#### Summary of Contributions

<u>Municipal</u>	Police	<u>Fire</u>	Total
\$ 2,989,132	2,961,444	2,814,597	8,765,173
<b>%</b> 4.56	6.48	6.40	5.64
\$ 2,427,101	6,933,352	4,798,868	14,159,321
<b>%</b> 3.70	15.17	10.91	9.12
\$ 5,828,561	11,189,276	8,156,024	25,173,861
% <u>8.89</u>	24.49	<u>18.55</u>	<u>16.21</u>
\$ 11,244,794	<u>21.084.072</u>	15,769,489	48,098,355
% <u>17.14</u>	46.15	<u>35.85</u>	<u> 30.97</u>
\$	\$ 2,989,132 % 4.56 \$ 2,427,101 % 3.70 \$ 5,828,561 % 8.89 \$ 11,244,794	\$ 2,989,132 2,961,444 % 4.56 6.48  \$ 2,427,101 6,933,352 % 3.70 15.17  \$ 5,828,561 11,189,276 % 8.89 24.49 \$ 11,244,794 21,084,072	\$ 2,989,132 2,961,444 2,814,597 % 4.56 6.48 6.40  \$ 2,427,101 6,933,352 4,798,868 % 3.70 15.17 10.91  \$ 5,828,561 11,189,276 8,156,024 % 8.89 24.49 18.55 \$ 11,244,794 21,084,072 15,769,489

# Notes to General Purpose Financial Statements, Continued

For financial reporting purposes, the City accounts for pension cost under APB #8. The net pension cost for 1997 under APB #8 was \$21,301,000. The City General Fund contributed \$24,211,000 from the General Fund. Contributions in excess of net pension costs of \$2,909,000 decreased the accrued pension cost in the general long-term debt account group.

The required ten-year historical information designed to provide information about Plan progress in accumulating sufficient assets to pay benefits when due is presented at the end of the notes to the general purpose financial statements.

For the three years ended December 31, 1995, 1996 and 1997, respectively, available assets were sufficient to fund 20.5%, 15.6% and 36.8% of the municipal pension benefit obligation, 13.5%, 13.0% and 21.1% of the police pension benefit obligation and 18.5%, 20.8% and 27.9% of the fire pension benefit obligation. The unfunded pension benefit obligation represented 213.1%, 227.0% and 99.9% of the annual payroll for employees covered by the municipal pension plan; 511.3%, 547.6% and 413.7% for the police pension plan and 362.8%, 344.1% and 322.6% for the fire pension plan for 1995, 1996 and 1997, respectively. For the three years ended December 31, 1995, 1996 and 1997, respectively, employer contributions represented 4.5%, 62.1% and 19.3% of the municipal plan covered payroll; 18.3%, 24.8% and 8.8% of the police plan covered payroll; and 16.7%, 19.6% and 18.5% of the fire plan covered payroll. Employer contributions were made in accordance with actuarially determined requirements.

At January 1, 1997, the membership of the three pension plans consisted of:

<u>Status</u>	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries of deceased retirees currently				4 62 4
receiving benefits	1,958	1,625	1,041	4,624
Terminated employees - vested		3	2	5
Total	1,958	1,628	1,043	4,629
Active members:				
Vested	1,207	124	312	1,643
Nonvested	1,109	1,029	514	2,652
11011105000	2,316	1,153	826	4,295
	<del></del>	<del></del>		
Total membership	<u>4,274</u>	<u>2.781</u>	1.869	<u>8.924</u>
				(Continued)

Notes to General Purpose Financial Statements, Continued

#### (9) Other Postemployment Benefits

In addition to the pension benefits, the City provides post-retirement healthcare and life insurance benefits to certain retired employees in accordance with applicable city statutes and labor agreements.

The City provides healthcare benefits to 1,188 retired nonunion municipal, fire and police employees. In 1993, the City added a new retiree medical plan that provides healthcare benefits to police and fire retirees and their spouses that are over age 65. Prior to 1993, only those municipal, fire and police retirees under age 65 received benefits. The benefit is funded by partial contributions from the retirees receiving coverage and the remainder by the City on a pay-as-you-go basis. During 1997, post-retirement healthcare benefits expense paid by the City was \$5,817,638.

In addition, in 1995, the City offered post-retirement healthcare benefits to all municipal employees that were age 50 or older with 20 years of service as a retirement incentive. Each retiree is to receive up to \$350 per month until age 65. There are 163 retirees in this group with a total cost to the City in 1997 of \$695,422.

The City also provides life insurance benefits to retired police and fire employees. The amount of life insurance coverage varies from \$4,000 to \$7,500 depending upon the bargaining unit and the year of retirement. This benefit is paid entirely by the City. Life insurance benefits for this group are paid on a pay-as-you-go basis from the general fund operating budget. There are 1,165 retirees in this group with a total cost during 1997 of \$171,096.

Notes to General Purpose Financial Statements, Continued

# (10) Long-Term Debt

The maximum amount payable for future maturities of bonds and interest on general longterm debt at December 31, 1997, and changes in bond principal for the year then ended are summarized below:

	Principal		
	Outstanding at December 31, 1996	Bonds paid or defeased and discount amortized during 1997	
Council and public election general obligation bonds: Fourteen general obligation bond issues with rates ranging from 4.00% to 7.1%. The bonds are payable from general revenues:			
1997	\$ 15,220,000	15,220,000	
1998	26,060,000	, , , <u>.</u>	
1999	27,435,000	-	
2000	29,895,000	-	
2001	31,160,000	-	
2002	32,390,000	-	
2003 - 2007	184,435,000		
2008 - 2012	201,960,000	_	
2013 - 2017	56,610,000	-	
2018 - 2022	11,300,000	-	
2023 - 2024	<u>5,765,000</u>	-	
Subtotal	622,230,000	15,220,000	
Less discount	14,962,087	1,976,306	
Less bonds funded by Stadium Authority	28,057,813	1,651,244	
Total	579,210,100	11,592,450	

Face value and discount on bonds issued during 1997	Outstanding at December 31, 1997	<u>Interest</u>
-	-	_
-	26,060,000	33,436,441
2,155,000	29,590,000	33,520,595
2,250,000	32,145,000	32,339,095
2,355,000	33,515,000	31,941,294
2,455,000	34,845,000	30,767,148
14,200,000	198,635,000	125,484,891
18,025,000	219,985,000	65,036,494
23,290,000	79,900,000	20,069,820
5,420,000	16,720,000	4,449,500
	<u>5,765,000</u>	416,592
70,150,000	677,160,000	377,461,870
-	12,985,781	-
<del>_</del>	26,406,569	<u> 18,407,709</u>
70,150,000	637,767,650	359,054,161
		(Continued)

	Principal Principal		
	Outstanding at December 31, 1996	Bonds paid or defeased during 1997	
Equipment Leasing Authority Revenue Bonds:  One revenue bond issue with interest rates ranging from 6.05% to 6.5%. The Bonds were paid from general resources transferred from the General Fund:  1997  Total	\$ <u>2,670,000</u> 2,670,000	<u>2,670,000</u> 2,670,000	
Public Auditorium Authority Revenue Bonds:  Four bond issues with interest rates ranging from 4.75% to 8.60%. The City's share of debt service on these bonds is payable from general revenues:			
1997	1,037,500	1,037,500	
1998	1,085,000	1,037,300	
1999	1,135,000	-	
2000	937,500	-	
2001	977,500	-	
2002	1,022,500	-	
2003 - 2007	5,382,500	-	
2008 - 2012	1,487,500	-	
2013 - 2017	1,507,500	-	
2018 - 2019	410,000	<del>-</del>	
Total	14,982,500	1,037,500	

Bonds issued during 1997	Outstanding at December 31, 1997	<u>Interest</u>
<del>_</del>	<del>-</del>	<u>-</u>
-	_	_
-	1,085,000	943,268
-	1,135,000	878,784
-	937,500	809,977
-	977,500	751,776
-	1,022,500	690,057
-	5,382,500	2,383,898
-	1,487,500	1,110,000
-	1,507,500	516,239
<del>-</del>	<u>410,000</u>	52,890
-	13,945,000	8,136,889
		(Continued)

	Principal		
	Ou	tstanding at	Bonds paid
	Dece	mber 31, 1996	<u>during 1997</u>
Urban Redevelopment Authority of Pittsburgh			
Taxable Bonds:			
One tax increment financing (TIF) bond issue			
with interest rates ranging from 5.35% to			
7.2%. Terms of the TIF require repayments			
of principal and interest solely from tax			
increments generated in tax increment			
districts and related agreements:			
1997	\$	71,915	71,915
1998	•	73,808	
1999		77,593	-
2000		83,270	-
2001		87,055	-
2002		92,733	-
2003 - 2007		560,181	-
2008 - 2012		779,708	<del>-</del>
2013		191,142	
Total		2,017,405	71,915
Urban Redevelopment Authority of Pittsburgh Taxable			
Bonds:			
One Special Tax Development Bond issue with			
interest rates ranging from 8.17% to 9.07%.			
Bonds are payable solely from City's			
assignment to the URA of certain Allegheny			
Regional Asset District revenues:			
1997		875,000	875,000
1998		950,000	-
1999		1,030,000	-
2000		1,120,000	-
2001		1,215,000	-
2002		1,325,000	-
2003 - 2007		3,075,000	-
2008 - 2012		3,990,000	-
2013 - 2014	_	7,000,000	-
Total	6	0,580,000	875,000

Bonds issued	Outstanding at	
<u>during 1997</u>	<u>December 31, 1997</u>	<u>Interest</u>
<del></del>		
-	72.000	120 506
-	73,808	130,586
•	77,593	126,638
-	83,270	122,370
-	87,055	117,582
-	92,733	112,446
-	560,181	467,129
-	779,708	244,996
	<u>191,142</u>	13,762
•	1,945,490	1,335,509
-	-	-
-	950,000	5,287,106
•	1,030,000	5,209,490
-	1,120,000	5,124,618
_	1,215,000	5,031,658
_	1,325,000	4,929,842
-	13,075,000	22,379,706
-	23,990,000	14,573,626
-	<u>17,000,000</u>	2,517,832
	59,705,000	65,053,878
-	37,703,000	
		(Continued)

	Principal			
	Outstanding at	Bonds paid		
	December 31, 1996	<u>during 1997</u>		
Urban Redevelopment Authority of Pittsburgh Taxable Bonds:  Two tax increment financing (TIF) bond issues with interest rates ranging from 5.125% to 6.25%. Terms of the TIF require repayment of principal and interest solely from tax				
increments generated in tax increment				
districts and related agreements:				
1997	\$ 54,883	54,883		
1998	121,120	-		
1999	151,401	-		
2000	187,358	-		
2001	183,573	-		
2002	196,821	-		
2003 - 2007	1,237,697	-		
2008 - 2012	1,769,490	-		
2013 - 2015	590,460	<u></u>		
Total	4,492,803	54,883		

Bonds issued during 1997	Outstanding at December 31, 1997	<u>Interest</u>
-	-	-
-	121,120	259,216
-	151,401	252,766
-	187,358	243,268
-	183,573	233,035
-	196,821	222,099
-	1,237,697	916,545
-	1,769,490	466,367
_ <del></del>	<u>590,460</u>	<u>67,420</u>
-	4,437,920	2,660,716
		(Continued)

	Principal		
	Outstanding at	Bonds paid	
	<u>December 31, 1996</u>	during 1997	
Urban Redevelopment Authority of Pittsburgh Taxable			
Bonds:			
One taxable revenue bond issue with interest			
rates ranging from 7.2% to 8.0%. The			
bond is payable from general resources of			
the General Fund:	e 675.000	675 000	
1997	\$ 675,000 730,000	675,000	
1998 1999	720,000	-	
2000	770,000	-	
2000	830,000	-	
2001	895,000	-	
2002 2003 - 2004	965,000	-	
Total	2,165,000 7,020,000	675,000	
1 Otal	7,020,000	073,000	
Urban Redevelopment Authority of Pittsburgh Taxable			
Revenue Bonds:			
One tax increment financing (TIF) bond with			
interest rates ranging from 6.26% to 8.01%.			
Terms of the TIF require repayments of			
principal and interest solely from tax			
increments generated in tax increment			
districts and related agreements:			
1997	-	-	
1998	86,894	-	
1999	94,450	-	
2000	102,006	-	
2001	107,673	-	
2002	117,118	-	
2003 - 2007	725,376	-	
2008 - 2012	1,065,396	-	
2013 - 2015	880,274	:	
Total	<u>3,179,187</u>		
General Long-Term Debt Account Group	\$ <u>674.151.995</u>	16,979,748	

Bonds issued during 1997	Outstanding at December 31, 1997	<u>Interest</u>
-	-	-
-	720,000	492,940
-	770,000	441,100
-	830,000	384,120
-	895,000	320,210
-	965,000	250,400
=	<u>2,165,000</u>	263,200
-	6,345,000	2,151,970
-	- 86,894	220.719
-	94,450	239,718 233,929
<u>-</u>	102,006	233,929 227,447
<u>-</u>	107,673	220,368
_	117,118	212,586
_	725,376	917,757
_	1,065,396	579,083
-	<u>880,274</u>	109,699
	3,179,187	2,740,587
<u>70,150,000</u>	<u>727.322.247</u>	441.133.710
		(Continued)
		(Continued)

# Notes to General Purpose Financial Statements, Continued

# **Discretely Presented Component Units**

# Stadium Authority Revenue Bonds and Note

One revenue refunding bond issue with interest rates ranging from 3.85% to 5.0% and a note with variable interest rates based on the prime lending rate when yearly payments are due. The bonds and note are payable from revenue from Stadium operations:

	Principal				
	Outstanding at	Bonds paid	Bonds issued	Outstanding at	
	March 31,	during	during	March 31,	
	<u>1996</u>	<u>1997</u>	<u>1997</u>	<u>1997</u>	Interest
1997	\$ 1,752,300	1,752,300	-	_	-
1998	1,837,300	-	-	1,837,300	690,962
1999	1,892,300	-	-	1,892,300	635,138
2000	1,957,300	-	-	1,957,300	574,185
2001	2,022,300	-	-	2,022,300	509,030
2002	2,087,300	-	-	2,087,300	439,542
2003 - 2006	8,786,900			8,786,900	946,828
Subtotal	20,335,700	1,752,300	-	18,583,400	3,795,685
General obligation bonds					
funded by Authority	24,000,000	1,190,000		22,810,000	
Total Stadium debt	\$ <u>44,335,700</u>	2.942.300		41.393.400	3,795,685

# Notes to General Purpose Financial Statements, Continued

# Public Parking Authority Revenue Bonds and Notes

One revenue bond issue with interest rates ranging from 4.8% to 5.875%, and six notes, three with no interest and one with a variable interest rate based on 65% of the prime lending rate and two with fixed rates ranging from 5.75% to 6.0%. The bonds and notes are payable from revenue from Parking Authority operations with some of the notes being paid directly by parking facilities lessees:

		_	Principal		
	Outstanding at September 30, 1996	Bonds paid during 1997	Bonds issued during 1997	Outstanding at September 30, 1997	Interest
1997	\$ 2,313,236	2,313,236	_	_	_
1998	2,421,217	2,515,250	33,255	2,454,472	3,147,918
1999	2,547,934	_	69,443	2,617,377	2,999,000
2000	2,669,854	_	73,542	2,743,396	2,865,108
2001	2,769,030	•	77,882	2,846,912	2,736,993
2002	3,945,785	-	545,878	4,491,663	2,490,580
2003 - 2007	15,905,658	-	-	15,905,658	9,871,909
2008 - 2012	20,690,000	-	-	20,690,000	4,615,399
2013	4,897,250			4,897,250	143,790
Subtotal	58,159,964	2,313,236	800,000	56,646,728	28,870,697
Less unamortized discount	1,279,845	79,991		1,199,854	<u>-</u>
Total Parking debt	\$ <u>56.880.119</u>	2.233,245	800,000	<u>55.446.874</u>	28.870.697

# Notes to General Purpose Financial Statements, Continued

#### Water and Sewer Authority Revenue Bonds

Three revenue bond issues with interest rates ranging from 4.0% to 5.875%, and one revenue refunding bond issue with interest rates ranging from 3.9% to 4.75%. The bonds are payable from revenue from Water and Sewer operations:

	Principal					
			Bonds issued	i		
	Outstanding at	Bonds paid and premium amortized	and refunding loss amortize	Outstanding d at		
	December 31,	during	during	December 31,		
	1996	<u>1997</u>	1997	1997	Interest	
1997	\$ 9,440,000	9,440,000	-	-	-	
1998	12,610,000	-	-	12,610,000	23,296,742	
1999	12,990,000	-	-	12,990,000	22,800,893	
2000	13,520,000	-	-	13,520,000	22,276,783	
2001	14,520,000	-	-	14,520,000	21,702,184	
2002	15,385,000	-	-	15,385,000	21,064,525	
2003 - 2007	87,925,000	-	-	87,925,000	93,971,805	
2008 - 2012	98,230,000	•	-	98,230,000	71,068,757	
2013 - 2017	108,095,000	-	-	108,095,000	40,241,888	
2018 - 2022	48,515,000	-	-	48,515,000	19,884,499	
2023 - 2025	40,565,000	<u> </u>		40,565,000	<u>5,057,606</u>	
Subtotal	461,795,000	9,440,000	-	452,355,000	341,365,682	
Plus net bond premium (Less) plus refunding loss	(1,862,000)	(81,000)	•	(1,781,000)	-	
series 1991	(27,939,000)	<del>-</del>	2,333,000	(25,606,000)		
Total debt	\$ <u>431,994,000</u>	9.359.000	2,333,000	424,968,000	<u>341,365,682</u>	

# (A) Council and Public Election General Obligation Bonds

# General Obligation Refunding Bonds - Series of 1997 Series A, B and C

In December 1997, the City issued \$70,150,000 of General Obligation Bonds, Series 1997 Series A, B and C with an average interest rate of 5.07%. These bonds consisted of serial bonds bearing various fixed rates ranging from 4.5% to 5.5% with maturities commencing on September 1, 1998, and continuing annually through September 1, 2018.

# Notes to General Purpose Financial Statements, Continued

The net proceeds of the Series 1997 A, B and C of \$68,940,000 (less payments of \$635,012 in underwriting fees, insurance and other issuance costs and a transfer of \$422,867 of capitalized interest to the Debt Service Fund) were used to provide funds for capital projects.

In 1985, 1992, 1993, 1995 and 1996, the City defeased certain general obligations and other bonds by placing the proceeds of new bonds in irrevocable trusts 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, 1997, bonds outstanding of \$3,435,000 refunded by the above mentioned issues are considered defeased.

# (B) Auditorium Authority

In September 1994, the Authority issued \$3,370,000 Auditorium Bonds, 1994 Series A and \$10,250,000 Taxable Auditorium Bonds, Series 1994B, at an average interest rate of 7.42%. Under the Supporting Agreement included with the Bonds, the City and County have each unconditionally agreed to pay one half of the principal and interest on the Bonds as they become due and payable. The Series A Bonds consist of \$1,820,000 of serial bonds bearing various fixed interest rates ranging from 4.1% to 6.0% and \$1,550,000 of term bonds bearing interest rates ranging from 6.0% to 6.125%. The Series B bonds consist of \$5,740,000 of serial bonds bearing various fixed rates ranging from 5.95% to 8.35% and \$4,510,000 of term bonds bearing interest rates ranging from 8.6% to 8.75%. The Series A and B Bonds commenced payment on September 1, 1995, and continue annually through September 1, 2019.

The proceeds of the Series A Bonds are being used for capital improvements to the Civic Arena and to pay costs of issuing the bonds, and the proceeds of the Series B Bonds were used to reimburse Hockey Associates for improvements previously made at the Civic Arena and to pay costs of issuing the bonds.

# Notes to General Purpose Financial Statements, Continued

The 1981 Series C Auditorium Bonds have not been included in the City's general long-term debt account group for the year ended December 31, 1997. The City does not fully subsidize the bond issue, but according to the supporting agreement, in event of default, the payment of bonds is guaranteed by the City and the County.

# (C) Stadium Authority

In October 1993, the Authority issued \$15,945,000 Guaranteed Stadium Refunding Bonds, Series 1993 at an average interest rate of 4.43%. These are serial bonds bearing various fixed interest rates ranging from 3.25% to 5.0% with maturities commencing on October 1, 1995, and continuing annually through October 1, 2005.

The net proceeds of \$15,768,965 were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments of \$13,645,000 principal plus related interest payments on the Authority's Guaranteed Stadium Funding Bonds, Series 1986. The deposits will generate enough interest to pay the periodic principal and interest payments. As a result, \$13,645,000 of the 1986 bonds are considered to be defeased and neither the trust nor the obligation is included in the Authority's balance sheet. (\$2,935,000 of these bonds remained open on the Authority's balance sheet.)

The Authority's advance refunding of a portion of the 1986 bonds reduced its total debt service payments over the next 12 years by \$430,635. The transaction resulted in an economic gain (difference between the present value of debt service on the old and new debt) of \$421,930.

On January 19, 1994, the Authority entered into a contract with a vendor for the purchase of a new scoreboard for \$4,373,000. The Authority agreed to pay \$500,000 upon substantial completion of the installation and signed a promissory note for the remaining \$3,873,000. A principal payment of \$387,300 together with interest accruing at the highest prime rate published by the Wall Street Journal on the first business day of the month of a payment, is due each year on the anniversary date of the initial payment of \$500,000.

#### Notes to General Purpose Financial Statements, Continued

# (D) Pittsburgh Water and Sewer Authority

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The Authority initially financed its seven-year capital improvement program through the issuance of \$93,600,000 and \$134,700,000 Revenue Bonds in 1984 and June 1986, respectively. The 1984 bonds were later defeased with the issuance of refunding bonds.

In July 1986, the Authority issued \$264,090,000 Revenue Refunding Bonds, Series of 1986 (July 1986 Bonds), with the intention of refunding the 1985 and June 1986 Bonds on September 1, 1991, or sometime thereafter. Proceeds of \$241,411,000 from the issuance were placed in an escrow fund (July 1986 escrow fund) to provide for the refunding.

In July 1991, due to favorable interest rates, rather than implement the intended refunding of the July 1986 bonds, the Authority decided to issue Refunding Bonds to pay off the outstanding bonds. In July 1991, the Authority issued \$248,329,024 of Water and Sewer Revenue Refunding Bonds. These funds along with the amount already in escrow to reduce the 1985 and June 1986 bonds were used to redeem the 1985 and June 1986 Bonds on September 1, 1991, and a sufficient amount was placed in escrow to defease the July 1986 bonds.

In November 1993, the Authority issued \$278,970,000 Series A Refunding Bonds, to advance refund the 1991 Bonds, and \$10,785,000 Series B Revenue Bonds, to provide funding for additional capital improvements. The net proceeds of the Series A Bonds of \$276,612,700 (after payment of \$3,402,000 in underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities, which were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1991 Bonds. As a result, the 1991 Bonds are legally defeased.

The Series A and B 1993 Bonds have a fixed rate of interest which ranges from 3.4% to 6.5%, and pay interest semiannually at March 1 and September 1 commencing March 1, 1994. The average effective interest rate on the 1993 bonds, including amortization of original issue premium and excluding the 1991 refunding loss, is 5.0% for 1994. The bonds are insured under a Municipal Bond New Issue Insurance Policy issued by FGIC. A portion of the 1993 Bonds are subject to optional and mandatory redemption in various face amounts beginning September 1, 2003.

# Notes to General Purpose Financial Statements, Continued

- In July 1995, the Authority issued \$89,850,000 of Series A Bonds and \$101,245,000 of Series B Bonds bearing various fixed rates ranging from 4.0% to 5.6% payable semiannually on March 1 and September 1.
- The proceeds from the 1995 Series A Bonds are to be used for capital improvements to the water system and the proceeds from the 1995 Series B Bonds are to be used to fund certain obligations of the Authority to the City under the Capital Lease Agreement for the system.
- A portion of the 1995 bonds is subject to optional and mandatory redemption in various face amounts beginning September 1, 2005. The fair value of the 1995 bonds at December 31, 1996, based on quoted market prices, is approximately \$197 million.

# (E) <u>Urban Redevelopment Authority of Pittsburgh (URA)</u>

Between 1994 and 1996, the following financings occurred in cooperation with the URA. These financings have been determined to be conduit debt obligations of the URA since they are limited obligations of the URA issued for the purpose of providing capital financing for third party projects.

The bond issuances discussed below in (1), (2), (3) and (5) are classified as self-supporting bonds payable in the general long-term debt account group as of December 31, 1996, since repayment of principal and interest is dependent solely from available tax increments or Allegheny Regional Asset District revenues. The bond issuances discussed in (2), (3) and (5) are not backed by the full faith and credit of the City.

(Continued)

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# Notes to General Purpose Financial Statements, Continued

- (1) <u>Urban Redevelopment Authority of Pittsburgh (URA) Guaranteed Tax Increment</u> <u>Financing Bonds - Series 1994A</u>
  - In March 1994, the URA issued \$5,510,000 of Guaranteed Tax Increment Financing Bonds (TIF) 1994A with an average interest rate of 6.59%. The bonds consisted of \$2,610,000 of serial bonds bearing various fixed rates ranging from 4.7% to 6.5% with maturities commencing on October 1, 1996, and continuing annually through October 1, 2006, and \$2,900,000 term bonds bearing a rate of 7.2% maturing on October 1, 2013.

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- The net proceeds of \$5,443,164 were used to finance the construction of a parking facility at the Pittsburgh Technology Center a high tech research park which is being redeveloped on a former steel mill site.
- In February 1994, the City executed a guarantee agreement with the URA, whereby the City's full faith and credit were unilaterally pledged to guarantee the debt service payments related to the URA's \$5,510,000 TIF.
- Under separately executed agreements with the City, County and Pittsburgh School District, each entity has pledged its entire share of all new real estate taxes generated by the newly approved tax increment district. The bonds are considered to be self-supporting based upon the pledged incremental taxes, tenant lease agreements and other related agreements. Currently, agreements have been executed with Union Switch and Signal, which has built a multi-million dollar research facility on the site; and the other key participants: the University of Pittsburgh (Pitt) and Carnegie-Mellon University (CMU), both of which have signed municipal service agreements. Both Pitt and CMU have built research facilities on the site in the last few years. Union Switch and Signal has entered into separate agreements not to challenge the tax assessment on its new facility for as long as the bonds are outstanding.
- The guarantee agreement calls for the City to make debt service payments in the event that current revenues generated under these agreements are insufficient to make required debt service payments. The bond agreement calls for a debt service reserve fund equal to the highest year's debt service to be maintained. Average annual debt service is approximately \$560,000.

Notes to General Purpose Financial Statements, Continued

# (2) Special Tax Development Bonds, Taxable Series of 1995

Effective March 1, 1995, the City entered into a Cooperation Agreement (the Agreement) which allocates a portion of the City's Allegheny Regional Asset District revenues to pay the debt service on the Authority's Special Tax Development Bonds, Taxable Series of 1995 (Bonds), the proceeds of which were used to fund the Pittsburgh Development Fund.

The Agreement irrevocably assigns to the URA the right to receive (a) the first \$6,200,000 of the City's allocation of Allegheny Regional Asset District revenues for each of the ten years beginning March 1, 1995, and (b) the first \$7,500,000 of the City's allocation of Regional Asset District revenues for each of the ten years beginning March 1, 2005.

These bonds are not guaranteed by the full faith and credit of the City. These bonds are all insured by a municipal bond insurer.

The proceeds of the Bonds, issued February 1, 1995, in the amount of \$61,390,000, were used to create the Pittsburgh Development Fund, along with satisfying certain bond issuance expenses. The Bonds, with maturities occurring in 1996 through 2014, are limited obligations of the URA and are payable solely from the City's portion of the Allegheny Regional Asset District tax revenues and irrevocably allocated to the URA. The Pittsburgh Development Fund is an economic development fund administered by the URA for targeted and strategic developments which meet the following broad development objectives: attraction; expansion and retention; land procurement and development and loans to and investment in certain projects. The Pittsburgh Development Fund will also consider providing venture capital to promising upstart companies in order to encourage economic development within the City and will utilize the existing knowledge base of existing venture firms in the region.

Notes to General Purpose Financial Statements, Continued

# (3) <u>Urban Redevelopment Authority of Pittsburgh (URA) Redevelopment Bonds</u> (Center Triangle Tax Increment Financing District)

In December 1995, the URA issued \$7,545,000 of Redevelopment Bonds, Series A of 1995 and \$4,325,000 of Redevelopment Bonds, Series B of 1995 (collectively, the Bonds). The Series A Bonds consist of serial bonds bearing various fixed interest rates ranging from 5.125% of 6% with maturities commencing on June 1, 2000, through December 1, 2011. The Series B Bonds consist of serial bonds bearing various fixed interest rates ranging from 5.75% and 6.25% with maturities on March 15, 2006, and March 15, 2015.

The Bonds' proceeds, together with other funds, will be used primarily to fund costs associated with the construction of a subsurface public parking garage to be located in an approximately twelve block area in the central business district of the City (the TIF District) and to pay bond issuance costs. Other public and private moneys will finance certain costs of significant redevelopment efforts within the TIF District, including renovation of a major downtown building from a department store to a mixed-use office/retail facility and the construction of a new four-story Lazarus department store to be built above the parking garage.

Under a Tax Increment Financing Cooperation Agreement (the TIF Agreement) with the City, County and the School District of Pittsburgh, each entity has agreed to assign its respective rights to the incremental taxes derived from the TIF District to the URA for the term of the bonds. The difference in the amount of real estate taxes attributable to certain property within the TIF District prior to and subsequent to the development constitutes the "increment" that will be available to pay debt service on the Bonds.

The Series A Bonds are limited obligations of the URA, payable solely from the revenues pledged under the Series A Bond Indenture, which include monies received (a) under the TIF Agreement, (b) from the developer under a Minimum Payment Agreement, (c) from the principal tenant of the Penn Avenue Place Building, (d) from payments made by PNC Bank under a Letter of Credit and (e) from funds and securities held by the Trustee under the Series A Bonds Indenture.

Notes to General Purpose Financial Statements, Continued

The Series B Bonds are limited obligations of the URA, payable solely from the revenues pledged under the Series B Bonds Indenture, which include monies received (a) under the TIF Agreement, (b) from the owner and operator of Lazarus, (c) pursuant to a Guaranty of Minimum Payment Agreement from Federated Department Stores, Inc., Lazarus' parent company, (d) from payments made by PNC Bank under a letter of credit, and (e) from funds and securities held by the Trustee under the Series B Bonds Indenture.

The bonds are not guaranteed by the full faith and credit of the City.

In the event that real estate tax revenues generated under the TIF Agreements are insufficient at any time to pay debt service on the bonds, the respective parties under the Minimum Payment Agreements have agreed to make payments sufficient to remedy such shortfalls. Amounts payable under the Minimum Payment Agreements correspond to debt service requirements on the respective Bonds. Pursuant to the Tenant Agreement, each tenant has agreed to guarantee the full and punctual payment when due of all obligations.

#### (4) Taxable Guaranteed Revenue Bonds - Series 1994B

In June 1994, the URA issued \$8,245,000 of Taxable Guaranteed Revenue Bonds, Series 1994B with an average interest rate of 7.48%. The bonds consisted of \$5,115,000 of serial bonds bearing various fixed rates ranging from 6.0% to 7.8% with maturities commencing on September 1, 1995, and continuing annually through September 1, 2001; and \$3,130,000 term bonds bearing a rate of 8.0% maturing on September 1, 2004.

The net bond proceeds of \$8,183,162 were used to fund the Business Reinvestment fund to provide a working capital loan to Pittsburgh Baseball, Inc. as the sole general partner of Pittsburgh Associates. At December 31, 1995, no loans have been disbursed from this fund. In March 1996, the City committed to loan \$8,000,000 to Pittsburgh Baseball, Inc.

(Continued)

Notes to General Purpose Financial Statements, Continued

- The URA, the City of Pittsburgh and the trustee have entered into a Cooperation and Guaranty Agreement under which the payment of the principal and interest on the Bonds is paid and guaranteed when due by the City. Pursuant to the Agreement, the full faith, credit and taxing power of the City is pledged for the payment of the principal and interest.
- (5) <u>Urban Redevelopment Authority of Pittsburgh (URA) Taxable Development</u>
  <u>Bonds (North Shore Tax Increment Financing District ALCOA Project)</u>,
  Series of 1996
  - In May 1996, the URA issued \$8,415,000 of Redevelopment Bonds, Series of 1996 with an average interest rate of 7.63%. The bonds consisted of serial bonds bearing various fixed interest rates ranging from 6.26% to 8.01% with maturities commencing on June 1, 1998, and continuing annually through June 2015.
  - The proceeds from the sale of the bonds, along with other funds, will be used to fund costs associated with the construction of a new office building to house the corporate headquarters of the Aluminum Company of America, to finance certain other improvements in the TIF District, capitalize interest on the bonds and to pay certain costs of issuing the bonds.
  - The bonds are limited obligations of the URA, payable solely from the revenues pledged under the Indenture, which include monies received (a) under the Tax Increment Financing Cooperation Agreement (the TIF Agreement), (b) under a Minimum Payment Agreement between the Aluminum Company of America and the URA and (c) from funds and securities held by the Trustee under the Indenture. The bonds are not obligations of the Commonwealth of Pennsylvania or any political subdivision of the Commonwealth including the City of Pittsburgh.
  - Under the TIF Agreement with the City, County of Allegheny and the School District of Pittsburgh, each entity has agreed to assign its respective rights to the incremental taxes derived from the TIF District to the URA for the term of the bonds. The difference in the amount of real estate taxes attributable to certain property within the TIF District prior to and subsequent to the development constitutes the "increment" that will be available to pay debt service on the bonds.

# Notes to General Purpose Financial Statements, Continued

#### (F) Urban Redevelopment Authority of Pittsburgh (URA)

The Urban Redevelopment Authority of Pittsburgh (URA) has various bonds and loans which are the obligation of the URA and are not guaranteed or financed by the City of Pittsburgh. The proceeds of these bonds and notes are used to provide mortgages, loans or grants to individuals or companies within the City of Pittsburgh to be used for urban redevelopment. The bonds and loans are payable from repayment of mortgages and loans and from other revenue and grants received by the URA. Further description of the various bonds and loans can be found in the general purpose financial statements issued by the URA.

# (G) Other Long-Term Obligations

The following is a summary of transactions affecting all other long-term obligations to the City during 1997:

	Capital <u>Lease</u>	Deferred <u>Loan</u>	Accrued Pension <u>Costs</u>	Accrued Workers' Compensation	Accrued Compensated Absences	Accrued Claims and Judgments
Balance, January 1, 1997 Additions Reductions Balance, December 31, 1997	\$ 907,473 (907,473)	3,834,000	189,289,000 (909,000) 188,380,000	99,880,000 21,353,000 (19,678,000) 101,555,000	29,121,934 16,524,000 ( <u>13,716,934</u> ) 31,929,000	12,800,000 5,670,000 (9,520,000) 8,950,000
Less amounts accrued currently in: General Fund Capital Projects Fund	· :	-	<u> </u>	(16,408,000)	(14,084,000)	(1,550,000)
Long-term portion, December 31, 1997	s	3.834.000	188.380.000	85.147.000	17.845.000	_7.400.000

#### (11) Operating Leases

(A) The Stadium Authority has lease agreements with the Pittsburgh Associates (the "Associates"), Pittsburgh Steelers Sports, Inc. (the "Steelers"), the Allegheny Club and Alco Parking under terms of the Basic Agreement and various amendments to the agreement dated through February 14, 1996. Certain lease amendments were executed during fiscal year 1996.

The lease terms are for a 40-year period which began April 1, 1971, subject to certain termination provisions. Beginning April 30, 1997, based on certain provisions of the Steelers' lease agreement, the Steelers can terminate their lease with a two-year notice to the Authority. The leases contain provisions for fixed rentals and additional rentals based on various factors as specified in the lease agreements.

# Notes to General Purpose Financial Statements, Continued

Future minimum fixed rentals to be received by the Authority under the current terms of the leases including all amendments as of March 31, 1997, are as follows:

Year ending March 31,	
1998	\$ 1,853,733
1999	1,853,733
2000	1,853,733
2001	1,853,733
2002	1,853,733
Thereafter	16,683,597

Amounts above include \$401,500 per year and \$852,233 per year for fixed rent to be paid by the Associates and the Steelers under the terms of the baseball lease and football lease, respectively. Such leases can be terminated by the lessor upon the occurrence of certain events.

On March 23, 1989, the Authority entered into an agreement with the Commonwealth of Pennsylvania (the "Commonwealth") to lease certain property near the Stadium Complex to be used for public parking. The term of the lease is ten years and is renewable for four additional ten-year periods. The Authority expensed \$101,600 and \$93,500 related to this agreement for the years ended March 31, 1997 and 1996, respectively.

## (12) Due From Other Governments

The City receives funds from various government agencies as reimbursements for their share of City projects and as grants for City programs. The following amounts, as described below, are due from other governments at December 31, 1997:

General fund: Commonwealth of Pennsylvania Allegheny County Information Systems Regional Asset District	\$ 541,084 72,643 3,029,416 3,643,143
Special revenue:  Job Training Partnership Program  Housing and Urban Development  Allegheny County - Public Safety	1,154,072 3,554,829 444,409 5,153,310
	(Continued)

# Notes to General Purpose Financial Statements, Continued

Capital projects: Commonwealth of Pennsylvania - Highway Funds Federal Government - Highway Funds Pittsburgh Water & Source Authority, design and	213,129 1,690,469
Pittsburgh Water & Sewer Authority - design and inspection fees Regional Asset District Conrail - bridge inspection	71,143 93,707 59,864 2,128,312
Total due from other governments	\$ <u>10.924,765</u>

# (13) Interfund Receivable and Payable Balances

	Receivables	<u>Payables</u>
General fund	\$ 4,098,605	822,472
Special revenue funds:		
JTPA	67,365	1,360,555
Public safety	377,110	111,487
Community development	· -	1,401,955
Civic and cultural	120,000	383,409
Total special revenue funds	564,475	3,257,406
Capital projects funds:		
Engineering and construction	4,992,040	206,954
Public works	828,790	294,467
Other	<u>536,084</u>	<u>828,790</u>
Total capital projects funds	6,356,914	1,330,211
Trust funds:		
Gifts and donations	180,136	144,751
Parks endowments	-	35,719
Workers' compensation	-	4,992,040
Pension:		
Comprehensive board	-	161,615
Agency funds:		
Payroll withholding	-	841,902
Deposits	-	200
Other	<u>445,362</u>	<u>59,176</u>
Total trust and agency funds	<u>625,498</u>	6,235,403
Total	\$ 11.645.492	<u>11.645.492</u>
		(Continued)

# Notes to General Purpose Financial Statements, Continued

In addition, the Parking Authority has a \$563,189 payable to the general fund, with no corresponding receivable reported by the general fund. This difference is due to timing as the Parking Authority's fiscal year end is September 30, 1997.

# (14) Operating Transfers

Transfers between primary government funds:

	Transfers in	Transfers out
General fund	\$ 741,000	53,942,031
Special revenue funds:		
Equipment leasing	4,298,176	5,292
Liquid fuels tax	-	164,000
JTPA	158,321	-
Public safety	2,148,960	327,000
Community development	-	31,493
Civic and cultural	<u>854,848</u>	
Total special revenue funds	7,460,305	527,785
Daka samisa Gardar		
Debt service funds:	45 401 060	12 501 460
General obligation	45,421,268	, ,
Equipment leasing  Total debt service funds	1,396,619 46,817,887	
Total debt service fullds	40,617,667	13,304,407
Capital projects funds:		
Engineering and construction	2,050,000	_
Public works	1,924,656	-
General services	50,000	-
Other	150,000	4,567,421
Total capital projects	4,174,656	4,567,421
Trust funds:		
Gifts and donations	552,211	25,847
Parks endowments	JJ2,211	250,000
Pension escrow	13,501,460	429,968
Total trust funds	14,053,671	705,815
i otal trust fullus	14,055,071	705,815
Total transfers between primary		
government funds	\$ <u>73.247.519</u>	73,247,519
-		
		(Continued)

# Notes to General Purpose Financial Statements, Continued

Transfers between primary government and discretely presented component units:

	Transfers in	Transfers out
Debt service fund	\$ <u>3,270,000</u>	<del>_</del>
Total transfers between primary		
government and discretely presented		
components units	\$ <u>3.270.000</u>	

<sup>\*</sup> Transfers out of \$3,270,000 shown as reduction in notes payable of the Stadium Authority.

# (15) 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.
- As of March 31, 1997, contributed capital for the Stadium Authority amounted to \$12,830,979. This number consisted of prior capital contributions in support of construction of additional seating, new lounge boxes, handicapped facilities and a pedestrian ramp walkway. Additionally, this amount includes a \$3,199,088 contribution from the City resulting from an agreement between the City and the Authority related to a restructuring of the Authority's Series of 1985 Bonds.
- As of December 31, 1997, the URA has contributed capital of \$2,071,773. Grants, entitlements or shared revenues received for the acquisition or construction of capital assets are recorded as contributed capital in the proprietary funds. Depreciation of capital assets financed by grants, entitlements or shared revenues is not recorded against contributed capital by the URA.
- As of September 30, 1997, contributed capital for the Parking Authority amounted to \$5,708,436. This number consisted of capital grants received.
- No change occurred in the contributed capital figures for the Water and Sewer Authority or the URA. The Stadium Authority and the Parking Authority had contributed capital increases of \$290,474 and \$2,600,000, respectively.

(Continued)

# Notes to General Purpose Financial Statements, Continued

# (16) Segment Information

The City and its component units maintain Enterprise Funds which provide water services, operate the stadium complex and operate parking facilities and acquire, clear and rebuild blighted property. Segment information for their respective year ends are as follows:

	PWSA	Stadium Authority	Parking Authority	PSFF	URA	-
	December 31,	March 31,	September 30,		December 31,	
	<u>1997</u>	<u>1997</u>	1997 (in thousands)	<u>1997</u>	<u>1997</u>	<u>Total</u>
Operating revenues	\$ _53.244	5,772	20,891	<u>598</u>	13.214	93,719
Depreciation and amortization	8,467	2.572	3.248	<u>_7</u>	804	15,098
Operating income (loss)	<u> 18.987</u>	(7.082)	5.416	(153)	6.602	23,770
Net income (loss)	<u>868</u>	<u>2.918</u>	2.257	<u>(153</u> )	<u>12,778</u>	<u> 18,668</u>
Property, plant and equipment						
additions	<u> 17.572</u>	<del>-</del>	<u>5.700</u>		<u>58.464</u>	<u>81.736</u>
Net working capital	<u>41.775</u>	<u>3.725</u>	<u>(1.762</u> )	<u>54</u>	<u> 299.170</u>	<u>342,962</u>
Total assets	<u>455,339</u>	<u>49,412</u>	<u>96,459</u>	<u>85</u>	<u>519,892</u>	<u>1.121.187</u>
Bonds and other long-term						
liabilities, net	<u>424.968</u>	<u>60.859</u>	<u>52,992</u>	<del>_</del>	<u>253,509</u>	<u>792.328</u>
Equity (deficit):						
Contributed capital	5,277	12,831	5,708	-	2,072	25,888
Retained earnings (deficit)	(3,199)	(34,600)	<u>30,481</u>	<u>64</u>	<u>98,121</u>	90,867
Total equity (deficit)	\$ <u>2.078</u>	( <u>21,769</u> )	<u>36,189</u>	<u>64</u>	<u>100,193</u>	116.755

# Notes to General Purpose Financial Statements, Continued

#### (17) Fund Deficits

#### Stadium and Water and Sewer Authorities Deficits

The deficit of the Water and Sewer Authority is expected to be eliminated through the rate setting process. The operating deficit of the Stadium Authority will be subsidized through future general fund appropriations and revenues from the Regional Asset District. No other individual funds had deficits in 1997.

# (18) Related Party Transactions

- (A) Under the terms of agreements dated July 1, 1965, December 1, 1985, 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.
- (B) 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 are reflected as a receivable in the City's financial statements due to the contingent nature of repayments and unspecified terms when the loans were made.

The first loan of \$2,000,000 was made under an 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, 1997, was \$1,474,373.

#### Notes to General Purpose Financial Statements, Continued

The second loan of \$6,819,972, was made under an agreement dated April 2, 1984, for the construction of highway ramps to connect the mall with I-279. This loan agreement was amended on July 13, 1992. Repayment of the loan was to commence on June 1, 1992. The term of the loan is 30 years with varying fixed interest rates. In 1997, the URA received payments of \$440,196. This left a balance including accrued interest of \$6,057,139 at December 31, 1997.

#### (19) Construction and Other Significant Commitments

9

As of December 31, 1997, the City had the following commitments with respect to unfinished capital projects:

	Remaining construction	Expected date of
Capital project	commitment	completion
Computerized Traffic Response	\$ 119,761	July 1998
Fifth Avenue - Phase Two	2,483,165	October 1998
Fort Duquesne Pedestrian Access Bridge	1,381,582	March 1998
Rehabilitation of Frick Park	363,002	July 1998
Smallman Street Sidewalk	313,721	June 1998
Infrastructure Cabling	249,239	December 1998
Total	\$ <u>4.910.470</u>	

#### (20) Regional Asset District Revenues

In December 1993, the Commonwealth of Pennsylvania legislature approved Act 77 of 1993 authorizing the creation of the Allegheny Regional Asset District (Regional Asset District) by Allegheny County. The Regional Asset District is a special purpose district whose primary purpose is to provide support and financing for regional community assets that were historically funded by the City, County or local municipalities. These community assets include regional parks of the City and County, Municipal Libraries, the Pittsburgh Zoo, the Pittsburgh Aviary, Phipps Conservatory, Three Rivers Stadium and community cultural facilities.

#### Notes to General Purpose Financial Statements, Continued

The City has irrevocably allocated/pledged a portion of its future Regional Asset District revenues to the Urban Redevelopment Authority of Pittsburgh for the establishment of the Pittsburgh Development Fund (Pittsburgh Development Fund). As further discussed in note 10, the Pittsburgh Development Fund is an economic development fund that will be used for making loans to and investments in certain projects located within the City. The amounts are pledged for the next twenty years with \$6,200,000 annually allocated for the first ten years and \$7,500,000 annually thereafter.

#### (21) Contingencies

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

There are currently a number of real estate appeals in process for which the outcome and possible further reduction in the real estate tax levy cannot be determined at this time.

During 1996, a suit was brought against the City seeking a refund of personal property tax collected because the tax that had been collected is alleged to be unconstitutional. The City cannot determine the outcome of this claim or related claims at this time.

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.

The Policeman's Relief and Pension fund is a co-defendant in a federal lawsuit involving the denial of pension benefits in violation of the American With Disabilities Act. At present, the management cannot determine the ultimate outcome of the litigation nor the potential liability in the event of an unfavorable outcome.

#### Notes to General Purpose Financial Statements, Continued

Consequently, no provision for losses has been recorded in the accompanying financial statements for the legal action discussed in the preceding paragraph.

#### (22) Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The risk of loss to which the City is exposed for the above mentioned items is handled through various insurance coverages. As of December 31, 1997, there were no settlements exceeding coverage for the past three years. The City also covers certain claim settlements and judgments within its General and Capital Projects Fund resources due to the prohibitive cost of carrying certain commercial insurance. The City currently reports all risk management activities out of its General and Capital Projects Fund. Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Provisions are recorded in the General and Capital Projects Fund for amounts 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.

Changes in the accrued claims and judgments liability during the years ended December 31, 1997 and 1996, were as follows:

	<u>1997</u>	<u>1996</u>
Accrued claims and judgments, January 1	\$ 12,800,000	11,485,000
Current year claims and changes in estimates	52,209	3,721,025
Claim payments	(3,902,209)	(2,406,025)
Accrued claims and judgments,	<b></b>	10 000 000
December 31	\$ <u>8.950,000</u>	<u>12.800.000</u>

These funds are subject to potential losses in excess of the amount recorded at year end; it is unlikely that the amount for such potential losses would be material.

#### Notes to General Purpose Financial Statements, Continued

Also, the City is fully self-insured for purposes of workers' compensation benefits. These amounts were calculated by actuaries, based on industry standards and utilizing discount rates ranging between 5% and 6.3%. A self-insurance reserve is maintained, due to a legal requirement under self-insurance regulations of the State of Pennsylvania, in an expendable trust fund. However, no risk financing activity is recorded in this fund which can only be used by the State of Pennsylvania in the event of default by the City. All risk financing activity is recorded in the general fund or capital projects funds.

Changes in the accrued workers' compensation liability during the years ended December 31, 1997 and 1996, are as follows:

	<u>1997</u>	<u>1996</u>
Accrued workers' compensation, January 1	\$ 99,880,000	105,796,253
Current year claims and changes		
in estimates	21,353,000	12,724,683
Claim payments	(19,678,000)	(18,640,936)
Accrued workers' compensation,	<del>-</del> /	<del></del>
December 31	\$ 101,555,000	99,880,000

#### (23) Subsequent Event

On March 1, 1998, the City issued \$255,865,000 in Taxable General Obligation Pension Bonds. The bonds were issued to: (1) fund a portion of the City's unfunded actuarial accrued pension liability and (2) pay the costs and related expenses related to the issuance of the bonds. The proceeds of the bonds were split between the City's three pension plans as follows: \$77,069,961 to the City of Pittsburgh Firemen's Relief and Pension Fund, \$57,041,911 to the City of Pittsburgh Municipal Pension Fund and \$119,407,735 to the City of Pittsburgh Policemen's Relief and Pension Fund. Each of these deposits consists of a payment to reduce the unfunded actuarial accrued pension liability. The proceeds of the bonds will reduce the January 1, 1998, unfunded actuarial accrued pension liability of the Firemen's plan by \$76,000,000, the Municipal Plan's liability will be reduced by \$56,250,000 and the Policemen's Plan liability by \$117,750,000. The City expects that such use of the bonds will result in a 47% reduction in the unfunded actuarial accrued liability of the Firemen's and Policemen's Plans as of January 1, 1998.

#### Pension Trust Fund Revenues by Source\*

Last Ten Years (In Thousands)

Employer contribution as

Fiscal year	Pension <u>plan</u>	Participant contribution	Employer contribution	a percentage of covered <u>payroll</u>	State contribution	Investment income	Miscellaneous	<u>Total</u>
1988	Municipal	\$ 3,072	7,865	<b>%</b> 11.0	\$ 15,359	2,257	22	28,575
	Police	2,101	5,544	16.0	6,769	355	-	14,769
	Fire	<u>2,080</u>	3,508	9.1	6,042	<u>300</u>	<u>_6</u>	<u>11,936</u>
	Total	\$ <u>7.253</u>	<u>16.917</u>	12.5	\$ <u>28.170</u>	<u>2.912</u>	<u>28</u>	<u>55.280</u>
1989	Municipal	\$ 3,462	1,331	2.0	\$ 7,705	3,889	-	16,387
	Police	2,336	5,586	17.2	11,858	1,229	-	21,009
	Fire	<u>2,262</u>	<u>2,478</u>	9.3	<u>8,814</u>	<u>_818</u>	<u>_1</u>	14,373
	Total	\$ <u>8.060</u>	9.395	7.5	\$ 28.377	<u>5.936</u>	_1	<u>51.769</u>
1990	Municipal	\$ 3,382	1,482	2.1	<b>\$</b> 4,461	2,548	-	11,873
	Police	2,372	4,383	12.3	9,034	1,006	4	16,799
	Fire	<u>2,364</u>	<u>1,858</u>	16.0	6,777	<u>638</u>	<u>_l</u>	<u>11,638</u>
	Total	\$ <u>8.118</u>	<u>7.723</u>	5.7	\$ <u>20.272</u>	<u>4.192</u>	_5	40.310
1991	Municipal	\$ 3,573	2,920	4.1	\$ 3,380	3,767	-	13,640
	Police	2,654	5,599	15.1	8,832	2,005	-	19,090
	Fire	<u>2,486</u>	4,420	13.9	<u>6,754</u>	<u>1,323</u>	<u> </u>	<u>14,984</u>
	Total	\$ <u>8.713</u>	12.939	9.2	\$ <u>18.966</u>	<u>7.095</u>	_1	<u>47.714</u>
1992	Municipal	\$ 3,297	2,894	6.2	\$ 3,200	3,506	-	12,897
	Police	2,580	5,536	7.7	8,410	2,401	6	18,933
	Fire	<u>2,469</u>	4,326	15.5	<u>6,408</u>	<u>1,615</u>	<u>2</u> _8	14,820
	Total	\$ <u>8.346</u>	<u>12.756</u>	8.9	\$ <u>18.018</u>	<u>7.522</u>	_8	46.650
1993	Municipal	\$ 3,967	3,975	8.3	\$ 4,023	4,568	-	16,533
	Police	2,498	7,153	9.7	7,695	3,130	-	20,476
	Fire	<u>2,303</u>	<u>5,745</u>	18.9	<u>5,772</u>	<u>2,102</u>	<u>2</u> <u>2</u>	<u>15,924</u>
	Total	\$ <u>8.768</u>	<u>16.873</u>	11.4	<b>\$</b> <u>17.490</u>	9.800	_2	<u>52.933</u>
1 <b>9</b> 94	Municipal	\$ 3,371	4,136	6.0	\$ 3,877	1,957	•	13,341
	Police	2,988	8,152	18.6	7,416	1,833	1	20,390
	Fire	<u>2,724</u>	6,031	15.0	<u>5,563</u>	<u>1,158</u>	<u>_1</u> _2	15,477
	Total	\$ <u>9.083</u>	<u>18.319</u>	12.0	\$ <u>16.856</u>	4.948	_2	49.208

## Pension Trust Fund Revenues by Source\*, Continued (In Thousands)

Employer contribution as

Fiscal <u>year</u>	Pension <u>plan</u>	Participant contribution	Employer contribution	of covered payroll	State contribution	Investment income	Miscellaneous	Total
1995	Municipal	\$ 3,266	2,894	% 4.5	<b>\$</b> 4,784	3,518	38	14,500
	Police	2,891	7,860	18.3	7,441	3,459	38	21,689
	Fire	<u>2,712</u>	<u>6,800</u>	16.7	<u>5,492</u>	<u>3,373</u>	<u>37</u>	18,414
	Total	<b>\$</b> <u>8.869</u>	17.554	11.9	\$ <u>17.717</u>	10.350	113	<u>54.603</u>
1996	Municipal	\$ 3,042	39,997	62.1	<b>\$</b> 4,205	8,110	1	55,355
	Police	2,938	10,774	24.8	6,840	4,149	17	24,718
	Fire	<u>2,878</u>	<u>8,436</u>	19.6	<u>4,457</u>	<u>5,041</u>	2	20,814
	Total	\$ <u>8.858</u>	<u>59.207</u>	39.1	\$ <u>15.502</u>	<u>17.300</u>	_20	100.887
1997	Municipal	\$ 2,989	5,829	8.9	\$ 2,427	7,579	1	18,825
	Police	2,961	11,189	24.5	6,933	3,289	•	24,372
	Fire	<u>2,815</u>	<u>8,156</u>	18.5	4,799	<u>5,450</u>	1	21,221
	Total	\$ <u>8.765</u>	25.174	16.2	\$ <u>14.159</u>	16.318	2	64.418

<sup>\*</sup> Does not include amount from Retirees' Trust Fund.

#### Pension Trust Fund Expenses by Type\*

#### Last Ten Years (In Thousands)

Fiscal <u>year</u>	Pension <u>plan</u>	Benefit payment and <u>dues refunds</u>	Administrative and other expenses	Fees for professional services	<u>Total</u>
1988	Municipal	\$ 13,397	198	187	13,782
	Police	10,932	132	29	11,093
	Fire	<u>8,890</u>	<u>86</u>	<u>25</u>	<u>9,001</u>
	Total	\$ 33,219	<u>416</u>	241	33.876
1989	Municipal	\$ 14,230	380	192	14,802
	Police	11,941	227	61	12,229
	Fire	<u>9,689</u>	<u>141</u>	<u>41</u>	<u>9,871</u>
	Total	\$ 35,860	<u>748</u>	294	36,902
1990	Municipal	\$ 14,123	846	198	15,167
	Police	13,065	374	78	13,517
	Fire	<u>9,865</u>	<u>240</u>	<u>49</u>	10,154
	Total	\$ 37,053	1.460	325	38.838
1991	Municipal	\$ 15,810	805	199	16,814
	Police	12,978	497	106	13,581
	Fire	10,372	<u>331</u>	<u>70</u>	10,773
	Total	\$ 39,160	1.633	375	41.168
1992	Municipal	\$ 17,050	430	179	17,659
	Police	13,716	363	123	14,202
	Fire	11,029	<u>236</u>	<u>83</u>	<u>11,348</u>
	Total	\$ 41.795	1.029	385	<u>43,209</u>
1993	Municipal	\$ 16,411	297	190	16,898
	Police	14,874	297	130	15,301
	Fire	<u>11,324</u>	<u>194</u>	<u>89</u>	<u>11,607</u>
	Total	\$ <u>42.609</u>		409	43.806
1994	Municipal	\$ 17,643	354	162	18,159
	Police	18,445	382	152	18,979
	Fire	11,810	<u>241</u>	<u>95</u>	<u>12,146</u>
	Total	\$ 47,898	<u>977</u>	409	<u>49,284</u>

## Pension Trust Fund Expenses by Type\*, Continued (In Thousands)

Fiscal <u>year</u>	Pension plan	Benefit payment and <u>dues refunds</u>	Administrative and other <u>expenses</u>	Fees for professional services	<u>Total</u>
1995	Municipal	<b>\$ 18,68</b> 0	332	156	19,168
	Police	23,901	345	153	24,399
	Fire	<u>12,452</u>	<u>249</u>	<u>149</u>	<u>12,850</u>
	Total	\$ <u>55.033</u>	<u>926</u>	<u>458</u>	<u>56.417</u>
1996	Municipal	\$ 19,248	345	191	19,784
	Police	25,019	334	252	25,605
	Fire	<u>12,855</u>	<u>262</u>	<u>274</u>	<u>13,391</u>
	Total	\$ <u>57.122</u>	<u>941</u>	<u>717</u>	<u>58.780</u>
1997	Municipal	\$ 18,513	261	410	19,184
•	Police	25,071	287	158	25,516
	Fire	<u>13,137</u>	<u>232</u>	<u>263</u>	13,632
	Total	\$ <u>56.721</u>	<u>780</u>	831	58.332

<sup>\*</sup> Does not include amounts from Retirees' Trust Fund.

#### Analysis of Pension Funding Progress\*

#### Last Ten Years (In Thousands)

Fiscal vear	Pension <u>plan</u> Municipal	Net assets available for benefit	Pension benefit obligation	Percentage funded % 32.2	Unfunded pension benefit obligation	Annual covered payroll 71,550	Unfunded pension benefit obligation as a percentage of annual covered payroll  % 142.9
	Police	7,639	185,035	4.1	177,396	34,695	511.3
	Fire	6,448	133,533	4.8	127,085	28,755	442.0
	Total	\$ 62.663	469.366	13.4	\$ 406.703	135.000	301.3
1989	Municipal	<b>\$</b> 44,127	152,218	29.0	\$ 108,091	65,664	164.6
	Police	13,944	196,014	7.1	182,070	32,396	562.0
	Fire	9,289	<u>144,107</u>	6.4	<u>134,818</u>	26,540	508.0
	Total	<b>\$</b> 67.360	492.339	13.7	\$ <u>424.979</u>	<u>124.600</u>	341.1
1990	Municipal	\$ 49,962	157,315	31.8	\$ 107,353	71,914	149.3
	Police	19,734	195,815	10.1	176,081	35,548	495.3
	Fire	12,531	139,416	9.0	126,885	28,738	441.5
	Total	\$ <u>82.227</u>	492.546	16.7	\$ 410.319	136.200	301.3
1991	Municipal	\$ 44,443	166,390	26.7	\$ 121,947	71,706	170.1
	Police	23,645	206,625	11.4	182,980	37,118	493.0
	Fire	<u>15,610</u>	143,723	10.9	128,113	<u>31,776</u>	403.2
	Total	\$ <u>83.698</u>	<u>516.738</u>	16.2	\$ <u>433.040</u>	140.600	308.0
1992	Municipal	\$ 42,072	177,557	23.7	\$ 135,485	69,592	194.7
	Police	28,815	206,834	13.9	178,019	37,583	473.7
	Fire	<u>19,358</u>	143,828	13.5	<u>124,470</u>	35,725	348.4
	Total	\$ <u>90.245</u>	528.219	17.1	<b>\$</b> 437.974	142.900	306.5
1993	Municipal	\$ 43,744	190,139	23.0	\$ 146,395	69,050	212.0
	Police	29,961	226,280	13.2	196,319	41,090	477.8
	Fire	<u>20,127</u>	<u>170,883</u>	11.8	<u>150,756</u>	<u>37,931</u>	397.4
	Total	\$ <u>93.832</u>	<u>587.302</u>	16.0	\$ <u>493.470</u>	<u>148.071</u>	333.3
1994	Municipal	<b>\$</b> 43,364	170,199	25.5	\$ 126,835	68,446	185.3
	Police	35,184	231,934	15.2	196,750	43,763	449.6
	Fire	24,479	173,362	14.1	148,883	40,260	369.8
	Total	\$ <u>103.027</u>	575.495	17.9	\$ <u>472.468</u>	152.469	309.9

## Analysis of Pension Funding Progress\*, Continued (In Thousands)

Fiscal <u>year</u>	Pension <u>plan</u>	Net assets available for benefit	Pension benefit obligation	Percentage <u>funded</u>	Unfunded pension benefit obligation	Annual covered payroll	Unfunded pension benefit obligation as a percentage of annual covered payroll
1995	Municipal	\$ 35,034	170,984	% 20.5	\$ 135,950	63,810	% 214.6
	Police	34,386	254,561	13.5	220,175	43,065	510.2
	Fire	33,531	181,029	18.5	<u>147,498</u>	40,652	361.5
	Total	<b>\$</b> 102.951	606.574	17.0	\$ <u>503.623</u>	<u>147.527</u>	341.4
1996	Municipal	\$ 26,941	173,180	15.6	<b>\$</b> 146 <b>,2</b> 39	64,411	227.0
	Police	35,637	273,252	13.0	237,615	43,389	547.6
	Fire	38,780	<u>186,839</u>	20.8	<u>148,059</u>	43,026	344.1
	Total	\$ <u>101.358</u>	633.271	16.0	\$ <u>531.913</u>	150.826	352.7
1997	Municipal	\$ 66,768	103,693	64.4	\$ 36,925	65,600	56.3
	Police	28,722	239,466	12.0	210,744	45,690	461.3
	Fire	47,975	<u>196,773</u>	24.4	148,798	43,977	338.4
	Total	<b>\$</b> <u>143.465</u>	539.932	26.6	\$ <u>396.467</u>	155.267	255.3

<sup>\*</sup> Does not include amounts from Retirees' Trust Fund.

# COMBINING, INDIVIDUAL FUND AND INDIVIDUAL ACCOUNT GROUP FINANCIAL STATEMENTS

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#### General Fund

#### Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market Receivables:	\$ 76,726,767	54,331,612
Real estate taxes (net of allowance for uncollectible accounts		
of \$3,485,000 in 1997 and \$7,753,269 in 1996)	6,659,950	10,372,588
Taxpayer-assessed taxes receivable	5,737,383	9,777,891
Other (net of allowance for uncollectible accounts of		
\$1,297,500 in 1997 and \$1,465,000 in 1996)	3,082,607	2,964,786
Receivable from PWSA	929,739	19,367,000
Prepaid expenditures and other assets		1,334,210
Accrued interest	406,709	235,636
Due from other funds	4,098,605	5,388,046
Due from other governments	<u>3,643,143</u>	<u>3,804,267</u>
Total assets	\$ <u>101.284.903</u>	<u>107,576,036</u>
Liabilities and Fund Balance		
Liabilities:		4
Accounts payable	5,912,501	8,549,097
Accrued liabilities	6,637,976	5,925,187
Due to other funds	822,472	52,045
Due to other governments	6,872,249	3,542,901
Due to Water and Sewer Authority	0,672,249	151,000
Accrued workers' compensation	16,408,000	16,647,000
Accrued compensated absences	14,084,000	13,717,000
Accrued claims and judgments	1,550,000	6,000,000
Deferred revenue, principally real estate taxes	5,743,500	9,938,786
Deferred lease payment	5,745,500	19,367,000
Total liabilities	58,030,698	83,890,016
Fund balance: Reserved:	<b>55,</b> 555,555	00,070,020
Encumbrances	1,776,972	1 040 215
Prepaid expenditures	1,770,972	1,868,215
Unreserved:	-	1,334,210
- ··· - ··	A1 A77 222	20 402 505
Undesignated Total fund balance	41,477,233 43,254,205	20,483,595 23,686,020
I OTAL TURIU DATATICE	43,434,403	23,000,020
Total liabilities and fund balance	\$ <u>101.284.903</u>	<u>107,576,036</u>

#### General Fund

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Taxes, including penalty and interest	\$ 263,767,398	264,122,641
Payment in lieu of taxes	2,171,328	3,582,813
Interest and dividends	5,960,325	4,458,800
Fines and forfeits	7,350,459	6,860,993
Licenses and fees	11,171,146	8,322,745
Intergovernmental revenues	14,407,484	11,369,795
Miscellaneous	1,583,775	1,012,563
Total revenues	306,411,915	299,730,350
Expenditures:		
Current operating:		
General government	33,603,963	34,407,579
Public safety	118,978,605	117,120,433
Public works	18,188,246	11,812,796
Sanitation	12,050,168	13,093,004
Community, recreational and cultural	4,632,616	3,826,927
Employee benefits	73,534,596	89,521,346
Claims and judgments	(3,254,607)	4,928,079
Miscellaneous	980,174	1,255,579
Debt service:		
Principal retirement of capital leases	1,047,770	1,723,724
Interest on capital leases	32,405	128,004
Bond issuance costs	-	558,969
Public Auditorium Authority subsidy	1,610,481	1,609,233
Urban Redevelopment Authority subsidy	7,414,853	7,411,433
Total expenditures	268,819,270	<u>287,397,106</u>
Excess of revenues over expenditures	37,592,645	12,333,244
		(Continued)

#### General Fund

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances, Continued

	<u>1997</u>	<u>1996</u>
Other financing sources (uses):		
Operating transfer from trust and agency	\$ 250,000	-
Operating transfer from capital project	-	-
Operating transfer from special revenue	491,000	839,842
Operating transfer to special revenue	(3,286,905)	(4,381,652)
Operating transfer to debt service	(45,959,752)	(48,384,027)
Operating transfer to trust and agency	(520,718)	(1,621,799)
Operating transfer to capital projects	(4,174,656)	-
Pension state aid	14,159,321	-
Capital lease proceeds - PWSA	21,017,250	40,000,000
Pension bond proceeds		37,068,964
Total other financing sources (uses)	(18,024,460)	23,521,328
Excess of revenues and other financing sources		
over expenditures and other financing uses	19,568,185	35,854,572
Fund balance (deficit) at beginning of year	23,686,020	(12,168,552)
Fund balance (deficit) at end of year	\$ 43,254,205	23,686,020

#### General Fund

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

#### For the Fiscal Year Ended December 31, 1997

		1997	
			Variance
	Budget as		favorable
	amended	Actual	(unfavorable)
	<del></del> _	<del></del>	<del></del>
Revenues:			
Taxes, including penalty and interest	\$ 259,164	262,422	3,258
Interest earnings	3,500	5,790	2,290
Fines and forfeits	7,150	7,236	<sup>*</sup> 86
Licenses and fees	4,757	5,472	715
Intergovernmental	19,138	16,954	(2,184)
Miscellaneous	669	463	(206)
Provision of services, break even and joint			` ,
operations	<u>25,964</u>	22,215	( <u>3,749</u> )
Total revenues	320,342	$\frac{22,215}{320,552}$	210
Expenditures:			
Current operating:			
General government	28,319	24,770	3,549
Public safety	114,870	109,254	5,616
Public works	41,427	38,222	3,205
Community, recreational and cultural	4,619	4,202	417
Employee benefits	76,111	76,028	83
Claims and judgments	1,901	1,329	572
Citizens Review Board	125	-,	125
Utilities	7,752	7,743	9
Miscellaneous	4,553	3,902	651
Debt service:	.,	- <b>,</b>	
Debt service	45,679	45,649	30
Debt service subsidy	2,825	2,825	-
Transfers	4,175	4,175	_
Total expenditures	332,356	318,099	14,257

#### CITY OF PITTSBURGH, PENNSYLVANIA General Fund

# Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General Fund, Continued

	•	
	1997	
		Variance
Budget as		favorable
amended	<u>Actual</u>	(unfavorable)
\$ (12.014)	2 453	14,467
Ψ (12.014)	2,433	<u>14.407</u>
	<sup>2</sup> ر 14,006	5 S &
	(14,159)	
	14,159	
	16,459	
	_	
	57,038	
	(16.893)	\
	(10,025)	)
	2 947 (	
	<u>-,</u> ,, ,	12794
	162	17/07
	)	
	-	
	<del></del>	
	\$ <u>43.254</u>	
	•	Budget as amended Actual  \$ (12.014) 2,453  14,006, (14,159)

#### General Fund

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

#### For the Year Ended December 31, 1996

		<u>19</u> 96	
			Variance
	Budget as		favorable
	amended	<u>Actual</u>	(unfavorable)
Revenues:			
Taxes, including penalty and interest	\$ 264,871	268,609	3,738
Interest earnings	2,239	4,270	2,031
Fines and forfeits	8,439	7,147	(1,292)
Licenses and fees	10,931	8,804	(2,127)
Water & Sewer Authority	17,249	14,280	(2,969)
Intergovernmental	9,072	7,326	(1,746)
Miscellaneous	719	1,345	626
Indirect cost reimbursement			
Total revenues	313,520	311,781	(1,739)
Expenditures:			
Current operating:			
General government	26,995	24,502	2,493
Public safety	108,359	101,805	6,554
Public works	35,522	32,172	3,350
Sanitation	9,735	9,331	404
Water	-	· -	-
Community, recreational and cultural	4,609	3,655	954
Employee benefits	82,818	78,016	4,802
Claims and judgments	2,509	2,406	103
Utilities	7,790	7,531	259
Miscellaneous	12,355	10,625	1,730
Debt service:	•	,	•
Principal retirement	18,126	18,126	-
Interest	26,167	24,721	1,446
Stadium Authority subsidy	, -	, <u>-</u>	•
Urban Redevelopment Authority	1,211	1,211	-
Public Auditorium Authority	- <b>,</b> -	,	
subsidy	1,609	1,528	81
Total expenditures	337,805	315,629	22,176
	<del></del>		(Continued)

#### CITY OF PITTSBURGH, PENNSYLVANIA General Fund

# Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - General Fund, Continued

		1996	
	Budget as amended	Actual	Variance favorable (unfavorable)
Excess (deficiency) of revenues over			
(under) expenditures	\$ (24,285)	(3,848)	20,437
Other financing sources (uses):			
Capital lease obligation proceeds	-	32,989	32,989
Pension bond proceeds	-	37,069	37,069
Pension benefit contribution and expenses	-	( <u>37,069</u> )	( <u>37,069</u> )
Net other financing sources		32,989	32,989
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(24,285)	29,141	53,426
Fund balances - budgetary basis, beginning of year	<u>24,285</u>	11,438	( <u>12,847)</u>
Fund balances - budgetary basis, end of year	\$ <del>-</del>	40,579	<u>40.579</u>
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):  Cumulative difference between budgetary basis and GAAP basis, beginning of			
year		(23,607)	
Net effect of GAAP basis recognition of revenues  Net effect of GAAP basis recognition of		9,125	
expenditures  Net effect of GAAP basis recognition of		(2,585)	
other financing sources (uses)		<u> 174</u>	
Fund balances - GAAP basis, end of year		\$ 23,686	

#### General Fund

#### Schedule of Revenues Compared With Budget (Budgetary Basis)

#### For the Year Ended December 31, 1997

		1997	
	<b>Budget</b>	Actual	<u>Variance</u>
Tavas			
Taxes: Real estate	\$ 122,875	123,423	548
Non-profit payment for services	3,200	2,246	(954)
Mercantile	6,672	6,789	117
Amusement	5,478	6,989	1,511
Earned income	38,893	39,242	349
Deed transfer	6,226	7,248	1,022
Parking	22,945	23,106	161
Occupation privilege	3,128	3,051	(77)
Business privilege	36,015	35,429	(586)
Institution and service privilege	875	1,097	222
Public service	688	703	15
Penalties and interest	2,472	2,380	(92)
Act 77 - tax relief	9,697	_10,719 ~	_1,022 <sup>^</sup>
Total taxes, including penalty	<u></u>		
and interest	259,164	262,422	3,258
Interest earnings	3,500	5,790	2,290
Fines and forfeits	7,150	7,236	86
Licenses and fees:			
Liquor and malt beverage	435	416	(19)
Business	55	60	5
General government	1,134	925	(209)
Rentals and charges	<u>3,133</u>	<u>4,071</u>	`93 <b>8</b> ´
Total licenses and fees	4,757	5,472	715
Breakeven centers	6,882	4,416	(2,466)
Joint operations	290	<sup>´</sup> 88	(202)
Federal and state grants	6,513	4,939	(1,574)
Provision of services	18,792	1 <b>7</b> ,711	(1,081)
Reimbursement, CDBG	2,040	1,536	(504)
Public Parking Authority	1,400	1,400	· -
State Utility tax	3,200	3,094	(106)
Act 77 - operations	5,185	5,185	-
Act 77 - civic arena	800	800	-
Miscellaneous	669	463	<u>(206</u> )
Total revenues	\$ <u>320.342</u>	<u>320,552</u>	<u> 210</u>

#### General Fund

#### Schedule of Revenues Compared With Budget (Budgetary Basis)

#### For the Year Ended December 31, 1996

		1996	
	Budget	Actual	Variance
Terrer			
Taxes:	<b>ድ</b> 110 ደጋር	100 411	2 002
Real estate	\$ 118,528	122,411	3,883
Payment in lieu of taxes	7,009	5,190	(1,819)
Mercantile	6,622	6,761	139
Amusement	5,130	5,590	460
Personal property	20.115	-	-
Earned income	38,447	38,558	111
Deed transfer	5,247	6,763	1,516
Sewage charges	-	1,475	1,475
Parking	22,381	22,690	309
Occupation privilege	3,136	3,103	(33)
Business privilege	36,249	35,335	(914)
Institution and service privilege	688	885	197
Public service	438	393	(45)
Cable franchise privilege	1,373	1,029	(344)
Penalties and interest	4,430	3,683	(747)
Sales tax - Regional Asset District	15,193	14,743	_(450)
Total taxes, including penalty	<del></del>		
and interest	264,871	268,609	3,738
Interest earnings	2,239	4,270	2,031
Fines and forfeits	8,439	7,147	(1,292)
Licenses and fees:			
Liquor and malt beverage	435	461	26
Business	56	60	4
General government	824	965	141
Fees	<u>9,616</u>	<u>7,318</u>	(2,298)
Total licenses and fees	10,931	8,804	(2,127)
Indirect cost reimbursement	-	-	-
Water & Sewer Authority reimbursement	17,249	14,280	(2,969)
Intergovernmental revenues	9,072	7,326	(1,746)
Miscellaneous	719	1,345	626
Total revenues	$$\frac{\overline{313.520}}{}$	311,781	(1.739)

#### General Fund

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

#### For the Year Ended December 31, 1997

(Amounts Expressed in Thousands)

		1997	
	Budget		Variance
	appropriation		favorable
	as amended	<b>Expenditures</b>	(unfavorable)
Current Operating - General Government:			
City Council and City Clerk's Office:			
City Council:			
Salaries	\$ 1,194	1,160	34
Council service, supplies and equipment	16	14	2
Salaries, wages and services of council	_	-	-
Education and training	20	19	1
Miscellaneous services	143	137	<u>6</u>
Total City Council	1,373	1,330	43
City Clerk's Office:			
Salaries	574	497	77
Premium pay	4	1	3
Miscellaneous services	122	104	18
Supplies	16	10	6
Grants	1	1	-
Equipment	1	1	<u> </u>
Total City Clerk's Office	<u>718</u>	<u>614</u>	<u>104</u>
Total City Council and City			
Clerk's Office	2,091	1,944	147
Mayor's Office:			
Office of the Mayor:			
Salaries	1,674	1,598	76
Premium pay	3	1	2
Miscellaneous services	<b>7</b> 9	39	40
Education and training	135	108	27
Supplies	49	30	19
Equipment	9	2	7
Rentals	28	<u>20</u>	8
Total Office of the Mayor	1,977	1,798	179

General Fund

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

(Amounts Expressed in Thousands)

		1997	
	Budget		Variance
	appropriation		favorable
	as amended	Expenditures	(unfavorable)
Current Operating - General Government, continued:			
Mayor's Office, continued:			
City Information Systems:			
Salaries	\$ 1,895	1,768	127
Premium pay	16	13	3
Miscellaneous services	811	644	167
Education and travel expense	13	12	1
Supplies	185	166	19
Equipment	617	540	77
Rentals	1,595	1,594	1
Utilities	<u>772</u>	772	
Total City Information Systems	5,904	5,509	<u>395</u>
Total Mayor's Office	7,881	7,307	574
Magistrates Court:			
Salaries	1,017	995	22
Premium pay	12	11	1
Miscellaneous services	30	22	8
Education and training	7	4	3
Supplies	13	11	2
Equipment	2	-	2
Rentals	14	14	<u> </u>
Total Magistrates Court	1,095	1,057	38
Commission on Human Relations:			
Salaries	206	185	21
Premium pay	2	-	2
Miscellaneous services	42	13	29
Education and training	3	2	1
Equipment	1	1	_ <del>_</del>
Total Commission on			- <del></del>
Human Relations	254	201	53

General Fund

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

#### (Amounts Expressed in Thousands)

		1997	
	Budget		Variance
	appropriation		favorable
	as amended	<b>Expenditures</b>	(unfavorable)
Current Operating - General Government, continued:			
Office of City Controller:			
Salaries	\$ 2,488	2,369	119
Premium pay	17	12	5
Miscellaneous services	151	103	48
Education and training	22	21	ĺ
Supplies	36	28	8
Equipment	38	13	25
Rentals	20	11	9
Inspection	_	-	-
Total Office of City Controller	2,772	2,557	215
Department of Finance:			
Salaries	2,547	2,443	104
Salaries - temporary employees	, -	´ <b>-</b>	-
Premium pay	36	25	11
Miscellaneous services	1,042	647	395
Education and training	45	34	11
Supplies	266	249	17
Materials	2	1	1
Equipment	19	12	7
Lien filing fees	_	-	_
Rentals	54	48	6
Total Department of Finance	4,011	3,459	552
Department of Law:			
Salaries	1,487	1,308	179
Premium pay	41	11	30
Miscellaneous services	1,299	456	843
Education and training	41	16	25
Uniforms	3	-	3
Supplies	14	9	5
Equipment	40	30	10
Petty claims	-	-	-
Miscellaneous services and supplies	-	-	-
Judgments	<u>120</u>	<u> 117</u>	3
Total Department of Law	3,045	1,947	1,098
			(Continued)

General Fund

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

			1997	
		Budget		Variance
	app	propriation		favorable
	as	amended	Expenditures	(unfavorable)
Current Operating - General Government, continued:				
Department of Personnel and Civil				
Service Commission:				
Salaries	\$	888	748	140
Premium pay		2	1	1
Miscellaneous services		466	163	303
Education and training		60	29	31
Supplies		33	18	15
Equipment		2	-	2
Rentals		28	9	19
Total Personnel and Civil Service	-		<u>-</u>	
Commission		1,479	968	511
Department of City Planning:				
Salaries		1,115	1,039	76
Premium pay		2	1	1
Miscellaneous services		136	58	78
Education and training		17	9	8
Supplies		22	22	_
Materials		1	-	1
Rentals		16	17	(1)
Repairs		1	1	_
Equipment		19	10	9
Grants		271	100	171
Total Department of City	-			<u> </u>
Planning		1,600	1,257	343
Economic development - marketing		91	73	18
Support - School bd.	-	<u>4,000</u>	4,000	
Total General Government	, <u>1</u>	<u> 28,319</u>	24,770	3,549
· · · · · · · · · · · · · · · · · · ·				(Continued)

General Fund

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

(Amounts Expressed in Thousands)

		_1997	
	Budget		Variance
	appropriation		favorable
	as amended	Expenditures	(unfavorable)
Public Safety - Department of Public Safety:			
Bureau of Administration:			
Salaries and wages	<b>\$</b> 567	415	152
Premium pay	29	3	26
Miscellaneous services	332	137	195
Education and training	11	6	5
Supplies and materials	28	18	10
Equipment	198	126	72
Repairs	1	-	1
Grants	<u>160</u>	<u>113</u>	<u>47</u>
Total Bureau of Administration	1,326	818	508
Bureau of Emergency Medical Services:			
Salaries	810	773	37
Premium pay	43	33	10
Miscellaneous services	102	91	11
Education and training	12	7	5
Transfers	1,362	1,362	- -
Supplies and materials	158	110	48
Equipment	93	87	6
Repairs	48	46	2
Uniforms	<u>173</u>	<u>160</u>	<u>13</u>
Total Bureau of Emergency	0.001	0.660	120
Medical Services	2,801	2,669	132
Bureau of Police:			0.450
Salaries	53,034	50,562	2,472
Transfers	634	600	34
Premium pay	6,109	6,026	83
Miscellaneous services	469	343	126
Education and training	129	42	87
Supplies and materials	399	330	69
Equipment	320	32	288
Repairs	11 98	7 74	4 24
Rentals	1.015	74 949	66
Uniforms		<u>949</u> 58,965	3,253
Total Bureau of Police	62,218	30,303	3,433

General Fund

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

(Amounts Expressed in Thousands)

	_		_1997	
	Budget			Variance
	appropriation			favorable
	<u> 2</u>	as amended	<b>Expenditures</b>	(unfavorable)
Public Safety - Department of Public Safety, continue	∍d·			
Bureau of Fire:	<i>.</i>			
Salaries and wages	\$	37,575	36,286	1,289
Premium pay	•	9,922	9,598	324
Miscellaneous services		51	33	18
Education and training		21	13	8
Supplies		166	152	14
Materials		28	7	21
Repairs		14	12	2
Equipment		98	84	14
Uniforms		650	617	33
Total Bureau of Fire	-	48,525	46,802	<u>1,723</u>
Total Public Safety - Department of Public				
Safety	-	11 <u>4,870</u>	109,254	<u>5,616</u>
Public Works - Department of General Services:				
Administration:				
Salaries		812	720	92
Premium pay		294	235	59
Miscellaneous services		606	227	379
Education and training		6	1	5
Supplies		25	24	1
Materials		102	53	49
Equipment		201	34	167
Utilities		896	854	42
Repairs		2	-	2
Rentals	_	484	422	<u>62</u>
Total Administration		3,428	2,570	858

General Fund

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

#### (Amounts Expressed in Thousands)

	1997		
	Budget	-	Variance
	appropriation		favorable
	as amended	<b>Expenditures</b>	(unfavorable)
Public Works - Department of General Services,			
continued			
Facilities Management:			
Salaries	\$ 2,234	2,062	1 <b>7</b> 2
Miscellaneous services	411	373	38
Supplies	97	94	3
Materials	53	49	4
Equipment	24	21	3
Uniforms	16	16	-
Repairs	13	13	-
Rentals	5		5
Total Facilities Management	2,853	2,628	225
Fleet Management:			
Salaries	2,652	2,566	86
Miscellaneous services	222	219	3
Education and training	1	-	1
Supplies	1,370	1,370	-
Materials	1,471	1,375	96
Equipment	438	433	5
Uniforms	27	27	-
Repairs	544	551	(7)
Rentals	1,119	1,119	-
Grants	23	22	1
Utilities	<u>124</u>	58	<u>66</u>
Total Facilities Management	7,991	7,740	251

General Fund

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

(Amounts Expressed in Thousands)

		1997	
	Budget	<del>-</del>	Variance
	appropriation	ı	favorable
	as amended	<b>Expenditures</b>	(unfavorable)
Public Works - Department of Public Works:			
Administration:			
Salaries	\$ 782	764	18
Premium pay	798	645	153
Miscellaneous services	917	916	1
Education and training	28	21	7
Supplies	14	12	2
Equipment	74	70	4
Rentals	24	18	6
Grants	18	18	•
Total Administration	2,655	2,464	191
Operations:			
Salaries	7,851	7,367	484
Miscellaneous services	1,202	1,112	90
Education and training	1	1	-
Supplies	132	132	-
Equipment	348	217	131
Uniforms	26	12	14
Materials	<b>7</b> 99	703	96
Repairs	519	517	2
Rentals	<u>957</u>	<u>815</u>	<u> 142</u>
Total Operations	11,835	10,876	959
Environmental Services:			
Salaries	6,787	6,449	338
Premium pay	569	543	26
Miscellaneous services	3,228	3,199	29
Supplies	99	74	25
Equipment	56	19	37
Uniforms	40	40	-
Materials	16	6	10
Rentals	21	9	12
Total Environmental Services	10,816	10,339	477

General Fund

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

		1997	
	Budget		Variance
	appropriation		favorable
	as amended	Expenditures	(unfavorable)
Public Works - Department of Public Works,			
continued:			
Parks Maintenance:			
Salaries	1,391	1,232	159
Premium pay	26	24	2
Miscellaneous services	39	37	2
Supplies	11	6	5
Equipment	22	16	6
Uniforms	2	1	1
Materials	214	186	28
Repairs	12	3	9
Total Parks Maintenance	1,717	1,505	212
Department of Engineering and			
Construction:			
Salaries and wages			
Premium pay			
Miscellaneous services	18	15	3
Education and training	3	2	1
Supplies	47	37	10
Materials	8	6	2
Repairs	3	3	-
Equipment	7	4	3
Rentals	<u>46</u>	33	13
Total Department of Engineering			
and Construction	132	<u>100</u>	32
Total Public Works	41,427	38,222	3,205
			(Continued)

General Fund

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

		1997	
	Budget		Variance
	appropriation	_	favorable
	as amended	<u>Expenditures</u>	(unfavorable)
Community, Recreational and Cultural -			
Department of Parks and Recreation:			
Administration:			
Salaries	\$ 2,092	1,991	101
Premium pay	82	54	28
Miscellaneous services	486	344	142
Education and training	4	4	-
Supplies	107	101	6
Utilities	1	-	1
Transfers	1,448	1,350	98
Repairs	14	13	1
Rentals	86	85	1
Equipment	64	47	17
Grants	<u> 195</u>	<u> 173</u>	_22
Total Administration	4,579	4,162	417
Carnegie Library	40	40	_=
Total Community, Recreational and Cultural -			
Department of Parks and Recreation	4,619	4,202	<u>417</u>
Employee Benefits:			
Pensions	23,800	24,211	(411)
Fringe Benefits	<u>52,311</u>	<u>51,817</u>	<u>494</u>
Total Employee Benefits	<u>76,111</u>	<u>76,028</u>	<u>83</u>
Claims and Judgments	<u>1,901</u>	1,329	<u>572</u>
Citizens Review Board	125		<u>125</u>
			(Continued)

General Fund

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

	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Utilities	\$ <u>7,752</u>	<u>7,743</u>	9
Miscellaneous (Postage/Refunds)	4,553	3,902	651
Debt Service:			
Debt service	45,679	45,649	30
Debt service subsidy	2,825	2,825	-
Transfers	<u>4,175</u>	4,175	
Total Debt Service	52,679	_52,649	30
Total General Fund Expenditures	\$ <u>332,356</u>	318,099	<u>14.257</u>

#### General Fund

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

#### For the Year Ended December 31, 1996

(Amounts Expressed in Thousands)

		1996	
	Budget		Variance
	appropriation		favorable
	as amended	Expenditures	(unfavorable)
Current Operating - General Government:			
City Council and City Clerk's Office:			
City Council:			
Salaries	<b>\$</b> 406	406	_
Council service, supplies and equipment	138	132	6
Salaries, wages and services of council	731	669	62
Education and training	47	43	4
Miscellaneous services	• • •		<u>'</u>
Total City Council	1,322	1,250	72
City Clerk's Office:			
Salaries	521	488	33
Premium pay	4	3	1
Miscellaneous services	150	88	62
Supplies	27	26	1
Grants	-	-	- -
Equipment	-	-	•
Total City Clerk's Office	702	605	97
Total City Council and City			
Clerk's Office	2,024	1,855	169
Mayor's Office:			
Office of the Mayor:			
Salaries	1,776	1,614	162
Premium pay	8	4	4
Miscellaneous services	208	129	79
Education and training	68	54	14
Supplies	50	43	7
Equipment	10	3	7
Rentals	=	_ <del></del>	_ <del>_</del>
Total Office of the Mayor	2,120	1,847	273

General Fund

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

		1996	
	Budget		Variance
	appropriation		favorable
	as amended	Expenditures	(unfavorable)
Current Operating - General Government, continued:			
Mayor's Office, continued:			
City Information Systems:			
Salaries	\$ 1,511	1,440	<b>7</b> 1
Premium pay	20	16	4
Miscellaneous services	3,910	3,868	42
Education and travel expense	13	12	1
Supplies	280	264	16
Equipment	60	60	-
Rentals	-	-	-
Utilities			
Total City Information Systems	5,794	5,660	134
Total Mayor's Office	7,914	7,507	407
Magistrates Court:			
Salaries	1,138	930	208
Premium pay	11	8	3
Miscellaneous services	35	24	11
Education and training	1	1	-
Supplies	13	9	4
Equipment	2	2	-
Rentals			
Total Magistrates Court	1,200	974	226
Commission on Human Relations:			
Salaries	251	226	25
Premium pay	2	1	1
Miscellaneous services	29	14	15
Education and training	2	1	1
Equipment	<u> </u>		
Total Commission on			
Human Relations	284	242	42
			(Continued)

General Fund

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

(Amounts Expressed in Thousands)

		1996	
	Budget		Variance
	appropriation		favorable
	as amended	Expenditures	(unfavorable)
			1
Current Operating - General Government, continued:			
Office of City Controller:			
Salaries	\$ 2,246	2,101	145
Premium pay	15	12	3
Miscellaneous services	141	116	25
Education and training	15	8	7
Supplies	40	40	<u>-</u>
Equipment	20	2	18
Rentals	_	- -	-
Inspection	15	8	7
Total Office of City Controller	2,492	$\frac{3}{2,287}$	205
Department of Finance:			
Salaries	2,535	2,301	234
Salaries - temporary employees	160	152	8
Premium pay	30	21	9
Miscellaneous services	880	578	302
Education and training	29	28	30 <u>2</u> 1
Supplies and materials	250	213	37
Equipment	25 25	213	1
Lien filing fees	300	300	1
Rentals	300	300	-
Fringe benefits	•	-	-
Total Department of Finance	4,209	3,617	<del>592</del>
Total Department of Finance	4,209	3,017	392
Department of Law:			
Salaries	1,152	1,058	94
Premium pay	1	-	1
Miscellaneous services	656	384	272
Education and training	10	10	-
Supplies	10	9	1
Equipment	18	17	1
Petty claims	170	157	13
Miscellaneous services and supplies	200	189	11
Judgments	<del>_</del> _	<del>_</del>	
Total Department of Law	2,217	1,824	393

(Continued)

General Fund

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

		1996	
	Budget		Variance
	appropriation		favorable
	as amended	<b>Expenditures</b>	(unfavorable)
Current Operating - General Government, continued:			
Department of Personnel and Civil Service			
Commission:			
Salaries	887	815	72
Premium pay	3	1	2
Miscellaneous services	236	122	114
Education and training	69	42	27
Supplies	17	13	4
Equipment	7	5	2
Rentals	-	-	-
Total Personnel and Civil Service			
Commission	1,219	998	221
Department of City Planning:			
Salaries	1,100	1,006	94
Premium pay	8	1,000	7
Miscellaneous services	207	84	123
Education and training	8	8	123
Supplies and materials	26	23	3
Rentals	20	23	-
Repairs	_	_	_
Grants	_	_	_
Equipment	12	12	_
Total Department of			
City Planning	1,361	1,134	227
City I landing	1,501	1,134	221
Economic development - marketing	75	64	11
Support	4,000	4,000	
• •			
Total General Government	<u> 26,995</u>	<u>24,502</u>	<u>2,493</u>

General Fund

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

(Amounts Expressed in Thousands)

	1996			
	app	Budget ropriation amended	Expenditures	Variance favorable (unfavorable)
Public Safety - Department of Public Safety, continued:				
Bureau of Administration:				
Salaries and wages	\$	468	353	115
Premium pay	_	25	7	18
Miscellaneous services		379	217	162
Education and training		12	5	7
Supplies and materials		15	7	8
Equipment		19	18	1
Grants		•	-	-
Total Bureau of Administration		918	607	311
Bureau of Emergency Medical Services:				
Salaries		<b>759</b>	716	43
Premium pay		37	29	8
Miscellaneous services		144	120	24
Education and training		4	4	-
Transfers		1,400	1,400	-
Supplies and materials		219	176	43
Equipment		72	36	36
Repairs		•	-	-
Uniforms		<u>78</u>	<u>69</u>	9
Total Bureau of Emergency Medical Services		2,713	2,550	163
Bureau of Police:				
Salaries	4	8,809	46,799	2,010
Transfers		619	400	219
Premium pay		6,495	5,589	906
Miscellaneous services		993	651	342
Education and training		80	28	52
Supplies and materials		269	206	63
Equipment and machinery		297	36	261
Uniforms		<u>1,175</u>	<u>934</u>	<u>241</u>
Total Bureau of Police	5	8,737	54,643	4,094

(Continued)

General Fund

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

			1996	
	Buc	iget		Variance
	approp	oriation		favorable
	as am	<u>ended</u>	Expenditure	es (unfavorable)
	_			
Public Safety - Department of Public Safety, continued	d:			
Bureau of Fire:				
Salaries and wages	\$ 36,4		35,148	1,329
Premium pay	•	157	7,909	548
Miscellaneous services	1	101	72	29
Education and training		18	11	7
Supplies and materials	1	172	128	44
Equipment		54	43	11
Uniforms	7	712	<u>694</u>	<u>18</u>
Total Bureau of Fire	45,9	<u>991</u>	44,005	<u>1,986</u>
Total Public Safety - Department of Public Safety	108,3	<u> 859</u>	101,805	<u>6,554</u>
Public Works - Department of General Services:				
Administration:				
Salaries	7	734	641	93
Premium pay	3	323	267	56
Miscellaneous services	2,2	286	1,321	965
Education and training		4	4	-
Supplies		30	27	3
Materials		-	-	-
Equipment		10	7	3
Uniforms		_	-	-
Repairs		_	_	-
Rentals		-	-	-
Grants		_ <b>-</b>		
Total Administration	3,3	87	2,267	1,120
				(Continued)

General Fund

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

	Budget appropriation		Variance favorable	
	as amended	Expenditures	(unfavorable)	
Public Works - Department of General Services, co	ontinued:			
Fleet Management:				
Salaries	\$ 454	424	30	
Salaries and wages	2,380	2,110	270	
Miscellaneous services	122	121	1	
Supplies	30	27	3	
Gasoline and diesel	1,190	1,057	133	
Oils and grease	105	104	1	
Materials	47	46	1	
Parts	1,397	1,392	5	
Tires, tubes and chains	453	450	3	
Outside repairs	663	658	5	
Equipment	22	17	5	
Rental of motorized equipment	_5,422	5,422	<del>-</del>	
Total Fleet Management	12,285	11,828	457	
Facilities Management:				
Salaries	2,342	2,078	264	
Miscellaneous services	462	367	95	
Supplies	57	55	2	
Materials	146	142	4	
Repairs	46	45	1	
Equipment	13	12	1	
Total Facilities Management	3,066	2,699	<u>367</u>	
Total Department of General				
Services	18,738	16,794	1,944	
			(Continued)	

General Fund

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

(Amounts Expressed in Thousands)

			1996	
		Budget		Variance
		propriation		favorable
		amended	Expenditures	(unfavorable)
	<u>us</u>	umonaca	<u> Dapenditures</u>	(unavorable)
Public Works - Department of Public Works:				
Administration:				
Salaries	\$	817	<b>70</b> 6	111
Premium pay		1,000	739	<b>2</b> 61
Miscellaneous services		961	910	51
Education and training		26	17	9
Supplies		24	14	10
Equipment		25	25	-
Uniforms		•	-	-
Materials		-	-	-
Repairs		_	-	-
Utilities		-	-	-
Rentals		_	-	-
Grants		-	-	-
Total Administration	-	2,853	2,411	442
		,	<b>-,</b> · · · ·	
Operations:				
Salaries and wages - street and sewer				
maintenance		7,461	7,199	262
Miscellaneous services - street and sewer				
maintenance		341	330	11
Supplies - street and sewer maintenance		206	181	25
Materials - street and sewer maintenance		377	336	41
Repairs - street and sewer maintenance		649	606	43
Equipment - street and sewer maintenance		218	100	118
Brooms and broom accessories -				
street and sewer maintenance		65	47	18
Salt - street and sewer maintenance		344	341	3
Rental of equipment - street and sewer				
maintenance		1,713	1,700	13
Salaries and wages - painting division		<sup>′</sup> 558	<b>508</b>	50
Miscellaneous services - painting		16	8	8
Supplies - painting		19	17	8 2
Materials - painting		198	185	13
Equipment - painting		29	27	2
Salaries - recycling		30	<u>-</u> .	30
Miscellaneous services - recycling		400	323	
Total Operations	1	2,624	11,908	<del>77</del> 716
10th Obstations	•	-,- <del>-</del> ·	,	. <del></del>

(Continued)

#### General Fund

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

			1996	
	Bud	get		Variance
	approp	riation		favorable
	as ame	nded	<u>Expenditur</u>	es (unfavorable)
Public Works - Department of Public Works, continued	<b>i</b> :			
Parks Maintenance:				
Premium pay - parks	\$	-	-	-
Miscellaneous services - parks	:	53	52	1
Supplies - parks		-	-	-
HACP sites - parks		10	7	3
Materials - parks		-	-	-
Repairs - parks		-	-	-
Equipment - parks		-	-	-
Salaries and wages - Frick Park	33	37	224	113
Salaries and wages - housing authority	2:	23	201	22
Wages - forestry division	2	78	251	27
Salaries and wages - Point State Park	1	79	164	15
Premium pay - Point State Park	•	40	30	10
Miscellaneous services - Point State Park		<u> 36</u>	36	<del>-</del>
Total Parks Maintenance	1,1	<u>56</u>	<u>965</u>	<u> 191</u>
Total Department of Public				
Works	16,63	33	15,284	1,349
Department of Engineering and Construction:				
Salaries and wages		-	-	-
Premium pay		-	-	-
Miscellaneous services	(	5 <b>8</b>	47	21
Education and training		7	1	6
Supplies	(	52	37	25
Repairs		2	2	-
Equipment		12	7	5
Rentals		<u>-</u>	<del>-</del>	<del>-</del>
Total Department of Engineering				
and Construction	1:	<u>51</u>	<u>94</u>	57
Total Public Works	35,52	<u>22</u>	<u>32,172</u>	<u>3,350</u>
				(Continued)

General Fund

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

		1996	
	Budget	_	Variance
	appropriation		favorable
	as amended	<b>Expenditures</b>	(unfavorable)
Sanitation - Department of Public Works -			
Bureau of Environmental Services:			
Collection and Disposition:			
Premium pay	<b>\$</b> 465	414	51
Salaries and wages	544	507	37
Wages - regular employees	5,332	5,124	208
Supplies and materials	72	63	9
Rental of equipment	26	6	20
Equipment	6	-	6
Miscellaneous services	37 <u>1</u>	346	
Total Collection and Disposition	$\frac{371}{6,816}$	6,460	356
ional contonion and 2 is position	0,010	0, 100	550
Garbage, Refuse and Ash Disposal:			
Garbage, refuse and ash disposal	<u>2,427</u>	<u>2,419</u>	8
Total Garbage, Refuse and			
Ash Disposal	2,427	2,419	8
Animal Control Division:			
Salaries and wages	363	_333	_30
Total Animal Control Division	363	333	30
Rodent Control Division:			
Salaries	129	119	10
Wages	-		-
Total Rodent Control Division	129	119	10
Total Sonitation Department of Bublic Works			
Total Sanitation - Department of Public Works - Bureau of Environmental Services	0.725	0.221	404
Duleau of Environmental Services	<u>9,735</u>	<u>9,331</u>	404
			(Continued)

#### General Fund

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

	1996			
	Budget appropriation	T	Variance favorable	
	as amended	<u>Expenditures</u>	(unfavorable)	
Water:				
Administration:				
Municipal obligation non-city water  Total Administration	\$	<del>-</del>	<u></u>	
D. o'C. oo'				
Purification:				
Utilities	<del></del>	-	<del></del>	
Total Purification	<del>_</del>	<del>-</del>	_ <del>_</del>	
Total Water		<del>-</del> _	<del>-</del> _	
Community, Recreational and Cultural -				
Department of Parks and Recreation:				
Administration:				
Salaries	2,090	1,863	227	
Premium pay	70	66	4	
Miscellaneous services	642	502	140	
Education and training	5	3	2	
Supplies	118	83	35	
Utilities	80	79	1	
Transfers	1,496	996	500	
Repairs	16	6	10	
Rentals	-	-	-	
Equipment	52	17	35	
Grants	<u>-</u>		<del>-</del>	
Total Administration	4,569	3,615	954	
			(Continued)	

#### General Fund

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

#### (Amounts Expressed in Thousands)

Budget appropriation as amended   Expenditures   Favorable			1996	
Community, Recreational and Cultural - Department of Parks and Recreation, continued:		Budget		Variance
Community, Recreational and Cultural - Department of Parks and Recreation, continued:         Carnegie Library         \$ 40         40         - expectation           Total Community, Recreational and Cultural - Department of Parks and Recreation         4,609         3,655         954           Employee Benefits:           Pensions:           Policeman's relief and pension         9,481         9,481         -           Retired police officer payments         43         43         43         -           Retired firefighters payments         120         120         -           Retired firefighters payments         120         120         -           Municipal pension fund - old         3,407         3,407         -           Retired employees         2,077         2,077         -           Police, fire, municipal widows fund         283         283         -           Workers' compensation         993         674 <t< td=""><td></td><td>appropriation</td><td></td><td>favorable</td></t<>		appropriation		favorable
Department of Parks and Recreation, continued:   Carnegie Library		as amended	<b>Expenditures</b>	(unfavorable)
continued:         Carnegie Library         \$ 40         40         -           Total Community, Recreational and Cultural - Department of Parks and Recreation         4,609         3,655         954           Employee Benefits:           Pensions:           Policeman's relief and pension         9,481         9,481         -           Retired police officer payments         43         43         -           Fireman's relief and pension         7,682         7,682         -           Retired police officer payments         120         120         -           Municipal pension fund - old         3,407         3,407         -           Retired employees         2,077         2,077         -           Police, fire, municipal widows fund         283         283         -           Total Pensions         23,093         23,093         -           Workers' compensation         937         674         263           Unemployment compensation         593         554         39           Workers' compensation medical         4,224         4,138         86           Workers' compensation - disability         8,550<	•			
Carnegie Library         \$ 40         40         -           Total Community, Recreational and Cultural - Department of Parks and Recreation         4,609         3,655         954           Employee Benefits:         Pensions:         Pensions:         Policeman's relief and pension         9,481         9,481         -           Retired police officer payments         43         43         -         -           Fireman's relief and pension         7,682         7,682         -	•			
Department of Parks and Recreation   4,609   3,655   954		\$40	40	<del>-</del>
Employee Benefits:   Pensions:   Policeman's relief and pension   9,481   9,481   -     Retired police officer payments   43   43   -     Fireman's relief and pension   7,682   7,682   -     Retired firefighters payments   120   120   -     Municipal pension fund - old   3,407   3,407   -     Retired employees   2,077   2,077   -     Police, fire, municipal widows fund   283   283   -     Total Pensions   23,093   23,093   -    Workers' compensation   937   674   263     Unemployment compensation   593   554   39     Workers' compensation medical   4,224   4,138   86     Workers' compensation - indemnity   5,099   5,099   -     Workers' compensation - disability   8,550   8,550   -     Total Workers' Compensation   19,403   19,015   388    Health insurance - municipal employees   28,929   28,151   778     Early Retirement Healthcare   708   708   -     Social security fund   5,585   5,272   313     Personal leave buy back   1,500   1,213   287     Retirement severance pay - sick leave   3,600   564   3,036	Total Community, Recreational and Cultural -			
Pensions:         Policeman's relief and pension         9,481         9,481         -           Retired police officer payments         43         43         -           Fireman's relief and pension         7,682         7,682         -           Retired firefighters payments         120         120         -           Municipal pension fund - old         3,407         3,407         -           Retired employees         2,077         2,077         -           Police, fire, municipal widows fund         283         283         -           Total Pensions         23,093         23,093         -           Workers' compensation         937         674         263           Unemployment compensation         593         554         39           Workers' compensation medical         4,224         4,138         86           Workers' compensation - indemnity         5,099         5,099         -           Workers' compensation - disability         8,550         8,550         -           Total Workers' Compensation         19,403         19,015         388           Health insurance - municipal employees         28,929         28,151         778           Early Retirement Healthcare         708	Department of Parks and Recreation	4,609	3,655	954
Policeman's relief and pension         9,481         9,481         -           Retired police officer payments         43         43         -           Fireman's relief and pension         7,682         7,682         -           Retired firefighters payments         120         120         -           Municipal pension fund - old         3,407         3,407         -           Retired employees         2,077         2,077         -           Police, fire, municipal widows fund         283         283         -           Total Pensions         23,093         23,093         -           Workers' compensation         937         674         263           Unemployment compensation         593         554         39           Workers' compensation medical         4,224         4,138         86           Workers' compensation - indemnity         5,099         5,099         -           Workers' compensation - disability         8,550         8,550         -           Total Workers' Compensation         19,403         19,015         388           Health insurance - municipal employees         28,929         28,151         778           Early Retirement Healthcare         708         708				
Retired police officer payments       43       43       -         Fireman's relief and pension       7,682       7,682       -         Retired firefighters payments       120       120       -         Municipal pension fund - old       3,407       3,407       -         Retired employees       2,077       2,077       -         Police, fire, municipal widows fund       283       283       -         Total Pensions       23,093       23,093       -         Workers' compensation       937       674       263         Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287<				
Fireman's relief and pension       7,682       7,682       -         Retired firefighters payments       120       120       -         Municipal pension fund - old       3,407       3,407       -         Retired employees       2,077       2,077       -         Police, fire, municipal widows fund       283       283       -         Total Pensions       23,093       23,093       -         Workers' compensation       937       674       263         Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564	•	,	· ·	-
Retired firefighters payments       120       120       -         Municipal pension fund - old       3,407       3,407       -         Retired employees       2,077       2,077       -         Police, fire, municipal widows fund       283       283       -         Total Pensions       23,093       23,093       -         Workers' compensation       937       674       263         Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	• • •	· <del>-</del>	·	-
Municipal pension fund - old       3,407       3,407       -         Retired employees       2,077       2,077       -         Police, fire, municipal widows fund       283       283       -         Total Pensions       23,093       23,093       -         Workers' compensation       937       674       263         Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	•	•	•	-
Retired employees       2,077       2,077       -         Police, fire, municipal widows fund       283       283       -         Total Pensions       23,093       23,093       -         Workers' compensation       937       674       263         Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Retired firefighters payments	120	120	-
Police, fire, municipal widows fund         283         283         -           Total Pensions         23,093         23,093         -           Workers' compensation         937         674         263           Unemployment compensation         593         554         39           Workers' compensation medical         4,224         4,138         86           Workers' compensation - indemnity         5,099         5,099         -           Workers' compensation - disability         8,550         8,550         -           Total Workers' Compensation         19,403         19,015         388           Health insurance - municipal employees         28,929         28,151         778           Early Retirement Healthcare         708         708         -           Social security fund         5,585         5,272         313           Personal leave buy back         1,500         1,213         287           Retirement severance pay - sick leave         3,600         564         3,036	Municipal pension fund - old	3,407	3,407	-
Total Pensions         23,093         23,093         -           Workers' compensation         937         674         263           Unemployment compensation         593         554         39           Workers' compensation medical         4,224         4,138         86           Workers' compensation - indemnity         5,099         5,099         -           Workers' compensation - disability         8,550         8,550         -           Total Workers' Compensation         19,403         19,015         388           Health insurance - municipal employees         28,929         28,151         778           Early Retirement Healthcare         708         708         -           Social security fund         5,585         5,272         313           Personal leave buy back         1,500         1,213         287           Retirement severance pay - sick leave         3,600         564         3,036	Retired employees	2,077	2,077	-
Workers' compensation       937       674       263         Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Police, fire, municipal widows fund	<u>283</u>	<u>283</u>	
Unemployment compensation       593       554       39         Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Total Pensions	23,093	23,093	-
Workers' compensation medical       4,224       4,138       86         Workers' compensation - indemnity       5,099       5,099       -         Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Workers' compensation			— ·
Workers' compensation - indemnity  Workers' compensation - disability  Total Workers' Compensation  Total Workers' Compensation  19,403  19,015  388  Health insurance - municipal employees  Early Retirement Healthcare  Social security fund  Personal leave buy back  Retirement severance pay - sick leave  5,099  5,099  -  8,550  19,015  388  778  5,585  5,272  313  1,500  1,213  287  Retirement severance pay - sick leave  3,600  564  3,036	Unemployment compensation	593	554	39
Workers' compensation - disability       8,550       8,550       -         Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Workers' compensation medical	4,224	4,138	86
Total Workers' Compensation       19,403       19,015       388         Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Workers' compensation - indemnity	5,099	5,099	-
Health insurance - municipal employees       28,929       28,151       778         Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Workers' compensation - disability	<u>8,550</u>	<u>8,550</u>	
Early Retirement Healthcare       708       708       -         Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Total Workers' Compensation	19,403	19,015	388
Social security fund       5,585       5,272       313         Personal leave buy back       1,500       1,213       287         Retirement severance pay - sick leave       3,600       564       3,036	Health insurance - municipal employees	28,929	,	778
Personal leave buy back Retirement severance pay - sick leave  1,500 1,213 287 3,600 564 3,036	Early Retirement Healthcare	708	708	-
Retirement severance pay - sick leave 3,600 564 3,036	Social security fund	5,585	5,272	313
	Personal leave buy back	1,500	1,213	287
Taval Emplayer Demofits 92.919 79.016 4.902		<u>3,600</u>	<u>564</u>	<u>3,036</u>
1 otal Employee Benefits 62,010 4,002	Total Employee Benefits	82,818	<u>78,016</u>	<u>4,802</u>

(Continued)

#### General Fund

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

		1996	
	Budget appropriation		Variance favorable
	as amended	Expenditures	(unfavorable)
Claims and Judgments:			
Reserve for unsettled wage/labor contract	\$ -	~	-
Claims and judgments	2,502	2,406	96
No fault insurance claims	7		7
Total Claims and Judgments	_2,509	<u>2,406</u>	<u>103</u>
Utilities	7,790	<u> 7,531</u>	_259
Miscellaneous:			
Departmental postage	1,344	833	511
Refunds:			
Other tax refunds	1,381	1,125	256
Protest towing/storage refunds	1	, -	1
Real estate tax refunds	1,625	1,625	-
Fine refunds	70	41	29
Sewage refunds	30	5	<u>25</u>
Total refunds	3,107	2,796	311
Sewage receivable purchases	479	477	2
Workers' compensation commutations	-	-	-
Spending authorized in prior years:			
Prior year payables	2,471	1,565	906
Accrued payroll - prior year  Total spending authorized	<u>4,954</u>	4,954	
in prior years	7,425	6,519	_906
Total Miscellaneous	<u>12,355</u>	10,625	<u>1,730</u>
			(Continued)

#### General Fund

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

		1996				
	Budget appropriat as amend	ion	Variance favorable (unfavorable)			
Debt Service:						
Debt service	\$ 44,293	42,847	1,446			
Debt service subsidy	2,820	2,739	81			
Transfers						
Total Debt Service	47,113	45,586	1,527			
Total General Fund Expenditures	\$ <u>337,805</u>	315,629	22,176			

#### SPECIAL REVENUE FUNDS

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

The following funds are included in this fund type:

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Equipment Leasing Authority - to account for the 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 Fuels Tax** - to account for the receipt and expenditure of the City's share of the proceeds from the State's Gasoline Tax.

JTPA - to account for revenue received and expenditures made under the Job Training and Partnership Act.

Public Safety - to account for the receipt and expenditures of funds from various sources for support services for various public safety programs.

Community Development - to account for the cost of neighborhood development and improvement projects. These programs are financed primarily by the U. S. 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 federal and state grants, private donations, and user charges.

#### Special Revenue Funds Combining Balance Sheet

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	Equipment Leasing Authority	Liquid <u>Fuel Tax</u>	<u>JTPA</u>
Cash and short-term investments, at cost which approximates market	<b>\$</b> 713,191	2,677,206	1,054,666
Receivables: Accrued interest Other	- -	11,799	-
Due from general fund Due from other special revenue funds Due from other governments Total assets  Liabilities and Fund Balances	\$ <del>713.191</del>	2,689,005	67,365 1,154,072 2,276,103
Liabilities: Accounts payable Retainage payable Accrued liabilities Due to general fund Due to other special revenue funds Due to capital projects funds Due to trust and agency funds Due to other governments Deferred revenue Total liabilities	3,291 - - - - - - - - - - - - - - - - - - -	204,170 409,778 - - - - - - - - - - - - - - - - - -	823,106 67,871 1,360,555 - - - - - - - - 2,251,532
Fund balances: Reserve for encumbrances	11,495	-	-
Unreserved: Designated for subsequent years' expenditures Unreserved Total fund balances  Total liabilities and fund balances	698,405 709,900 \$ 713,191	2,075,057 2,075,057 2,689,005	24,571 24,571 2,276,103

Public	Community	Civic and	To	tals
Safety	Development	Cultural	1997	1996
<del></del>	<del></del>		<del></del>	
8,706,712	784,465	2,521,025	16,457,265	15,952,339
, ,	,	, ,	- <b>, , ,</b>	<b>,-,-</b>
-	-	69,591	81,390	11,908
2,632,138	-	732,140	3,364,278	2,584,084
377,110	-	120 000	377,110	52,045
444,409	3,554,829	120,000	187,365	239,188
12,160,369	4.339.294	3.442.756	5,153,310 25,620,718	5,978,287 24.817.851
215 902	2 920 200	44 200	4 110 050	5 (00 500
215,803	2,829,280	44,200	4,119,850	5,609,798
649,446	23,443	87,462	1,238,000	56,075 1,131,968
111,487	704,370	177,409	2,353,821	3,714,697
-	67,365	120,000	187,365	239,189
-	536,084	•	536,084	840,934
740 406	94,136	86,000	180,136	118,466
742,496	-	•	742,496	495,523
992,367 2,711,599	4,254,678	515,071	992,367 10,350,119	12,206,650
2,711,555	4,234,076	313,071	10,550,119	12,200,030
82,754	-	191,712	285,961	683,447
235,608		399,351	634,959	544,522
9,130,408	<u>84,616</u>	<u>2,336,622</u>	14,349,679	11,383,232
9,448,770	<u>84,616</u>	<u>2,927,685</u>	15,270,599	12,611,201
<u>12,160,369</u>	4.339,294	<u>3,442,756</u>	<u>25,620,718</u>	<u>24,817,851</u>

## Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	Equipment Leasing <u>Authority</u>	Liquid <u>Fuel Tax</u>	<u>JTPA</u>
Revenues:			
Interest earnings	\$ 10,520	217,971	-
Intergovernmental revenues	-	4,986,233	7,878,963
Charges for user services	-	-	-
Miscellaneous revenue	<u>105,885</u>	<u> </u>	
Total revenues	116,405	5,204,204	7,878,963
Expenditures:			
General government	107,647	-	-
Public safety	-	-	-
Public works	-	4,376,430	-
Community, recreational and cultural	-	-	-
Intergovernmental programs	-	-	8,037,284 7 417
Capital projects	<u>5,141,631</u>	<del>-</del>	,
Total expenditures	5,249,278	4,376,430	8,037,284
(Deficiency) excess of revenues			
(under) over expenditures	(5,132,873)	827,774	(158,321)
Other financing sources (uses):			
Proceeds from fixed asset disposition	627,811	-	-
Operating transfers from other funds	4,298,176	-	158,321
Operating transfers to other funds	(5,292)	(164,000)	
Total other financing sources	4,920,695	(164,000)	158,321
(Deficiency) excess of revenues and other financing sources over (under) expenditures and other financing uses	(212,178)	663,774	-
Fund balances at beginning of year	922,078	1,411,283	24,571
Fund balances at end of year	\$ <u>709,900</u>	2.075.057	$\frac{24,571}{24,571}$
i und balances at one or year			

Public	Community	Civic and	<u>To</u>	tals
<u>Safety</u>	<b>Development</b>	<u>Cultural</u>	<u> 1997</u>	1996
	_			
37,110	-	69,591	335,192	288,218
1,640,571	22,425,036	1,172,575	38,103,378	47,350,552
17,346,314	-	3,942,411	21,288,725	17,696,556
<del>_</del>		<u>31,786</u>	<u>137,671</u>	<u>128,885</u>
19,023,995	22,425,036	5,216,363	59,864,966	65,464,211
373,823	6,629,558	2,648,891	9,759,919	8,798,374
18,370,230	512,830	2,040,071	18,883,060	17,481,784
10,570,250	4,544,450	57,827	8,978,707	12,615,226
_	515,425	3,258,593	3,774,018	4,730,049
_	10,191,280 8,1		18,228,564	23,559,506
_	10,191,200 -,	_	5,141,631	<u>814,517</u>
18,744,053	22,393,543	5,965,311	64,765,899	
18,744,033	22,393,343	<u>3,903,311</u>	04,703,833	<u>67,999,456</u>
279,942	31,493	(748,948)	(4,900,933)	(2,535,245)
-	•	-	627,811	203,453
2,148,960	-	854,848	7,460,305	4,421,852
<u>(327,000</u> )	<u>(31,493</u> )		<u>(527,785</u> )	<u>(940,693</u> )
<u>1,821,960</u>	<u>(31,493</u> )	<u>854,848</u>	<u>7,560,331</u>	<u>3,684,612</u>
2,101,902	-	105,900	2,659,398	1,149,367
, .	_			, ,
<u>7,346,868</u>	<u>84,616</u>	2,821,785	12,611,201	11,461,834
<u>9,448,770</u>	<u> </u>	<u>2,927,685</u>	<u>15.270.599</u>	<u>12,611,201</u>

## Equipment Leasing Authority Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	<b>\$</b> 713,191	920,568
Accrued interest receivable	<u> </u>	<u>2,688</u>
Total assets	\$ <u>713,191</u>	<u>923,256</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	3,291	<u>1,178</u>
Total liabilities	3,291	1,178
Fund balances:		
Reserve for encumbrances	11,495	149,603
Unreserved	698,405	<u>772,475</u>
Total fund balances	709,900	922,078
Total liabilities and fund balances	\$ <u>713,191</u>	923,256

## Equipment Leasing Authority Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>19</u>	<u>997</u>	<u>1996</u>
Revenues:			
Interest earnings	<b>\$</b> 10	0,520	38,244
Miscellaneous	· -	5,885	128,885
Total revenues		6,405	167,129
Expenditures:			
General government	10	7,647	193,176
Capital projects		1,631	814,517
Total expenditures		9,278	1,007,693
Deficiency of revenues under expenditures	(5,13	2,873)	(840,564)
Other financing sources (uses):			
Proceeds from fixed asset disposition	62	7,811	203,453
Operating transfers from other funds	4,29	8,176	716,701
Operating transfers to other funds	(	5,292)	(100,851)
Total other financing sources (uses)	4,920	0,695	819,303
Deficiency of revenues and other financing sources under expenditures and other			
financing uses	(212	2,178)	(21,261)
Fund balances at beginning of year Fund balances at end of year		2,078 9,900	943,339 922,078

#### Liquid Fuel Tax Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ 2,677,206	2,080,801
Accrued interest receivable	11,799	9,220
Total assets	\$ 2,689,005	2,090,021
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	204,170	324,293
Accrued liabilities	409,778	354,445
Total liabilities	613,948	678,738
Fund balances:		
Unreserved	2,075,057	1,411,283
Total fund balances	2,075,057	1,411,283
Total liabilities and fund balances	\$ <u>2.689.005</u>	2,090,021

## Liquid Fuel Tax Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Interest earnings	\$ 217,971	179,786
Intergovernmental - state	4,986,233	4,849,397
Total revenues	5,204,204	5,029,183
Expenditures:		
Public works	4,376,430	<u>4,445,036</u>
Total expenditures	4,376,430	4,445,036
Excess of revenues over expenditures	827,774	584,147
Other financing sources (uses):		
Operating transfers to other funds	(164,000)	_
Total other financing sources	(164,000)	
Excess of revenues and other financing sources over expenditures and other		
financing uses	663,774	-
Fund balances at beginning of year	<u>1,</u> 411,283	827,136
Fund balances at end of year	\$ 2.075.057	1.411.283

### JTPA Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ 1,054,666	1,453,554
Due from community development	67,365	209,808
Due from other governments	<u>1,154,072</u>	<u>1,117,814</u>
Total assets	\$ <u>2.276.103</u>	<u>2,781,176</u>
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	823,106	1,236,034
Accrued liabilities	67,871	60,896
Due to general fund	1,360,555	<u>1,459,675</u>
Total liabilities	2,251,532	2,756,605
Fund balances:		
Unreserved	24,571	24,571
Total fund balances	24,571	24,571
Total liabilities and fund balances	\$ 2,276,103	2,781,176

## JTPA Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Intergovernmental - federal	\$ <u>7,878,963</u>	<u>8,618,406</u>
Total revenues	7,878,963	8,618,406
Expenditures:		
Intergovernmental programs	8,037,284	8,646,743
Total expenditures	8,037,284	8,646,743
Deficiency of revenues under expenditures	(158,321)	(28,337)
Other financing sources:		
Operating transfers from general fund	158,321	28,337
Total other financing sources	158,321	28,337
Excess of revenues and other financing sources over expenditures	-	-
Fund balances at beginning of year	<u>24,571</u>	<u>24,571</u>
Fund balances at end of year	\$ 24.571	24,571

#### Public Safety Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ 8,706,712	6,584,411
Other receivables	2,632,138	2,013,241
Due from general fund	377,110	•
Due from other governments	444,409	_ 201,363
Total assets	\$ 12,160,369	8,799,015
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	215,803	226,907
Accrued liabilities	649,446	604,000
Due to general fund	111,487	140,064
Due to other special revenue funds	-	3,099
Due to other government	742,496	478,077
Deferred revenue	992,367	<u>-</u>
Total liabilities	2,711,599	1,452,147
Fund balances:		
Reserved for encumbrances	82,754	166,860
Designated for subsequent years' expenditures	235,608	234,760
Unreserved	9,130,408	6,945,248
Total fund balances	9,448,770	7,346,868
Total liabilities and fund balances	\$ <u>12,160,369</u>	8,799,015

## Public Safety Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

		<u>1997</u>	<u>1996</u>
Revenues:			
Interest earnings	\$	37,110	-
Intergovernmental:		•	
Federal		561,180	1,767,942
State		959,174	191,003
Local		120,217	1,240,888
Charges for user services		17,346,314	14,467,147
Total revenues		19,023,995	17,666,980
Expenditures:			
General government		373,823	-
Public safety		18,370,230	18,334,205
Total expenditures		18,744,053	<u>18,334,205</u>
Excess (deficiency) of revenues over (under) expenditures		279,942	(667,225)
Other financing sources (uses):			
Operating transfers from general fund		2,148,960	1,923,563
Operating transfers to general fund		(327,000)	<u>(600,000</u> )
Total other financing sources		<u>1,821,960</u>	<u>1,323,563</u>
Excess of revenues and other financing sources over expenditures and other financing uses		2,101,902	656,338
Fund balances at beginning of year Fund balances at end of year	¢	7,346,868 9,448,770	6,690,530 7,346,868
runu vaiances at enu di yeai	Φ	<del>2,440,</del> 110	7,340,000

## Community Development Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u> 1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ 784,465	1,535,813
Due from other governments	3,554,829	4,659,110
Total assets	\$ 4.339.294	6.194.923
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	2,829,280	3,717,965
Retainage payable	-	56,075
Accrued liabilities	23,443	22,522
Due to general fund	704,370	1,204,255
Due to other special revenue funds	67,365	236,090
Due to capital projects	536,084	840,934
Due to trust and agency	94,136	32,466
Total liabilities	4,254,678	6,110,307
Fund balances:		
Unreserved	84,616	<u>84,616</u>
Total fund balances	84,616	84,616
Total liabilities and fund balances	\$ 4,339,294	6,194,923

## Community Development Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Intergovernmental - federal	\$ <u>22,425,03</u>	<u>6</u> <u>28,685,</u> 708
Total revenues	22,425,03	
Tomas die man		
Expenditures:		
General government:	1 212 12	4 4051 041
Council and City Clerk's office	1,312,19	, ,
Commission on Human Relations	28,77	
Personnel and Civil Service	893,48	•
City Planning	4,172,46	, ,
Finance	37,34	•
General services	185,28	4 58,904
Public safety	512,83	0 161,065
Public works:		
Public works	1,944,89	6 1,256,766
Engineering and construction	2,599,55	4 1,402,074
Community, recreational and cultural:	, ,	, ,
Parks and recreation	515,42	5 1,347,602
Intergovernmental programs	10,191,28	, ,
Total expenditures	22,393,54	
Excess (deficiency) of revenue over (under)		
expenditures	31,49	3 (884,051)
Other financing sources (uses):		
Operating transfers from general fund		- 884,051
Operating transfers to other funds	(31,49	·
Total other financing sources (uses)	$\frac{(31,49)}{(31,49)}$	
Total other maneing sources (uses)	(31,49	<u> </u>
Excess of revenues and other financing sources		
over expenditures and other financing uses		
Fund balances at beginning of year	84,61	<u>6</u> 84,616
Fund balances at end of year	\$ 84.61	6 <u>84.616</u>
•		

## Community Development Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - Special Revenue

#### For the Year Ended December 31, 1997

	<u>Budget</u>	<u>Actual</u>	Variance Favorable ( <u>Unfavorable</u> )
Revenues:			
Intergovernmental	\$ <u>54,598,558</u>	22,961,002	( <u>31,637,556</u> )
Total revenues	54,598,558	22,961,002	(31,637,556)
Expenditures:			
General government:			
Council and City Clerk's office	4,222,792	1,325,499	2,897,293
Finance	50,000	24,698	25,302
Department of Personnel and Civil Service	1,902,205	967,324	934,881
Department of City Planning	7,064,445	2,936,756	4,127,689
General services	226,651	178,524	48,127
Public safety	933,915	579,635	354,280
Public works:		2 12 ( 222	
Public works	6,835,865	3,426,092	3,409,773
Engineering and construction	7,610,371	2,119,767	5,490,604
Community, recreational and cultural	0.061.010	704 120	1 466 007
programs	2,261,019	794,132	1,466,887
Intergovernmental programs	<u>23,491,295</u>	9,924,856	13,566,439
Total expenditures	<u>54,598,558</u>	<u>22,277,283</u>	<u>32,321,275</u>
Excess of revenues over expenditures	-	683,719	683,719
Fund balances - budgetary basis, beginning of year		<u>1,391,916</u>	<u>1,391,916</u>
Fund balances - budgetary basis, end of year	\$ <u>-</u>	2,075,635	2.075.635
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):  Cumulative difference between budgetary			
basis and GAAP basis, beginning of year Net effect of GAAP basis recognition of		(1,307,300)	
revenues Net effect of GAAP basis recognition of		(535,966)	
expenditures  Net effect of GAAP basis recognition of		(116,260)	
other financing sources/uses		(31,493)	
Fund balance - GAAP basis, end of year		\$ <u>84.616</u>	

## Community Development Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - Special Revenue

For the Year Ended December 31, 1996

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			(
Intergovernmental	\$ <u>56,020,683</u>	24,490,990	(31,529,693)
Total revenues	56,020,683	24,490,990	(31,529,693)
Expenditures:			, , ,
General government:			
Council and City Clerk's office	2,860,918	861,441	1,999,477
Finance	55,009	55,009	, , , -
Department of Personnel and Civil Service	1,907,373	665,980	1,241,393
Department of City Planning	12,029,689	4,910,193	7,119,496
General services	104,816	49,989	54,827
Public safety	351,845	86,207	265,638
Public works: Public works	4 625 222	1 105 106	2 520 127
	4,635,323	1,105,186	3,530,137
Engineering and construction Community, recreational and cultural	5,805,064	1,238,215	4,566,849
programs	1,387,000	133,219	1 252 701
Intergovernmental programs	26,883,646	133,219 14,181,814	1,253,781
Total expenditures			12,701,832
Total expenditures	56,020,683	23,287,253	<u>32,733,430</u>
Excess of revenues over expenditures	-	1,203,737	1,203,737
Fund balances - budgetary basis, beginning of year		<u> 188,179</u>	<u> 188,179</u>
Fund balances - budgetary basis, end of year	\$ <del>-</del>	1,391,916	<u> 1,391,916</u>
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):  Cumulative difference between budgetary			
basis and GAAP basis, beginning of year Net effect of GAAP basis recognition of		(103,563)	
revenues  Net effect of GAAP basis recognition of		1,538,485	
expenditures		(3,626,273)	
Net effect of GAAP basis recognition of other financing sources/uses Fund balance - GAAP basis, end of year		884,051 \$ 84,616	
•			

### Civic and Cultural Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u> 1997</u>	<u> 1996</u>
Assets	<del></del>	
Cash and short-term investments, at cost which		
approximates market	\$ 2,521,025	3,377,192
Receivables:		
Accrued interest	69,591	-
Other	732,140	570,843
Due from other special revenue funds	120,000	29,380
Due from the general fund		52,045
Total assets	\$ <u>3.442.756</u>	4.029.460
Liabilities and Fund Balances		
Liabilities:		
Accounts payable	44,200	103,421
Accrued liabilities	87,462	90,105
Due to general fund	177,409	910,703
Due to other special revenue funds	120,000	-
Due to trust and agency funds	86,000	86,000
Due to other governments		<u>17,446</u>
Total liabilities	515,071	1,207,675
Fund balances:		
Reserve for encumbrances	191,712	366,984
Reserve for subsequent years' expenditures	399,351	309,762
Unreserved	2,336,622	2,145,039
Total fund balances	2,927,685	2,821,785
Total liabilities and fund balances	\$ <u>3,442,756</u>	4.029.460

## Civic and Cultural Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Interest earnings	\$ 69,591	70,188
Intergovernmental revenues:	•	,
Federal	1,172,320	146,014
State	255	1,101,452
Local	-	749,741
Charges for user services	3,942,411	3,229,410
Miscellaneous	<u>31,786</u>	<u>-</u>
Total revenues	<u>5,216,363</u>	<u>5,296,805</u>
Expenditures:		
General government	2,648,891	391,278
Public works	57,827	•
Community, recreational and cultural	3,258,593	3,382,447
Intergovernmental programs	, , , <u>-</u>	<u>80,014</u>
Total expenditures	5,965,311	5,996,020
Deficiency of revenues over expenditures	(748,948)	(699,215)
Other financing sources (uses):		
Operating transfers from other funds	854,848	894,200
Operating transfers to other funds	<del>-</del>	(264,842)
Total other financing sources	<u>854,848</u>	629,358
Excess (deficiency) of revenues and other financing sources over expenditures and		
other financing uses	105,900	(69,857)
Fund balances at beginning of year	<u>2,821,785</u>	2,891,642
Fund balances at end of year	\$ 2,927,685	2.821.785

### **DEBT SERVICE FUNDS**

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

The following funds are included in this fund type:

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, a component unit of the City.

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#### Debt Service Funds Combining Balance Sheet

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	General Obligation	Equipment Leasing Authority	<u>Tot</u>	<u>1996</u>
Cash and short-term investments, at cost which approximates market Accrued interest receivable Total assets <u>Liabilities and Fund Balances</u>	\$ 16,728,737 <u>254,785</u> \$ 16,983,522		16,728,737 <u>254,785</u> 16,983,522	22,893,211 939,427 23,832,638
Liabilities: Accrued interest and other payables Total liabilities	<u>234,367</u> 234,367	<del></del>	234,367 234,367	<u>512,663</u> 512,663
Fund balances:  Designated for debt service  Total liabilities and fund balances	16,749,155 \$ 16,983,522	=	16,749,155 16,983,522	23,319,975 23,832,638

## Debt Service Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	General Obligation	Equipment Leasing <u>Authority</u>	<u>Tot</u>	<u>1996</u>
Revenues: Interest earnings	\$ 2,134,836	1,892	2,136,728	4,194,782
Expenditures: Principal retirement Interest expenditures Fiscal agent charges Bond issuance costs Total expenditures  Deficiency of revenues	11,069,045 31,404,189 23,773 	2,670,000 121,756 2,205 	13,739,045 31,525,945 25,978 	17,021,331 24,285,719 38,365 1,092,354 42,437,769
under expenditures	(40,362,171)	(2,792,069)	(43,154,240)	(38,242,987)
Other financing sources (uses): Operating transfers from: General fund Special revenue funds Capital projects Trust and agency Component units Bond proceeds Operating transfers to: Special revenue funds Trust and agency Payment to escrow agent for refunded debt Total other financing sources	44,568,424 422,876 429,968 3,270,000 	1,391,328 5,291 - - - (3,007) - - 1,393,612	45,959,752 5,291 422,876 429,968 3,270,000 - (3,007) (13,501,460) 	48,384,027 100,851 - 3,270,000 168,589,419 - (167,489,733) 52,854,564
(Deficiency) excess of revenues and other financing sources over expenditures and other financing uses	(5,172,363)	(1,398,457)	(6,570,820)	14,611,577
Fund balances at beginning of year Fund balances at end of year	\$ 21,921,518 16,749,155	1,398,457 	23,319,975 16,749,155	8,708,398 23,319,975

#### **CAPITAL PROJECTS FUNDS**

Capital Projects Funds account for the financial resources used for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

The following departments are included in this fund type:

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

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 development projects.

Other - to account for miscellaneous projects not classified in other capital projects funds.

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#### Capital Projects Fund Balance Sheet

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	<u>1997</u>	<u>1996</u>
Cash and short-term investments, at		
cost which approximates market	\$ 87,101,308	41,297,156
Other receivables	24,850	24,851
Interfund receivable	828,790	828,790
Due from general fund	-	-
Due from special revenue	536,084	840,934
Due from trust and agency	4,992,040	4,992,040
Due from other governments	2,128,312	1,706,837
Total assets	\$ 95.611.384	49,690,608
Liabilities and Fund Balances		
Liabilities:		
Accounts payables	3,658,735	3,188,802
Retainage payable	878,097	935,773
Accrued liabilities	129,695	181,355
Due to general fund	501,421	181,984
Interfund payable	828,790	828,790
Accrued claims and judgments	<del>-</del>	600,000
Total liabilities	5,996,738	5,916,704
Fund balances:		
Reserved for encumbrances	7,253,442	10,587,655
Designated for subsequent years' expenditures	82,361,204	33,186,249
Total fund balances	89,614,646	43,773,904
Total liabilities and fund balances	\$ <u>95,611,384</u>	<u>49,690,608</u>

### Capital Projects Fund Combining Balance Sheet Schedule

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	Engineering and Construction	Parks and Recreation	Public <u>Works</u>
Cash and short-term investments, at			
cost which approximates market	\$ 13,123,711	452,529	1,797,958
Other receivables	24,850	-	-
Interfund receivable	-	-	828,790
Due from special revenue	-	-	-
Due from trust and agency	4,992,040	-	-
Due from other governments	2,128,312	<u>-</u>	
Total assets	\$ <u>20,268,913</u>	452,529	2,626,748
Liabilities and Fund Balances			
Liabilities:			
Accounts payables	1,473,668	-	21,649
Retainage payable	847,242	-	-
Accrued liabilities	129,695	_	-
Due to general fund	206,954	-	294,467
Interfund payable	, •	_	•
Accrued claims and judgments	-	-	-
Total liabilities	2,657,559	<del>-</del>	316,116
Fund balances:			
Reserved for encumbrances	6,675,767	22,074	170,349
Designated for subsequent years' expenditures	10,935,587	430 <u>,455</u>	2,140,283
Total fund balances	17,611,354	452,529	2,310,632
Total liabilities and fund balances	\$ <u>20.268.913</u>	452,529	2,626,748

General	Urban			Totals
<u>Services</u>	Redevelopment	<u>Other</u>	<u>1997</u>	<u>1996</u>
137,404	5,746,428	65,843,278	87,101,308	41,297,156
-	-	-	24,850	24,851
-	-	-	828,790	828,790
-	-	536,084	536,084	840,934
-	-	-	4,992,040	4,992,040
			2,128,312	1,706,837
<u>137,404</u>	<u>5.746.428</u>	<u>66,379,362</u>	<u>95,611,384</u>	<u>49,690,608</u>
19,410	1,500,000	644,008	3,658,735	3,188,802
-	-	30,855	878,097	935,773
-	-	-	129,695	181,355
-	-	-	501,421	181,984
-	-	828,790	828,790	828,790
				600,000
19,410	1,500,000	1,503,653	5,996,738	5,916,704
52,307	-	332,945	7,253,442	10,587,655
65,687	4,246,428	64,542,764	82,361,204	33,186,249
117,994	4,246,428	<u>64,875,709</u>	<u>89,614,646</u>	43,773,904
137,404	<u>5,746,428</u>	66,379,362	95.611.384	49,690,608

## Capital Projects Fund Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	<u>1997</u>	<u>1996</u>
Revenues:		
Intergovernmental revenues	\$ 11,543,553	5,520,645
Charges for user services	990,338	<u>760,702</u>
Total revenues	12,533,891	6,281,347
Expenditures:		
Claims and judgments	(600,000)	(335,000)
Capital projects	36,297,691	45,302,418
Bond issuance costs	600,581	<u>-</u>
Total expenditures	36,298,272	<u>44,967,418</u>
Deficiency of revenues under		
expenditures	(23,764,381)	(38,686,071)
Other financing sources (uses):		
Bond proceeds	69,997,888	-
Operating transfers (to) from:		
Special revenue	(4,144,545)	-
Debt service	(422,876)	-
Other capital projects fund	-	-
General fund	4,174,656	
Total other financing sources (uses)	69,605,123	
Excess (deficiency) of revenues and		
other financing sources over		
(under) expenditures and other		
financing uses	45,840,742	(38,686,071)
Fund balances at beginning of year	43,773,904	82,459,975
Fund balances at end of year	\$ <u>89,614,646</u>	43,773,904

## Capital Projects Fund Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	Engineering and Construction	Parks and Recreation	Public <u>Works</u>
Revenues:			
Intergovernmental revenues	\$ 6,234,729	-	-
Charges for user services			990,338
Total revenues	6,234,729	-	990,338
Expenditures:			,
Claims and judgments	(600,000)	-	-
Capital projects	15,451,726	3,123	4,562,224
Bond issuance costs		<del>-</del>	<del>-</del>
Total expenditures	14,851,726	3,123	4,562,224
Deficiency of revenues under			
expenditures	(8,616,997)	(3,123)	(3,571,886)
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers (to) from:			
Special revenue	-	-	-
Debt service	-	-	-
Other capital projects fund	6,964,826	145,000	2,223,279
General fund	2,050,000		1,924,656
Total other financing sources (uses)	9,014,826	<u>145,000</u>	4,147,935
Excess (deficiency) of revenues and			
other financing sources over			
(under) expenditures and other			
financing uses	397,829	141,877	576,049
Fund balances at beginning of year	17,213,525	310,652	1,734,583
Fund balances at end of year	\$ <u>17.611.354</u>	<u>452,529</u>	2.310.632

General	Urban		Totals		
Services	Redevelopment	<u>Other</u>	1997	1996	
-	-	5,308,824	11,543,553	5,520,645	
<del>-</del>	<del>-</del>		990,338	760,702	
-	-	5,308,824	12,533,891	6,281,347	
-	•	-	(600,000)	(335,000)	
2,663,567	6,525,000	7,092,051	36,297,691	45,302,418	
-	<u> </u>	600,581	600,581		
<u>2,663,567</u>	<u>6,525,000</u>	<u>7,692,632</u>	<u>36,298,272</u>	<u>44,967,418</u>	
	Coop nap.				
(2,663,567)	(6,525,000)	(2,383,808)	(23,764,381)	(38,686,071)	
	,	, , ,	(==, == 1,===)	(55,555,571)	
		40 007 <b>00</b> 0	(0.00 <b>5</b> .000		
_	-	69,997,888	69,997,888	-	
-	-	(4,144,545)	(4,144,545)	_	
-	•	(422,876)	(422,876)	-	
2.024,992	6,825,000	(18,183,097)	-	-	
<u>50,000</u>	6 925 000	150,000	4,174,656	<del></del>	
<u>2,074,992</u>	6,825,000	<u>47,397,370</u>	69,605,123	<del></del>	
(588,575)	300,000	45,013,562	45,840,742	(38,686,071)	
(100,0,0)	200,000	.5,015,502	75,070,772	(30,000,071)	
706,569	<u>3,946,428</u>	19,862,147	43,773,904	82,459,975	
117,994	<u>4.246.428</u>	<u>64,875,709</u>	<u>89.614.646</u>	43.773.904	

## Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - Capital Projects

#### For the Year Ended December 31, 1997

	Budget as amended	Actual	Variance favorable (unfavorable)
Revenues:			
Intergovernmental	\$ 2,970,000	10,301,181	7,331,181
Total revenues	2,970,000	10,301,181	7,331,181
Expenditures:			
Capital projects:			
Engineering and construction	41,231,611	14,712,377	26,519,234
Parks and recreation	289,791	6.860	282,931
Public works	4,530,344	3,637,417	892,927
General services	2,903,656	2,657,599	246,057
Urban Redevelopment Authority	6,535,000	5,025,000	1,510,000
Other	18,865,777	12,797,737	6,068,040
Bond issuance costs	643,741	583,582	60,159
Total expenditures	74,999,920	39,420,572	35,579,348
Excess (deficiency) of revenues over			
(under) expenditures	(72,029,920)	(29,119,391)	42,910,529
Other financing sources (uses):			
Bond proceeds	69,997,888	69,997,888	_
Operating transfers in	4,174,656	4,174,656	_
Operating transfers out	<u>(4,567,421)</u>	(4,567,421)	_
Total other financing sources	69.605,123	69.605.123	
Excess of revenues and other financing			
sources over (under) expenditures			
· · · · · · · · · · · · · · · · · · ·	(2,424,797)	40,485,732	42,910,529
and other financing uses	(2,424,777)	40,465,752	42,710,327
Fund balance - budgetary basis, beginning of year	2,424,797	43,072,106	40,647,309
Fund balance - budgetary basis, end of year	s	83,557,838	83.557.838
Adjustments to generally accepted accounting			
principles (GAAP) basis (note 2):			
Cumulative difference between budgetary basis and			
GAAP basis, beginning of year		701,798	
Net effect of GAAP basis recognition of revenues		2,232,709	
Net effect of GAAP basis recognition of			
expenditures		3,122,301	
Fund balance - GAAP basis, end of year		\$ 89,614,646	

## Capital Projects Fund Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Data on the Budgetary Basis - Capital Projects

#### For the Year Ended December 31, 1996

	Budget as amended	Actual	Variance favorable ( <u>unfavorable</u> )
Revenues:			
Intergovernmental	\$ <u>1,325,000</u>	1,563,749	<u>238,749</u>
Total revenues	1,325,000	1,563,749	238,749
Expenditures:			
Capital projects:			
Engineering and construction	93,391,204	13,760,738	79,630,465
Parks and recreation	518,785	210,209	<b>308.57</b> 6
Public works	10,710,975	6.881.835	3,829,140
General services	8,156,838	544,947	7,611,891
Urban Redevelopment Authority	24,379,027	11,950,000	12,429,027
Other	36,071,743	5,961,402	30,110,341
Bond issuance costs	63,881	63,400	48 <u>1</u>
Total expenditures	173,292,453	39,372,531	133,919,922
Excess (deficiency) of revenues over			
(under) expenditures	(171,967,453)	(37,808,782)	134,158,671
Fund balance - budgetary basis, beginning of year	171,967,453	80,880,888	(91,086,565)
Fund balance - budgetary basis, end of year	\$	43,072,106	43,072,106
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):  Cumulative difference between budgetary basis and			
GAAP basis, beginning of year		1,579,087	
Net effect of GAAP basis recognition of revenues		4.717.597	
Net effect of GAAP basis recognition of		********	
expenditures		(5,594,886)	
Fund balance - GAAP basis, end of year	9	43.773.904	
Juliulian Cities and and all and all and	`		

### TRUST AND AGENCY FUNDS

Trust funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or 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 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 health benefits reimbursements to 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.

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.

**Pension Escrow Fund** - to account for both the reimbursement of excess contributions by the City to the Pension Plan as a result of the issuance of the 1996 Pension Bonds, and the deposit of savings generated by the refunding of the General Obligation Bonds, Series 1986B.

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#### **AGENCY FUNDS:**

**Employee Benefits** - to account for the collection and payment of various employee benefits 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.

**Deposits** - 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.

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#### Trust and Agency Funds

#### Combining Balance Sheet

### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	Pension <u>funds</u>	Expendable trusts	Agency funds	Totals <u>1997</u>	Totals <u>1996</u>
Cash and short-term investments, at cost					
which approximates market	\$ 9,344,428	21,472,713	56,987,805	87,804,946	70,982,226
Investments	140,038,212	- , -,	-	140,038,212	129,283,027
Accrued interest and dividends receivable	718,549	-	-	718,549	860,032
Due from other funds		180,136	445,362	625,498	174,954
Contributions receivable	-	· •		•	370,680
Other receivables	12,809	<u>-</u>	14,340	27,149	22,673
Total assets	\$ 150,113,998	21.652.849	57.447.507	229.214.354	201.693.592
Liabilities and Fund Balances					
Liabilities:					
Accrued liabilities and other payables	397,825	91,869	1,626,201	2,115,895	1,446,535
Deferred compensation payable	, •	, -	54,114,527	54,114,527	46,597,219
Due to other funds	161,615	5,172,510	901,278	6,235,403	6,539,892
Due to other governments	,	27,227	26,134	53,361	91,556
Due to individuals	-	333,565		333,565	298,977
Deposits held in trust	-	,	779,367	779,367	883,033
Total liabilities	559,440	5,625,171	57,447,507	63,632,118	55,857,212
Fund balances:					
Reserved for encumbrances	-	139,160	-	139,160	57,214
Reserved for endowments	-	89,719	-	89,719	41,367
Reserved for employee benefits	149,554,558	765,837	-	150,320,395	144,067,535
Designated for subsequent years'	, ,			. ,	
expenditures	-	14,904,270	-	14,904,270	-
Undesignated		128,692		128,692	1,670,264
Total fund balances	149,554,558	16,027,678		165,582,236	145,836,380
Total liabilities and fund					
balances	\$ <u>150,113,998</u>	21,652,849	<u>57,447,507</u>	229,214,354	<u>201,693,592</u>

#### Pension Trust Funds

#### **Combining Balance Sheet**

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	Comprehensive <u>trust</u>	Municipal <u>plan</u>	Police <u>plan</u>
Cash and short-term investments, at cost which			
approximates market	\$ 8,842,641	21,819	457,829
Investments	140,038,212	-	-
Accrued interest, dividends and other	718,549	-	-
Contributions receivable	-	-	-
Other receivables	<u>7,301</u>	<u>5,508</u>	
Total assets	\$ <u>149.606.703</u>	27.327	<u>457,829</u>
Liabilities and Fund Balances			
Liabilities:			
Accrued liabilities and other payables	153,950	17,979	225,351
Due to general fund	161,615	<u>-</u>	
Total liabilities	315,565	17,979	225,351
Fund balances:			
Reserve for employee benefits	149,291,138	9,348	<u>232,478</u>
Total liabilities and fund balances	\$ <u>149,606,703</u>	27,327	<u>457,829</u>

Fire	Retirees'	Totals			
<u>plan</u>	<u>plan</u>	<u>1997</u>	<u>1996</u>		
18,933	3,206	9,344,428	13,268,069		
-	-	140,038,212	129,283,027		
-	-	718,549	860,032		
-	-	-	370,680		
	_ <del>_</del>	12,809	4,522		
<u>18.933</u>	<u>3,206</u>	<u>150.113.998</u>	143,786,330		
545	-	397,825	156,851		
<del></del>		<u>161,615</u>	161,084		
545	-	559,440	317,935		
18,388	<u>3,206</u>	149,554,558	143,468,395		
<u>18.933</u>	3.206	150.113.998	143.786.330		

#### **Pension Trust Funds**

#### Combining Statement of Revenues, Expenses and Changes in Fund Balances

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	Comprehensive <u>trust</u>	Municipal <u>plan</u>	Police plan
Operating revenues:			
Contributions:			
Participants	\$ 8,757,117	-	-
Employer	24,852,257	-	321,604
State	14,159,321	<u>-</u>	
Total contributions	47,768,695	-	321,604
Investment income:			
Gain on security transactions	8,022,803	-	-
Interest and dividends	<u>8,262,539</u>		<u>28,646</u>
Total investment income	16,285,342	-	28,646
Miscellaneous	1,106		<u> </u>
Total operating revenue	64,055,143	-	350,250
Operating expenses:			
Benefit payments	-	17,673,920	24,859,700
Refund of dues	-	838,679	211,574
Administrative expenses	206,456	164,781	245,600
Fees for professional services	<u>787,795</u>	43,372	
Total operating expenses	994,251	18,720,752	<u>25,316,874</u>
Net income (loss) before			
operating transfers	63,060,892	(18,720,752)	(24,966,624)
Operating transfers to pension funds Net income (loss)	(57,068,148) 5,992,744	18,720,483 (269)	25,060,665 94,041
Fund balances at beginning of year Fund balances at end of year	143,298,394 \$ 149,291,138	9,617 9,348	138,437 232,478

Fire	Retirees'	Totals			
<u>plan</u>	<u>plan</u>	<u> 1997</u>	1996		
	•				
8,056	-	8,765,173	8,857,952		
-	2,000,000	27,173,861	61,283,940		
		<u>14,159,321</u>	<u>15,502,284</u>		
8,056	2,000,000	50,098,355	85,644,176		
		9 022 902	12 212 200		
4 210	-	8,022,803	12,312,200		
<u>4,219</u> 4,219		8,295,404 16,318,207	<u>4,988,480</u>		
4,219	-	16,318,207	17,300,680		
<u>    441                               </u>	<del>-</del>	1,547	<u>19,629</u>		
12,716	2,000,000	66,418,109	102,964,485		
13,101,421	2,000,000	57,635,041	58,140,222		
35,200	-	1,085,453	1,058,056		
163,448	-	780,285	940,936		
<u>=</u>		<u>831,167</u>	<u>717,058</u>		
13,300,069	2,000,000	60,331,946	60,856,272		
(13,287,353)	-	6,086,163	42,108,213		
13,287,000 (353)	<del>.</del>	6,086,163	42,108,213		
18,741 18,388	3,206 3,206	143,468,395 149,554,558	101,360,182 143,468,395		

#### Expendable Trust Funds

#### Combining Balance Sheet

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	Gifts and donations	Workers' compensation	Parks endowments
Cash and short-term investments, at cost which approximate market	\$ 258,877	5,757,877	131,378
Due from other funds	180,136	, , -	-
Total assets	\$ 439.013	5,757,877	131,378
Liabilities and Fund Balances			
Liabilities:			
Accrued liabilities and other payables	85,929	-	5,940
Due to other funds	144,751	4,992,040	35,719
Due to other government	-	-	-
Due to individuals			
Total liabilities	230,680	4,992,040	41,659
Fund balances:			
Reserved for encumbrances	139,160	-	-
Reserved for endowments	-	-	89,719
Reserved for employee benefits	-	765,837	-
Designated for subsequent years' expenditures	-	-	-
Undesignated	69,173		<u>-</u>
Total fund balances	208,333	765,837	89,719
Total liabilities and fund balances	\$ <u>439.013</u>	<u>5,757,877</u>	<u>131.378</u>

Unclaimed	Pension	Totals		
<u>liabilities</u>	escrow	<u> 1997</u>	1996	
420,311	14,904,270	21,472,713	7,768,166	
	-	180,136	<u>174,954</u>	
420.311	<u>14,904,270</u>	21,652,849	<u>7.943.120</u>	
-	-	91,869	46,497	
-	-	5,172,510	5,198,577	
27,227	-	27,227	31,084	
<u>333,565</u>		333,565	<u>298,977</u>	
360,792	-	5,625,171	5,575,135	
-	-	139,160	57,214	
-	-	89,719	41,367	
-	-	765,837	599,140	
_	14,904,270	14,904,270	-	
59,519	-	128,692	1,670,264	
59,519	14,904,270	16,027,678	2,367,985	
	_			
<u>420,311</u>	<u>14,904,270</u>	21,652,849	<u>7.943.120</u>	

#### Expendable Trust Funds

#### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	Gifts and donations	Workers' compensation	Parks endowments
Revenues:			
Interest earnings	\$ -	315,441	-
Charges for user services	492,738	-	-
Donations and endowments	127,968	-	450,000
Other	-	23,391	54,640
Total revenues	620,706	338,832	504,640
Expenditures - current operating:			
Community, recreational and cultural:	057 752		
Community activities School services	957,752 159,327	-	-
Parks and recreation	74,818	-	206,288
Miscellaneous	74,010	172,135	200,288
Total expenditures	$\frac{1,191,897}{1,191,897}$	$\frac{172,135}{172,135}$	206,288
1 otal expellulates	1,171,071	112,155	<u>200,200</u>
Excess (deficiency) of revenues			
over (under) expenditures	(571,191)	166,697	298,352
Other financing sources (uses):			
Operating transfer from general fund	520,718	-	-
Operating transfer from special revenue	31,493	-	-
Operating transfer from debt service			
Operating transfer to general fund	•	-	(250,000)
Operating transfer to special revenue	(25,847)	-	-
Operating transfer to debt service		<del>-</del>	<del>_</del>
Total other financing sources			(
(uses)	<u>526,364</u>	<del></del>	( <u>250,000</u> )
Excess (deficiency) of revenues and other financing sources over (under) expenditures and			
other financing uses	(44,827)	166,697	48,352
Fund balances at beginning of year Fund balances at end of year	$\frac{253,160}{208,333}$	599,140 765,837	41,367 89,719

Unclaimed	Pension	Tot	als
liabilities	escrow	<u>1997</u>	<u>1996</u>
-	417,979	733,420	288,150
-	-	492,738	792,688
-	-	577,968	438,033
		<u>78,031</u>	59,245
-	417,979	1,882,157	1,578,116
-	-	957,752	968,416
-	-	159,327	157,989
-	-	281,106	364,048
<del>-</del>		<u>172,135</u>	191,898
		<u>1,570,320</u>	1,682,351
-	417,979	311,837	(104,235)
-	-	520,718	1,621,799
-	-	31,493	-,,
•	13,501,460	13,501,460	-
-	-	(250,000)	-
-	-	(25,847)	(40,200)
-	<u>(429,968</u> )	<u>(429,968</u> )	<del></del>
<del>-</del>	<u>13,071,492</u>	13,347,856	<u>1,581,599</u>
-	13,489,471	13,659,693	1,477,364
<u>59,519</u> <u>59,519</u>	<u>1,414,799</u> 14,904,270	2,367,985 16,027,678	890,621 2,367,985

#### Gifts and Donations

#### Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ 258,877	246,454
Due from other funds	<u>180,136</u>	<u>174,954</u>
Total assets	\$ <u>439.013</u>	<u>421.408</u>
Liabilities and Fund Balances		
Liabilities:		
Accrued liabilities	85,929	33,853
Due to general fund	<u>144,751</u>	<u>134,395</u>
Total liabilities	230,680	168,248
Fund balances:		
Reserved for encumbrances	139,160	57,214
Undesignated	69,173	<u> 195,946</u>
Total fund balances	<u>208,333</u>	<u>253,160</u>
Total liabilities and fund balances	\$ <u>439,013</u>	<u>421,408</u>

#### Gifts and Donations

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Charges for user services	\$ 492,738	792,688
Donations and endowments	127,968	288,033
Total revenues	620,706	1,080,721
Expenditures - current operating:		
Community, recreational and cultural:		
Community activities	957,752	968,416
School services	159,327	157,989
Parks and recreation	74,818	26,845
Total expenditures	1,191,897	1,153,250
Deficiency of revenues over		
(under) expenditures	(571,191)	(72,529)
Other financing sources (uses):		
Operating transfer from general fund	520,718	207,000
Operating transfer from special revenue fund	31,493	-
Operating transfer to special revenue fund	(25,847)	
Total other financing sources	526,364	207,000
Excess (deficiency) of revenues and other		
financing sources over expenditures and		
other financing uses	(44,827)	134,471
Fund balances at beginning of year	253,160	118,689
Fund balances at end of year	\$ 208,333	253,160

#### Workers' Compensation Irrevocable Trust

#### Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ <u>5,757,877</u>	<u>5,591,180</u>
Total assets	\$ <u>5,757,877</u>	<u>5,591,180</u>
Liabilities and Fund Balances		
Liabilities:		
Due to other funds	<u>4,992,040</u>	<u>4,992,040</u>
Total liabilities	4,992,040	4,992,040
Fund balances:		
Reserved for employee benefits	765,837	599,140
Total fund balances	765,837	_ 599,140
Total liabilities and fund balances	\$ <u>5,757,877</u>	5,591,180

#### Workers' Compensation Irrevocable Trust

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Year Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Interest earnings	\$ 315,441	288,150
Realized gain (loss)	23,391	(13,125)
Total revenues	338,832	275,025
Expenditures - current operating:		
Trustee fee	<u>172,135</u>	<u> 191,898</u>
Total expenditures	172,135	191,898
Excess of revenues over expenditures	166,697	83,127
Fund balances at beginning of year	<u>599,140</u>	<u>516,013</u>
Fund balances at end of year	\$ <u>765.837</u>	599,140

#### Parks Endowments

#### Comparative Balance Sheets

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
<u>Assets</u>		
Cash and short-term investments, at cost which		
approximates market	\$ <u>131,378</u>	<u>126,153</u>
Total assets	\$ <u>131,378</u>	126,153
Liabilities and Fund Balances		
Liabilities:		
Accrued liabilities	5,940	12,644
Due to other funds	35,719	72,142
Total liabilities	41,659	84,786
Fund balances:		
Reserved for endowments	89 <u>,719</u>	41,367
Total fund balances	89,719	41,367
Total liabilities and fund balances	\$ <u>131.378</u>	126,153

#### Parks Endowments

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Year Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Donations and endowments	\$ 450,000	150,000
Other	<u>54,640</u>	72,370
Total revenues	504,640	222,370
Expenditures - current operating:		
Community, recreational and cultural:		
Parks and recreation	206,288	337,203
Total expenditures	206,288	337,203
Excess (deficiency) of revenues		
over (under) expenditures	298,352	(114,833)
Other financing sources (uses):		
Operating transfer to special revenue	-	(40,200)
Operating transfer to general fund	( <u>250,000</u> )	
Total other financing uses	( <u>250,000</u> )	<u>(40,200</u> )
Excess (deficiency) of revenue and other		
financing sources over (under) expenditures		
and other financing uses	48,352	(155,033)
Fund balances at beginning of year	41,367	196,400
Fund balances at end of year	\$ <u>89.719</u>	41.367

#### Unclaimed Liabilities

#### Comparative Balance Sheets

#### December 31, 1997 and 1996

<u>Assets</u>	<u>1997</u>	<u>1996</u>
Cash and short-term investments, at cost which approximates market  Total assets	\$ <u>420,311</u> \$ <u>420,311</u>	389,580 389,580
Liabilities and Fund Balances		
Liabilities:		
Due to other governments	27,227	31,084
Due to individuals	333,565	<u> 298,977</u>
Total liabilities	360,792	330,061
Fund balances:		
Undesignated	59,519	59,519
Total fund balances	59,519	59,519
Total liabilities and fund balances	\$ <u>420.311</u>	389,580

#### **Unclaimed Liabilities**

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Year Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Escheat revenues	\$	
Total revenues	_	-
Expenditures	<del>-</del>	
Excess of revenues over expenditures	•	-
Fund balances at beginning of year	<u>59,519</u>	59,519
Fund balances at end of year	\$ <u>59.519</u>	59,519

#### Pension Escrow

#### Comparative Balance Sheets

#### December 31, 1997 and 1996

<u>Assets</u>	<u>1997</u>	<u>1996</u>
Cash and short-term investments, at cost which approximates market  Total assets	\$ <u>14,904,270</u> \$ <u>14,904,270</u>	1,414,799 1,414,799
Fund Balances		
Fund balances:		
Designated for subsequent years' expenditures	14,904,270	1,414,799
Total fund balances	14,904,270	1,414,799
Total liabilities and fund balances	\$ <u>14.904.270</u>	1.414.799

#### Pension Escrow

#### Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

#### For the Years Ended December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Interest	\$ <u>417,979</u>	<u>-</u>
Total revenues	417,979	-
Other financing sources (uses):		
Operating transfer from debt service	13,501,460	1,414,799
Operating transfer to debt service	(429,968)	, , , <u>-</u>
Total other financing sources	13,071,492	1,414,799
Excess of revenues and other financing		
sources over expenditures and other		
financing uses	13,489,471	1,414,799
Fund balances at beginning of year	_1,414,799	
Fund balances at end of year	\$ <u>14.904.270</u>	1.414.799

#### Agency

#### Combining Balance Sheet

#### December 31, 1997 (With comparative totals for December 31, 1996)

<u>Assets</u>	Employee benefits	Payroll withholding	Deposit
Cash and short-term investments, at cost	<b>* * . . . . . . . . . .</b>		
which approximates market	\$ 54,370,016	1,485,171	726,597
Due from general fund	-	-	-
Other receivables		<del>-</del>	
Total assets	\$ <u>54.370.016</u>	<u>1.485.171</u>	<u>726,597</u>
<u>Liabilities</u>			
Accrued liabilities	255,489	643,269	296,365
Deferred compensation payable	54,114,527	, -	· -
Due to other governments	, , -	-	-
Due to general fund	-	841,902	200
Due to other funds	-	-	
Deposits held in trust	-	-	430,032
Total liabilities	\$ 54,370,016	1,485,171	726,597

	To	tals
<u>Other</u>	<u>1997</u>	<u>1996</u>
406,021	56,987,805	49,945,991
445,362	445,362	-
14,340	<u>14,340</u>	18,151
<u>865,723</u>	<u>57.447.507</u>	49,964,142
431,078	1,626,201	1,243,187
-	54,114,527	46,597,219
26,134	26,134	60,472
59,176	901,278	1,123,743
-	-	56,488
349,335	<u>779,367</u>	883,033
865,723	57,447,507	49,964,142

#### **Employee Benefits**

#### Statement of Changes in Assets and Liabilities

<u>Assets</u>	Balance January 1, 1997	Additions	<u>Deletions</u>	Balance December 31, 1997
Cash and short-term investments, at cost which approximates market  Total assets	\$ <u>46,871,606</u> \$ <u>46,871,606</u>	9,996,614 9,996,614	(2,498,204) (2,498,204)	54,370,016 54,370,016
<u>Liabilities</u>				
Accrued liabilities	274,387	372,084	(390,982)	255,489
Deferred compensation payable	<u>46,597,219</u>	<u>9,624,530</u>	(2,107,222)	54,114,527
Total liabilities	\$ <u>46.871.606</u>	9,996,614	(2.498.204)	54,370,016

#### Payroll Withholding

#### Statement of Changes in Assets and Liabilities

<u>Assets</u>	Balance January 1, <u>1997</u>	Additions	<u>Deletions</u>	Balance December 31, 1997
Cash and short-term investments, at cost which approximates market  Total assets	\$ <u>1,108,813</u> \$ <u>1,108.813</u>	10,421,853 10,421,853	( <u>10,045,495</u> ) ( <u>10,045,495</u> )	1,485,171 1,485,171
<u>Liabilities</u>				
Accrued liabilities	223,156	9,879,951	(9,459,838)	643,269
Due to general fund	<u>885,657</u>	<u>541,902</u>	(585,657)	<u>841,902</u>
Total liabilities	\$ <u>1.108.813</u>	10,421,853	( <u>10.045.495</u> )	1.485,171

#### Deposits

#### Statement of Changes in Assets and Liabilities

	Balance January 1,			Balance December 31,
	1997	<b>Additions</b>	<b>Deletions</b>	1997
<u>Assets</u>				
Cash and short-term investments, at cost				
which approximates market	\$ <u>692,039</u>	<u>3,416,936</u>	(3,382,378)	726,597
Total assets	\$ <u>692.039</u>	<u>3,416,936</u>	( <u>3,382,378</u> )	726,597
<u>Liabilities</u>				
Accrued liabilities	307,410	2,148,001	(2,159,046)	296,365
Due to general fund	200	-	-	200
Deposits held in trust	384,429	1,268,935	(1,223,332)	430,032
Total liabilities	\$ 692,039	3,416,936	(3.382.378)	726.597

Other

#### Statement of Changes in Assets and Liabilities

	Balance			Balance
	January 1,			December 31,
	<u> 1997</u>	<b>Additions</b>	<u>Deletions</u>	<u>1997</u>
<u>Assets</u>				
Cash and short-term investments, at cost				
which approximates market	\$ 1,273,533	10,186,322	(11,053,834)	406,021
Due from general fund	-	445,362	-	445,362
Other receivables	<u> 18,151</u>	<u>-</u>	(3,811)	14,340
Total assets	\$ <u>1.291,684</u>	10.631.684	( <u>11.057.645</u> )	865,723
<u>Liabilities</u>				
Accrued liabilities	438,234	1,172,244	(1,179,400)	431,078
Due to other governments	60,472	5,203	(39,541)	26,134
Due to general fund	294,374	51,676	(286,874)	59,176
Deposits held in trust	<u>498,604</u>	<u>9,402,561</u>	<u>(9,551,830</u> )	<u>349,335</u>
Total liabilities	\$ <u>1,291,684</u>	10.631.684	( <u>11.057.645</u> )	865,723

#### **Total Agency Funds**

#### Statement of Changes in Assets and Liabilities

	Balance			Balance
	January 1,			December 31,
	<u> 1997</u>	<b>Additions</b>	<b>Deletions</b>	<u> 1997</u>
<u>Assets</u>				
Cash and short-term investments, at cost				
which approximates market	\$ 49,945,991	34,021,725	(26,979,911)	56,987,805
Due from general fund	•	445,362	-	445,362
Other receivables	18,151	<del>_</del>	(3.811)	14,340
Total assets	\$ <u>49.964.142</u>	34.467.087	(26,983,722)	57,447,507
<u>Liabilities</u>				
Accrued liabilities	1,243,187	13,572,280	(13,189,266)	1,626,201
Deferred compensation payable	46,597,219	9,624,530	(2,107,222)	54,114,527
Due to other governments	60,472	5,203	(39,541)	26,134
Due to general fund	1,180,231	593,578	(872,531)	901,278
Deposits held in trust	883,033	10,671,496	(10,775,162)	<u>779,367</u>
Total liabilities	\$ <u>49.964.142</u>	34,467,087	(26,983,722)	57,447,507

### GENERAL FIXED ASSETS ACCOUNT GROUP

		-
		,
		-

#### Comparative Schedule of General Fixed Assets by Source

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General fixed assets:		
Land and buildings	\$ 113,489,141	111,772,407
Machinery and equipment	52,133,534	45,947,714
Capital leases	11,774,592	11,774,592
Construction-in-progress	<u>-</u> _	1,066,156
Total general fixed assets	\$ <u>177,397,267</u>	170,560,869
Investment in general fixed assets by source:		
General fund	2,299,435	1,426,208
Special revenue	17,473,612	12,270,560
Capital projects	22,091,196	21,440,618
Trust funds	321,450	211,909
Capital leases	2,195,767	2,195,767
Acquired prior to January 1, 1992	133,015,807	133,015,807
Total investment in general fixed assets	\$ <u>177.397.267</u>	170,560,869

### Schedule of General Fixed Assets by Function and Activity

December 31, 1997

	Land and buildings	Machinery and equipment	Capital <u>leases</u>	Construction- in-progress	<u>Total</u>
Function and activity:					
General government:					
Mayor's office	\$	- 4,701,474	11,774,592	-	16,476,066
Human relations		- 6,969	-	-	6,969
Council		- 78,988	-	-	78,988
Controller		- 106,889	-	-	106,889
Finance		- 164,467	-	-	164,467
Law		- 66,244	-	-	66,244
Personnel and civil service		- 40,567	-	-	40,567
City planning		- 294,709	-	-	294,709
General services	29,803,93	9 34,973,381		<u>-</u>	64,777,320
Total general government	29,803,93	9 40,433,688	11,774,592		82,012,219
Public safety	23,609,51	5 2,114,822	-	-	25,724,337
Public works	6,716,79	4 8,506,733	-	-	15,223,527
Recreational and cultural	53,358,89	3 878,886	-	-	54,237,779
Engineering and construction		199,405			199,405
Total general fixed assets	\$ 113,489,14	1 52,133,534	11,774,592		177,397,267

### Schedule of Changes in General Fixed Assets by Function and Activity

	General				General
	fixed assets,				fixed assets,
	January 1,				December 31,
	<u>1997</u>	<b>Additions</b>	<u>Deletions</u>	<u>Transfers</u>	<u>1997</u>
Function and activity:					
General government:					
Mayor's office	\$ 15,867,861	628,720	(20,515)	-	16,476,066
Human relations	6,969	-	-	-	6,969
Council	78,988	-	-	-	78,988
Controller	106,889	-	-	-	106,889
Finance	165,098	1,367	(1,998)	-	164,467
Law	66,244	-	-	-	66,244
Personnel and civil service	40,567	-	-	-	40,567
City planning	283,602	11,107	-	-	294,709
General services	59,526,527	<u>6,509,599</u>	(1,258,806)	<u>-</u>	64,777,320
Total general government	76,142,745	7,150,793	(1,281,319)	-	82,012,219
Public safety	24,063,906	260,810	-	1,399,621	25,724,337
Public works	15,028,525	195,002	-	,- , <del>-</del>	15,223,527
Recreational and cultural	54,060,132	177,647	-	•	54,237,779
Engineering and construction	199,405	•	-	•	199,405
Construction-in-progress	1,066,156	333,465	-	(1,399,621)	
Total general fixed assets	\$ 170,560,869	8.117.717	( <u>1.281.319</u> )		177,397,267

### GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-Term Debt Account Group accounts for long-term liabilities expected to be financed from governmental funds in a time frame that exceeds one current operating period.

	·		
		,	
			(

#### General Long-Term Debt Account Group

#### Statements of General Long-Term Debt

#### December 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Amount available and to be provided for the payment of		
general long-term debt:		
Amount available in debt service funds for		
retirement of bonds	\$ 16,749,155	23,145,292
Amount to be provided for the retirement of bonds	710,576,092	651,006,703
Amount to be provided for capital lease obligations	-	907,473
Amount to be provided for deferred loan	3,834,000	3,834,000
Amount to be provided for accrued pension costs	188,380,000	189,289,000
Amount to be provided for accrued workers'		
compensation	85,147,000	83,233,000
Amount to be provided for accrued compensated		
absences	17,845,000	15,405,000
Amount to be provided for accrued claims and		
judgments	7,400,000	6,200,000
Total available and to be provided	\$ <u>1.029.931.247</u>	973,020,468
General long-term debt payable:		
General obligation bonds payable, at face	677,160,000	622,230,000
Less unamortized discount on zero coupon bonds	(12,985,781	, ,
Less general obligation bond funded by Stadium	, , ,	, , , , ,
Authority	_(26,406,569	(28,057,813)
General obligation bonds payable	637,767,650	,
Revenue bonds payable	13,945,000	17,652,500
Taxable revenue bonds payable	6,345,000	
Self-supporting bonds payable	69,267,597	
Total bonds payable	727,325,247	
rotal bolids payable	727,323,217	0,1,131,22
Capital lease obligations	-	907,473
Deferred loan	3,834,000	, ,
Accrued pension costs	188,380,000	189,289,000
Accrued workers' compensation	85,147,000	
Accrued compensated absences	17,845,000	
Accrued claims and judgments	7,400,000	
Total long-term debt payable	<b>\$</b> 1.029.931.247	<u>973,020,468</u>

## COMPONENT UNITS DISCRETE

		•	
			·
•			
	·		
			·
		·	

#### **Discrete Component Units**

#### Combining Balance Sheet

#### December 31, 1997 (With comparative totals for December 31, 1996)

Current assets:  Cash and investments \$ 70,827 31,650,000 4,125,0
[ 'ach and investments
Other current assets - 213,50 Accounts receivable 3,800 14,793,000 2,353,75
Accrued interest receivable and other
Due from primary government
Due from other funds  Due from other governments
Grant receivable - Allegheny Regional Asset District - 7,354,42
Inventory - 1,999,000
Assets held for sale
Total current assets $\overline{74,627}$ $\overline{48,442,000}$ $\overline{14,046,78}$
Trusteed and restricted funds:
Cash and investments - 95,424,000 291,19
Accounts receivable 991,000 1,029,70
Total trusteed and restricted assets - 96,415,000 1,320,90
Property, plant and equipment:
Stadium complex 67,032,82
Land, building and improvements
Furniture and fixtures
Development costs
Land and parking facilities
Machinery and equipment 40,227 - Utility plant - 201,347,000
Property on lease - 201,347,000
Non-utility plant - 7,772,000
Capitalized system lease - 102,166,000
Construction-in-progress - 34,575,000
Less accumulated depreciation (30,314) (40,187,000) (33,059,19
Net property, plant and equipment $9,913$ $305,673,000$ $33,973,63$
Non-current assets:
Investments, non-current, restricted
Bond issuance costs, net of amortization - 4,809,000
Deferred bond and financing expense - 70,83
Accounts and notes receivable
Other non-current assets
Total non-current assets - 4,809,000 70,83
Other debits:
Amount to be provided for retirement of bonds
Amount to be provided for other long-term obligations
<del></del>
Total assets \$ <u>84,540</u> <u>455,339,000</u> <u>49,412,15</u>

	Public Parking	Tot	als
<u>URA</u>	<b>Authority</b>	<u>1997</u>	<u>1996</u>
198,366,033	3,754,820	237,966,699	195,185,796
195,017,581	1,404,477	213,567 213,572,639	184,338 241,200,388
-	356,571	356,571	212,538
-	, <u>-</u>	•	151,000
7,596,110	-	7,596,110	3,804,180
1,605,055	-	1,605,055	2,354,527
<b>-</b>	• -	7,354,420 1,999,000	7,250,000
26,377,354	-	26,377,354	4,043,000 25,544,090
428,962,133	5,515,868	497,041,415	479,929,857
, , -	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,	,,
2,018,900	16,718,311	114,452,408	148,824,356
	<u> </u>	2,020,708	3,927,000
2,018,900	16,718,311	116,473,116	152,751,356
•	•	67,032,820	64,161,828
18,688,075	•	18,688,075	27,755,846
346,570 40,442,578	<b>-</b>	346,570 40,442,578	276,750
40,442,376	97,767,106	40,442,578 97,767,106	29,792,730 93,330,297
•	2,845,453	2,885,680	2,594,676
•	•	201,347,000	174,806,000
24,170,339	-	24,170,339	•
-	-	7,772,000	6,819,000
-	046 028	102,166,000	100,646,000
_(4,132,196)	946,938 (30,744,099)	35,521,938 (108,152,799)	44,160,107 (93,329,505)
79,515,366	70,815,398	489,987,307	451,013,729
	<u>,,,-</u>		
-	•	-	2,522,999
-	1,237,270	6,046,270	6,438,334
•	•	70,834	79,167
7 405 242	2,172,476	2,172,476	2,362,060
7,405,242 7,405,242	3,409,746	7,405,242 15,694,822	17,485,681
7,403,242	3,409,740	13,094,822	17,465,061
1,555,000	_	1,555,000	1,555,000
435,704	-	435,704	1,555,000
1,990,704		1,990,704	1,716,610
519,892,345	96,459,323	1.121.187.364	1.102,897,233
			<del></del>

#### **Discrete Component Units**

#### Combining Balance Sheet, Continued

Liabilities and Equity (Deficit)	<u>PS</u>	<u>FF</u>	<u>PWSA</u>	Stadium <u>Authority</u>
Current liabilities:				
Accounts payable and other accrued expenses	\$ 20,	726	4,342,000	4,838,777
Accounts payable - primary government		•	-	-
Accrued payroll and related obligations Accrued interest payable		-	1,395,000	770 266
Deferred compensation payable		-	•	770,266
Due to other funds		•	-	-
Due to other governments		_	930,000	-
Current maturities of long-term debt		-	-	1,837,300
Current maturities of long-term debt - primary				, ,
government		-	-	1,285,000
Deferred revenue		_=		1,590,280
Total current liabilities	20,7	726	6,667,000	10,321,623
Accounts payable from trusteed funds		_	1,116,000	_
Accrued interest		_	7,766,000	-
Capital lease obligation payable from trusteed funds		-	•	-
Grants from the primary government		-	-	22,775,168
Payroll related obligations		-	3,147,000	-
Deferred revenue		-	9,597,000	-
Accrued compensated absences		-		-
Long-term debt, net of current portion		-	424,968,000	16,559,081
Long-term payable to the primary government, net of				21 525 000
current portion Total liabilities	20,7	726	453,261,000	<u>21,525,000</u>
Total habilities	20, /	/26	453,261,000	71,180,872
Fund equity:				
Contributed capital:				
Restricted for construction purposes		-	-	12,830,974
Contributed capital		-	5,277,000	-
Investment in general fixed asset		-	-	-
Retained earnings	63,8	14	_	-
Accumulated deficit	,-	-	(3,199,000)	(34,599,690)
- ·-·				
Fund Balance: Reserved for encumbrances				
Unreserved:		-	•	-
Designated for subsequent year's expenditures		_	_	_
Undesignated		-	-	- -
Total fund equity	63,8	14	2,078,000	(21,768,716)
Total liabilities and fund equity	\$ <u>84,5</u>	3 <b>4</b> 0	455,339,000	49,412,156
rotal flavillues and fund equity	⊕ <u>ዕቀ¦ን</u>	70	722,237,000	77,712,120

	Public Parking	Totals			
<u>URA</u>	Authority	1997	1996		
<u>010.</u>	1100111	322.	1770		
13,427,232	3,244,504	25,873,239	17,393, <b>8</b> 69		
-	563,189	563,189	467,729		
-	-	1,395,000	1,562,000		
-	1,014,969	1,785,235	1,922,557		
1,354,959	-	1,354,959	1,129,965		
7,596,110	-	7,596,110	3,804,180		
6,165,569		7,095,569	17,989,595		
-	2,454,472	4,291,772	4,057,969		
101 247 649	-	1,285,000	1,190,000		
101,247,648 129,791,518	7,277,134	102,837,928	111,595,513		
129,/91,310	7,277,134	154,078,001	161,113,377		
-	•	1,116,000	1,667,000		
-	-	7,766,000	7,886,000		
•	-		21,017,000		
-	-	22,775,168	22,775,168		
-	•	3,147,000	3,550,000		
425 504	•	9,597,000	1,999,000		
435,704	52 002 402	435,704	161,610		
•	52,992,402	494,519,483	504,961,586		
253,509,030	<u>-</u>	275,034,030	242,790,153		
383,736,252	60,269,536	968,468,386	967,920,894		
•	-	12,830,974	12,540,500		
2,071,773	5,708,436	13,057,209	10,457,209		
11,599,574	-	11,599,574	13,864,614		
98,120,972	30,481,351	128,819,542	113,783,749		
•	-	(37,952,095)	(41,585,449)		
7061 506		7.0/1.52/	0 100 107		
7,961,536	-	7,961,536	9,100,196		
10,783,148	-	10,783,148	10,750,884		
5,619,090		<u>5,619,090</u>	<u>6,064,636</u>		
136,156,093	36,189,787	<u>152,718,978</u>	134,976,339		
<u>519,892,345</u>	96,459,323	<u>1,121,187,364</u>	1.102.897.233		

#### **Discrete Component Units**

#### Urban Redevelopment Authority of Pittsburgh

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types

#### Year Ended December 31, 1997

		Governmental Fund Types Special General revenue		Total (Memorandum only)
		General	revenue	<u>ошу)</u>
Revenues:				
Intergovernmenta	1	\$ -	27,621,695	27,621,695
Interest		259,531	1,373,325	1,632,856
Rental income		1,398,697	-	1,398,697
Loan repayments		-	7,572,748	7,572,748
Other		<u>549,281</u>	<u>785,228</u>	1,334,509
Total r	revenues	2,207,509	37,352,996	39,560,505
T 1'				
Expenditures:				
Current:		226.045	24.000.001	24 (02 520
Urban developt Administrative	ment	336,847	34,266,891	34,603,738
Other		1,702,930	3,159,998	4,862,928
		571,626	1,074,155	1,645,781
1 Otal 6	expenditures	<u>2,611,403</u>	<u>38,501,044</u>	41,112,447
Excess	(deficiency) of revenues			
	r expenditures	(403,894)	(1,148,048)	(1,551,942)
	•		, , ,	, , , ,
Other financing sources (uses):				
Transfers in		-	974,995	974,995
Transfers out		<u>(135,652</u> )	<u>(839,343</u> )	<u>(974,995</u> )
Total o	other financing sources			
(use	es)	(135,652)	135,652	
Evess	s (deficiency) of revenues			
	other sources over			
	enditures and other uses	(539,546)	(1,012,396)	(1,551,942)
СХР	chartares and other uses	(337,540)	(1,012,550)	(1,551,572)
Fund balance:				
Beginning of year		14,125,636	11,790,080	25,915,716
End of year		\$ <u>13.586.090</u>	<u>10,777,684</u>	24,363,774

#### Discrete Component Units

#### Combining Statement of Revenues, Expenses and Changes in Retained Earnings

### For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	<u>PSFF</u>	<u>PWSA</u>	Stadium Authority
Operating revenues:			
Residential, commercial and industrial water sales	\$ -	53,014,000	-
Rentals	-	-	2,743,352
Concessions	-	-	720,698
Medallions	-	-	605,046
Parking receipts	•	-	-
Debt service rental	-	-	-
Parking leases and rentals	-	-	-
Lounge boxes	-	-	1,217,429
Utility water sales	-	-	-
Program interest income	-	-	-
Property management revenue	-	-	-
Sales of housing units	-	-	-
Miscellaneous	<u>597,721</u>	230,000	485,033
Total operating revenues	597,721	53,244,000	5,771,558
Operating expenses:			
Salaries and wages	152,042	-	3,071,009
Utilities	•	-	589,477
Interest	-	-	3,110,029
Depreciation and amortization	-	8,467,000	2,572,065
Cooperation agreement operating expenses	•	7,980,000	-
Expense of water provided by other entities	-	2,260,000	-
Repairs and maintenance	-	-	1,324,058
Insurance	-	-	516,865
Direct operating expenses	435,638	15,550,000	-
Administrative and other operating expenses	107,446	-	1,669,296
Parking taxes	-	-	-
1995 baseball lease credit adjustments	-	-	-
Fair value discount/lender service fees	•	-	-
Property management and improvement	-	-	-
Cost of housing units sold	•	-	-
Miscellaneous	56,000		<u>-</u>
Total operating expenses	751,126	34,257,000	12,852,799
Operating income (loss)	(153,405)	18,987,000	(7,081,241)

	Public		
	Parking	T	otals
<u>URA</u>	Authority	1997	1996
-	-	53,014,000	56,568,000
-	-	2,743,352	2,576,537
-	-	720,698	1,077,272
-	-	605,046	1,772,211
-	15,625,138	15,625,138	15,442,866
-	-	•	98,562
-	5,250,510	5,250,510	3,680,021
•	-	1,217,429	1,727,094
-	-	-	2,689,000
9,124,352	-	9,124,352	10,561,637
2,457,311	-	2,457,311	4,503,630
1,407,384	-	1,407,384	2,748,388
225,041	<u>15,784</u>	1,553,579	1,848,707
13,214,088	20,891,432	93,718,799	105,293,925
, ,	, , –	,,	,,
-	-	3,223,051	4,117,966
-	-	589,477	809,482
-	-	3,110,029	3,337,134
804,246	3,248,096	15,091,407	13,628,397
-	-	7,980,000	9,462,000
-	-	2,260,000	2,034,000
-	-	1,324,058	1,986,770
-	-	516,865	624,322
•	-	15,985,638	15,641,000
1,017,333	8,626,678	11,420,753	8,752,320
, , , <u>-</u>	3,600,347	3,600,347	3,395,748
-	-		3,500,000
834,751	-	834,751	1,983,162
1,410,772		1,410,772	2,992,187
1,787,019	-	1,787,019	3,823,437
757,307		813,307	797,428
$\frac{737,307}{6,611,428}$	15,475,121	69,947,474	76,885,353
0,011,720	20,170,121	<u>~-,-,-,-,</u>	
6,602,660	5,416,311	23,771,325	28,408,572
			(Continued)

## **Discrete Component Units**

## Combining Statement of Revenues, Expenses and Changes in Retained Earnings, Continued

		<u>PSFF</u>	<u>PWSA</u>	Stadium Authority
Nonoperating revenue (expense):				
Interest income	\$	-	2,651,000	•
Interest expense		-	(20,429,000)	-
Amortization		-	(341,000)	-
Meter and wharf receipts		-	•	-
Other income		-	-	-
Meter and wharf expenses		-	-	-
Payment in lieu of taxes		-	-	-
Other expense		-	-	-
Earned government grants		-	-	-
Allegheny Regional Asset District grant	_	<u>-</u>	<del>_</del>	10,000,000
Total nonoperating revenues (expenses)	_		(18,119,000)	10,000,000
Income before operating transfers				
and extraordinary item	(	153,405)	868,000	2,918,759
Extraordinary gain on forgiveness of debt	_	<u>-</u>	<u>-</u>	
Net income	C	153,405)	868,000	2,918,759
Retained earnings (accumulated deficit), beginning of year	2	217,219	(4,067,000)	(37,518,449)
Retained earnings (accumulated deficit), end of year	\$ _	63.814	(3.199,000)	(34.599.690)

	Public	_	
	Parking	To	tals
<u>URA</u>	<u>Authority</u>	<u>1997</u>	<u>1996</u>
8,359,081	1,244,845	12,254,926	12,625,964
(14,088,250)	(3,169,967)	(37,687,217)	(37,555,801)
(14,066,250)	(3,102,307)		
-	-	(341,000)	(334,000)
-	706,255	706,255	581,836
-	27,633	27,633	17,711
-	(594,359)	(594,359)	(504,512)
-	(1,369,666)	(1,369,666)	(1,357,319)
(418,542)	(3,296)	(421,838)	(606,554)
12,323,088	-	12,323,088	6,230,264
•	-	10,000,000	12,500,000
6,175,377	(3,158,555)	(5,102,178)	(8,402,411)
12,778,037	2,257,756	18,669,147	20,006,161
	<u>-</u>	<del></del>	6,296,106
12,778,037	2,257,756	18,669,147	26,302,267
<u>85,342,935</u>	28,223,595	72,198,300	45,896,033
<u>98,120,972</u>	<u>30,481,351</u>	90.867.447	72,198,300

## Discrete Component Units

## Combining Statement of Cash Flows

For the Year Ended December 31, 1997 (With comparative totals for December 31, 1996)

	<u>PSFF</u>	PWSA	Stadium Authority
Cash flows from operating activities:			
Operating income	\$ (153,405)	18,987,000	(7,081,241)
Reconciliation of operating income to net cash			
provided by (used by) operating activities:			
Depreciation and amortization	7,115	8,467,000	2,572,065
Gain on sale of assets	-	-	-
Loss on disposal of Stadium turf	-	-	-
1995 baseball lease credit adjustments	-	-	-
Interest		<u>-</u>	<u>3,110,029</u>
	(146,290)	27,454,000	(1,399,147)
Changes in operating assets and liabilities:			
Accounts receivable	(3,800)	6,746,000	(960,259)
Prepaid expenses	•	-	(29,229)
Other current assets	-	524,000	-
Accounts payable and accrued expenses	10,534	1,357,000	1,808,013
Deferred revenue	-	6,499,000	(498,885)
Due to primary government	•	2,333,000	-
Change in accrued payroll and withholdings	-	(570,000)	-
Loans issued	-	-	-
Loan repayments			
Net cash provided by (used by) operating			
activities	(139,556)	44,343,000	(1,079,507)
Cash flows from investing activities:			
Interest earnings	-	9,788,000	-
Purchase of investment securities	-	(70,185,000)	-
Proceeds from sale and maturities of investments	-	109,570,000	-
Advance to Pittsburgh Associates	-	-	-
Change in restricted cash and investments	-	-	-
Additions to property, plant and equipment	-	-	-
Payment received on notes receivable	-	-	-
Equity conveyed to affiliated entity	-	-	-
Contributed capital			
Net cash provided by (used by)			
investing activities	•	49,173,000	-

	Public		
	Parking	<u>Tot</u>	<u>als                                    </u>
<u>URA</u>	<u>Authority</u>	<u>1997</u>	<u>1996</u>
6,602,660	5,416,311	23,771,325	28,408,572
1,118,232	3,248,096	15,412,508	13,930,329
	•	•	(2,205)
•	-	-	214,631
-	-	-	3,500,000
-	-	3,110,029	3,337,134
7,720,892	8,664,407	42,293,862	49,388,461
7,720,092	0,001,407	12,275,002	47,500,401
781,317	(99,454)	6,463,804	(7,254,973)
•	•	(29,229)	72,370
(1,415,390)	(6,278)	(897,668)	987,756
18,049	1,056,762	4,250,358	3,304,035
(392,144)	•	5,607,971	(748,220)
-	95,460	2,428,460	(382,805)
-	-	(570,000)	(131,000)
(20,247,899)	-	(20,247,899)	(47,651,631)
38,650,768	-	38,650,768	9,289,559
		<u> </u>	
25,115,593	9,710,897	77,950,427	6,873,552
8,361,701	1,107,090	19,256,791	16,691,803
(122,292,725)	(25,485,038)	(217,962,763)	(258,636,934)
	24,015,100	218,181,974	338,088,744
84,596,874	24,015,100	210,101,974	' '
-	2 002 027	3,992,937	(3,500,000) 9,161,490
-	3,992,937	3,992,937	
-	100 504	100 504	(11,784)
(15,007,005)	189,584	189,584	-
(17,806,025)	-	(17,806,025)	101.020
17,806,025	<del>-</del>	17,806,025	<u>101,930</u>
(29,334,150)	3,819,673	23,658,523	105,951,320
			(Continued)

## Discrete Component Units

## Combining Statement of Cash Flows, Continued

	<u>PSFF</u>	<u>PWSA</u>	Stadium Authority
Cash flows from noncapital financing activities:			
Principal payment related to noncapital funds	\$ -	(755,000)	(68,250)
Interest payment related to noncapital funds	-	(1,893,000)	(54,525)
Payment in lieu of taxes	-	•	-
Meter and wharf receipts	-	-	-
Meter and wharf expenses	-	-	-
Other, net	-	-	-
Grants from the Allegheny Regional Asset District	-	-	10,000,000
Proceeds from borrowing	-	-	-
Costs	-	-	-
Early redemption of bonds		<u> </u>	<del></del>
Net cash provided by (used by) noncapital			
financing activities	•	(2,648,000)	9,877,225
Cash flows from capital and related financing activities:			
Development grant from City of Pittsburgh	-	-	-
Principal payment related to capital funds	-	(8,685,000)	(2,874,050)
Interest payment related to capital funds	-	(21,764,000)	(3,160,865)
Additions to Stadium complex	-	•	(1,989,172)
Property conveyed to affiliated entity	•	-	-
Acquisition and construction of capital assets	-	(17,572,000)	-
Proceeds from sale of assets	-	-	-
Principal paid on capital lease obligation	-	(21,017,000)	-
Proceeds from issuance of revenue bonds related			
to capital funds	-	-	-
Bond issuance costs	•	-	-
Repayment - GNMA securities		:	<del>-</del>
Net cash provided by (used by) capital			
and related financing activities	<del></del> -	(69,038,000)	<u>(8,024,087)</u>
Net increase (decrease) in cash and cash equivalents	(139,556)	21,830,000	773,631
Cash and cash equivalents at beginning of year	210,383	14,007,000	3,642,585
Cash and cash equivalents at end of year	\$ 70.827	35,837,000	4.416.216
Supplemental information:			
Cash and cash equivalents	70,827	31,650,000	4,125,019
Non-proprietary cash and cash equivalents	-	-	-
Trusteed and restricted funds	-	96,415,000	1,320,905
Long-term restricted investments	-	(91,237,000)	-
Restricted funds which are not cash or			
investments	<u>-</u>	<u>(991,000</u> )	(1,029,708)
Total cash and cash equivalents at the			
end of the year	\$ <u>70,827</u>	<u>35,837,000</u>	<u>4.416.216</u>

	Public Parking	Tot	ale
TTD 4	Parking	Tot	
<u>URA</u>	<u>Authority</u>	<u>1997</u>	<u>1996</u>
(8,245,231)	(2,339,566)	(11,408,047)	(11,922,254)
(14,075,574)	•	(16,023,099)	(16,551,772)
-	(1,369,666)	(1,369,666)	(1,357,319)
-	706,255	706,255	581,836
_	(594,359)	(594,359)	(504,512)
12,167,371	5,329	12,172,700	6,011,724
12,107,371	<i>5,54,7</i>	''	
50 275 216	_	10,000,000	10,250,000
50,375,216	•	50,375,216	44,315,270
(549,782)	-	(549,782)	(542,780)
(8,603,282)	<del></del>	(8,603,282)	<u>(27,151,611</u> )
31,068,718	(3,592,007)	34,705,936	3,128,582
	2,600,000	2,600,000	102,588
_	2,000,000	(11,559,050)	(9,396,550)
_	(3,201,928)	(28,126,793)	(31,022,164)
_	(3,201,920)		
20 276 722	•	(1,989,172)	(2,515,066)
30,376,732	- (E (00 052)	30,376,732	(20.116.211)
(58,464,010)	(5,699,853)	(81,735,863)	(39,116,311)
•	8,930	8,930	67,283
-	•	(21,017,000)	(38,350,000)
•	800,000	800,000	2,000,000
-	(30,977)	(30,977)	•
3,192,575		3,192,575	
(24,894,703)	(5,523,828)	(107,480,618)	(118,230,220)
1,955,458	4,414,735	28,834,268	(2,276,766)
22,725,623	16,058,396	56,643,987	58,920,753
24.681.081	20.473.131	85,478,255	56,643,987
24,001,001	20,773,131	03,470,233	
198,366,033	3,754,820	237,966,699	133,963,533
(46,545,512)	-	(46,545,512)	
•	16,718,311	114,454,216	153,265,506
(127,139,440)	-	(218,376,440)	(226,658,052)
<del>-</del>	<del>-</del>	(2,020,708)	(3,927,000)
24,681,081	20,473,131	85,478,255	56,643,987

## STATISTICAL SECTION

,		

Table 1
CITY OF PITTSBURGH, PENNSYLVANIA

## General Governmental Revenues (1)

Last Ten Years (GAAP Basis)

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993 (3)</u>
Taxes (2)	\$ 263,767 √/	269,213	253,528	248,829	239,500
Payment in lieu of taxes	2,171	3,583	4,981	4,644	4,646
Interest earnings	8,432 ✓	8,942	5,263	3,673	3,722
Fines and forfeits	7,351	6,861	5,782	6,471	5,234
Licenses and fees	11,171	8,323	7,447	9,511	8,155
Pittsburgh Zoo receipts	•	-	-	-	-
Intergovernmental	64,055	59,152	52,478	46,663	45,666
Charges for user services	22,279	18,457	17,922	17,071	17,706
Miscellaneous	<u>1,722</u>	<u>1,141</u>	<u>2,095</u>	2,379	3,713
Total	\$ <u>380.948</u>	<u>375.672</u>	<u>349,496</u>	<u>339,241</u>	<u>328.342</u>

<sup>(1)</sup> Includes general, special revenue, debt service and capital projects funds.

<sup>(2)</sup> Includes penalty and interest.

<sup>(3)</sup> Restated for GASB No. 22 implementation.

<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
239,325	234,205	235,257	220,733	225,303
5,128	3,873	-	-	-
3,758	6,645	9,531	10,265	8,754
4,696	5,179	5,412	4,393	4,667
10,321	12,766	13,046	11,562	10,610
1,945	1,958	1,470	1,479	1,156
44,408	49,454	43,977	54,741	50,461
11,903	2,581	2,430	2,131	1,968
4,888	3,780	1,941	1,284	2,010
326,372	320,441	313,064	306,588	304,929

Table 1A
CITY OF PITTSBURGH, PENNSYLVANIA

## General Fund Tax Revenues by Source

## Last Ten Years

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993 (4)</u>
Real estate tax	\$ 123,993	120,136	112,752	113,306	113,675
Mercantile tax	6,773	6,966	6,489	6,580	6,739
Amusement tax	5,744	6,415	5,789	8,692	11,085
Personal property tax	-	_	8	4,079	3,737
Earned income tax	36,901	39,146	34,793	39,675	37,151
Deed transfer tax	7,537	6,711	7,281	5,756	5,932
Sewage charges (3)	-	1,474	1,441	1,486	1,267
Parking tax	23,461	22,757	21,937	21,261	20,448
Occupation privilege tax	2,670	2,890	3,145	3,289	3,090
Business privilege tax	35,465	36,210	35,337	33,252	31,325
Institution/service tax	1,098	909	822	696	455
Penalties and interest	2,380	3,730	4,078	4,299	4,123
Public service privilege	703	399	450	400	473
Cable indirect cost	-	343	-	-	-
Non-profit/payments and services (2)	-	-	-	-	-
Regional Asset District	<u>17,042</u>	21,127	<u> 19,206</u>	6,058	<u>-</u>
Total tax revenues	\$ 263,767	269,213	253,528	248,829	239,500

- (1) Presented on a cash basis; all other years are displayed on a GAAP basis.
- (2) Moved to a new nontax revenue category in 1991, "in lieu of taxes."
- (3) Sewage amount is in a nontax revenue category for years 1986 through 1988.
- (4) Restated for GASB No. 22 implementation.

<u>1992</u>	<u>1991</u>	<u>1990 (1)</u>	<u>1989 (1)</u>	1988 (1)
115,421	113,795	118,494	96,130	95,532
6,457	6,826	6,694	6,502	6,096
11,052	10,987	8,982	7,564	7,656
3,125	2,737	2,627	2,340	2,151
37,337	36,675	40,113	54,067	63,660
5,280	4,716	5,857	6,272	6,173
1,023	1,201	1,500	964	_
19,683	17,696	17,325	14,210	14,857
3,097	3,346	3,196	3,072	3,007
31,156	31,115	28,206	25,285	23,615
642	656	341	216	273
4,532	4,148	4,412	3,549	3,171
520	307	220	214	204
-	_	364	352	232
_	-	1,685	1,101	-
_	-	<u>-</u> ,	-,	_
239.325	234,205	240,016	221,838	226,627

Table 2
CITY OF PITTSBURGH, PENNSYLVANIA

## General Governmental Expenditures (1)

## Last Ten Years

	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	1993 (2)
General government	\$ 51,401	31,691	29,880	27,603	25,296
Public safety	137,815	134,602	131,838	129,879	127,607
Public works	27,167	36,487	39,558	38,246	40,024
Sanitation	12,050	12,770	12,035	11,966	15,366
Community, recreational and			•	•	
cultural	8,407	8,557	8,147	14,657	18,434
Employee benefits, etc.	73,535	89,521	52,109	60,129	51,920
Claims and judgments	(3,854)	4,436	2,519	1,165	1,778
Miscellaneous	980	1,192	2,581	3,076	2,719
Intergovernmental programs	10,191	23,560	22,652	17,899	18,173
Capital projects	45,630	46,117	39,108	37,029	39,905
Bond issue costs	601	1,651	1,138	376	492
Debt service/authorities	55,396	52,218	66,392	59,806	_59,188
Total	\$ 419,319	442.802	407,957	401.831	400,902

<sup>(1)</sup> Includes general, special revenue, debt service and capital projects funds.

<sup>(2)</sup> Restated for GASB No. 16 implementation.

<u>1992</u>	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>
25,132	31,666	25,619	23,431	36,832
118,159	115,647	109,198	102,271	99,467
36,850	36,196	35,941	34,565	39,663
15,453	15,421	15,070	14,187	12,663
22,687	23,533	24,848	22,281	20,982
49,902	49,932	45,003	42,567	47,203
1,291	1,004	656	647	391
2,885	2,854	2,991	2,378	828
16,666	12,546	14,572	20,025	13,000
42,295	52,710	41,541	58,461	48,753
1,127	778	-	1,496	-
_57,833	54,441	56,299	43,339	46,806
390,280	396,728	371,738	365,648	366,588

Table 3
CITY OF PITTSBURGH, PENNSYLVANIA

Assessed Value, Tax Rate, Levy and Collections

Last Ten Years

	Assessed valuation of					
Fiscal	land and	Land	Building	Original	Adjusted	
<u>year</u>	<u>buildings</u>	millage	millage	net levy	net levy (1)	Budget
1988	\$ 1,965,628	151.5	27.00	\$ 96,862	\$ 96,890	\$ 91,180
1989	1,978,453	151.5	27.00	99,033	98,262	94,000
1990	2,071,085	184.5	32.00	122,927	120,327	114,500
1991	2,085,143	184.5	32.00	125,345	119,606	114,500
1992	2,120,326	184.5	32.00	124,187	118,775	113,000
1993	2,055,751	184.5	32.00	121,026	117,662	113,200
1994	2,070,364	184.5	32.00	121,269	119,694	111,500
1995	2,047,583	184.5	32.00	121,976	117,959	112,117
1996	2,036,489	184.5	32.00	118,952	115,898	109,720
1997	2,047,441	184.5	32.00	119,741	111,066	109,180

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

Year of original levy				Delinquent tax	<u>ces</u>	
Receipts	Percent of original net levy collected	Percent of adjusted net levy collected	Percent of budget collected	Col Budget	lection Receipts	Percent of budget collected
\$ 91,089	<b>%</b> 94.0	<b>%</b> 94.0	<b>%</b> 99.9	\$ 3,500	\$ 4,248	% 121.4
91,447	92.3	93.1	97.3	4,500	4,501	100.1
112,330	91.4	93.4	98.1	4,600	5,989	130.2
111,267	88.8	93.0	97.2	5,400	5,281	97.8
112,971	91.0	95.2	99.9	4,750	4,942	104.0
112,390	92.9	95.5	99.3	5,800	4,932	85.0
110,463	91.1	92.3	99.1	4,850	4,371	90.1
110,166	90.3	93.4	98.3	4,938	4,733	95.8
110,276	92.7	95.1	100.5	8,773	12,130	138.3
113,251	94.6	101.9	103.7	13,675	13,018	95.2

Table 4
CITY OF PITTSBURGH, PENNSYLVANIA

## Assessed and Estimated Actual Value of Property

## Last Ten Years

Real prop		Real property Personal property		Total		Ratio of total assessed value	
Fiscal year	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	to total estimated actual value
1988	\$ 1,965,628	\$ 7,862,510	\$ 557,332	\$ 557,332	\$ 2,522,960	\$ 8,419,842	29.96
1989	1,978,453	7,913,813	588,816	588,816	2,567,269	8,502,629	30.19
1990	2,071,085	8,284,342	665,791	665,791	2,736,876	8,950,133	30.58
1991	2,085,143	8,340,572	706,476	706,476	2,791,619	9,047,048	30.86
1992	2,120,326	8,481,305	812,808	812,808	2,933,134	9,294,113	31.56
1993	2,055,751	8,223,005	1,052,933	1,052,933	3,108,684	9,275,938	33.51
1994	2,070,364	8,281,456	934,944	934,944	3,005,308	9,216,400	32.61
1995	2,036,489	8,190,332	(1)		2,036,489	8,190,332	25.00
1996	2,036,489	8,145,956	(1)		2,036,489	8,145,956	25.00
1997	2,047,441	8,189,764	(1)		2,047,441	8,189,764	25.00

<sup>(1)</sup> In 1995, as part of the Regional Asset District (RAD) Tax, the personal property tax was repealed.

Table 5
CITY OF PITTSBURGH, PENNSYLVANIA

## Property Tax Rates - Direct and Overlapping Governments

### Last Ten Years

		City of Pittsburgh				
Fiscal	Land	Building		district	County	Total
<u>year</u>	<u>millage</u>	<u>millage</u>	Average (1)	<u>millage</u>	millage (2)	<u>millage</u>
1988	151.500	27.000	49,883	46.000	31.250	127.133
1989	151.500	27.000	50.086	46.000	35.000	131.086
1990	184.500	32.000	59.070	46,000	36.500	141.570
1991	184.500	32.000	58.995	46.000	36.500	141.495
1992	184.500	32.000	58.626	59.700	36.500	154.826
1993	184.500	32,000	58.870	59.700	36.500	155.070
1994	184.500	32.000	58.573	59.700	36.500	154.773
1995	184.500	32,000	58.421	59.700	31.500	154.621
1996	184.500	32,000	58.414	59.700	25,200	143.314
1997	184.500	32.000	58.483	59.700	25.200	143.383

- (1) Determined by multiplying the respective assessed valuation by the millage rate and dividing by the total assessed valuation
- (2) As of January 1, 1997, the Institution District was dissolved and its 3.5 tax rate (millage) was included in County millage.

The basis for the property tax rates is per each \$1,000 of assessed valuation.

Table 6
CITY OF PITTSBURGH, PENNSYLVANIA

## Principal Real Estate Taxpayers

December 31, 1997

(Amounts in Thousands)

<u>Taxpayer</u>	Principal type of business	1997 assessed valuation	Percentage of total assessed value
500 Grant Street Associates (One Mellon Bank Center)	Real Estate	\$ 52,000	2.54
Market View Incorporated (Subsidiary of PPG Industries)	Real Estate	46,250	2.26
Pittsburgh National Corporation	Commercial banking	46,238	2.26
600 Grant Street Associates (USX Building)	Real Estate	42,500	2.07
Oxford Development	Real Estate	33,643	1.64
Grant Liberty Development Group	Real Estate	18,750	0.92
Gateway Trizec, Inc. (previously known as Equitable Life Assurance Society of the United States)	Real Estate	18,087	0.88
Mellon Bank, N.A.	Commercial banking	17,630	0.86
Urban Redevelopment Authority	Redevelopment	16,210	0.79
Harrah's Forest City Associates	- -	13,159	0.64

Source: City of Pittsburgh - Department of Finance

Note: The City has a bifurcated tax system wherein land is taxed at a higher rate than buildings. Percentages of total tax levied reflect the dual tax rate.

Total assessed value (in thousands) \$2,047,441.

Table 7
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, 1997

	Nonelectoral <u>debt</u>	Lease rental <u>debt</u>
Gross debt (1):		
Principal amount of bonds issued and outstanding:		
General obligation	\$ 637,767,650	-
Equipment Leasing Authority		-
Auditorium Authority:		
Serviced by the City	-	13,945,000
Serviced by others	-	4,112,500
Stadium Authority	-	44,989,969
Urban Redevelopment Authority	<u>-</u>	75,612,597
Total gross debt	637,767,650	138,660,066
Items deductible from gross debt:		
Cash and legal investments held in sinking fund		
for payment of bonds and notes	16,078,759	-
Cash in bond fund applicable to debt	78,029,405	-
Delinquent real estate taxes and sewage collections	2,528,329	-
Self-liquidating and subsidized debt:	, ,	
Auditorium Authority:		
Serviced by the City	-	4,515,000
Serviced by others	-	2,194,500
Urban Redevelopment Authority	-	1,945,490
Taxable General Obligation Pension Bond, 1996B	36,500,000	
Total deductions	133,136,493	8,654,990
Net debt	\$ <u>504.631.157</u>	130,005,076

(1) Direct obligations of the Pittsburgh Water and Sewer Authority in the amount of \$424,968,000 are not considered debt of the City for purpose of this calculation.

(Continued)

## Table 7, 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			\$ 504,631,157
Net lease rental debt			<u>130,005,076</u>
Net nonelectoral and lease rental deb	ot		\$ <u>634,636,233</u>
Debt Incu	rring Margin		•
	<u>1995</u>	<u>1996</u>	<u>1997</u>
Total net revenue of the City Borrowing base (arithmetic average of total	316,596,545	327,151,967	336,311,523
net revenue for said three fiscal years)			326,686,678
		Net	Net nonelectoral
		nonelectoral debt	and lease rental debt
		(borrowing	(borrowing
		base x 250%)	base x 350%)
Debt limitations	5	816,716,696	1,143,403,374
Less existing net debt		504,631,157	<u>634,636,233</u>
Remaining debt incurring margin	5	312.085.539	<u>508,767,141</u>

Table 8

CITY OF PITTSBURGH, PENNSYLVANIA

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

## Last Ten Years

Fiscal year	<u>Population</u>	Assessed <u>value</u>	Gross bonded <u>debt</u>	Less debt service <u>funds</u>
1988	424	\$ 1,965,628	\$ 345,000	\$ 2,975
1989	424	1,978,453	395,125	1,339
1990	370	2,071,085	382,445	1,090
1991	370	2,085,143	413,425	903
1992	370	2,120,326	484,838	491
1 <b>993</b>	370	2,055,751	485,591	530
1994	370	2,070,364	472,642	635
1995	370	2,047,583	548,004	7,311
1996	370	2,036,489	579,210	21,747
1997	370	2,047,441	637,768	16,749

	Ratio of	
Net	net general	Net general
general	bonded debt	bonded
bonded	to assessed	debt per
<u>debt</u>	<u>value</u>	capita
\$ 342,025	<b>%</b> 17.40	\$ 807
393,786	19.90	929
381,355	18.41	1,031
412,522	19.78	1,115
484,347	22.84	1,309
485,061	23.60	1,311
472,007	22.80	1,276
540,693	26.41	1,461
557,463	27.37	1,507
621,019	30.33	1,678

Table 9
CITY OF PITTSBURGH, PENNSYLVANIA

## Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt (1) to Total General Governmental Expenditures

## Last Ten Years

Fiscal <u>year</u>	Principal	Interest (2)	Total debt <u>service</u>	Total general governmental expenditures (3)	Ratio of debt to general governmental expenditures
1988	\$ 6,670	\$ 24,336	\$ 41,006	\$ 366,588	<b>%</b> 11.19
1989	13,130	23,679	36,809	365,648	10.07
1990	22,555	26,815	49,370	371,738	13.28
1991	19,630	27,005	46,635	396,728	11.75
1992	22,205	28,778	50,983	390,280	13.06
1993	20,675	30,826	51,501	400,902	12.84
1994	24,103	30,385	54,488	401,831	13.56
1995	25,040	29,947	54,987	407,957	13.48
1996	17,021	24,286	41,307	442,802	9.33
1997	13,739	31,526	45,265	419,319	10.79

- (1) City of Pittsburgh and Equipment Leasing Authority bonds only
- (2) Excludes bond issuance and other costs
- (3) Includes general, special revenue, capital projects and debt service funds

Table 10
CITY OF PITTSBURGH, PENNSYLVANIA

## Computation of Direct and Overlapping Debt

December 31, 1997

<u>Jurisdiction</u>	Net debt <u>outstanding</u>	Percentage applicable to City	Amount applicable to City
Direct debt:			
City of Pittsburgh:			
General obligation	\$ 621,015	<b>%</b> 100	\$ 621,015
Equipment Leasing Authority	-	-	-
Stadium Authority	44,990	100	44,990
Auditorium Authority	27,890	50	13,945
Total direct debt	693,895		679,950
Overlapping debt:			
Auditorium Authority	8,250	50	4,125
Pittsburgh Water and Sewer Authority	424,968	-	-
The School District of Pittsburgh	180,685	100	180,685
Allegheny County	578,219	28	161,901
Total overlapping debt	1,192,122	-	346,711
Total direct and overlapping debt	\$ <u>1.886.017</u>		\$ <u>1.026.661</u>

Table 11
CITY OF PITTSBURGH, PENNSYLVANIA

## Revenue Bond Coverage Pittsburgh Water and Sewer Authority

## Last Ten Years

		(1)	Net revenue available				
Fiscal	Gross	operating	for debt	Debt	service require	ments	
<u>year</u>	revenues	expenses	<u>service</u>	Principal	<u>Interest</u>	Total	Coverage
1988	\$ 41,893	\$ 29,247	\$ 12,646	\$ 800	\$ 31,515	\$ 32,315	0.39
1989	46,630	28,741	17,889	800	32,157	32,957	0.54
1990	52,825	47,838	4,987	900	32,111	33,011	0.15
1991	51,728	34,651	17,077	5,400	27,569	32,969	0.52
1992	47,231	35,260	11,971	-	16,793	16,793	0.71
1993	51,165	37,990	13,175	4,445	13,866	18,311	0.72
1994	53,865	34,958	18,907	8,495	12,536	21,031	0.90
1995	59,254	31,045	28,209	4,355	13,908	18,263	1.54
1996	59,497	27,137	32,360	7,980	25,248	33,228	.97
1997	53,244	25,790	27,454	9,440	23,657	33,097	.83

<sup>(1)</sup> Total operating expenses exclusive of depreciation and amortization

Table 11A

## Revenue Bond Coverage The Stadium Authority of the City of Pittsburgh (1)

### Last Ten Years

!				Net revenue available				
ı	Fiscal	Gross	Operating	for debt	Debt se	rvice requirem	ents (4)	
ı	<u>year</u>	revenues (2)	expenses (3)	service	<b>Principal</b>	Interest	Total	Coverage (5)
ı	1988	\$ 5,966	\$ 4,153	\$ 1,813	\$ 1,545	\$ 4,282	\$ 5,827	0.31
i	1989	6,984	4,119	1,865	1,305	4,087	5,392	0.53
	1990	6,770	4,490	2,280	1,340	4,086	5,426	0.42
	1991	7,936	4,969	2,967	1,430	4,000	5,430	0.55
)	1992	8,064	5,364	2,700	1,515	3,907	5,422	0.50
)	1993	7,857	5,644	2,213	1,620	3,805	5,425	0.41
1	1994	7,661	4,849	2,812	2,452	3,490	5,942	0.47
	1995	8,661	5,411	3,250	2,829	4,007	6,836	0.48
,	1996	7,577	5,494	2,083	2,546	3,243	5,789	0.36
)	1997	5,772	7,210	(1,438)	2,547	3,889	6,436	-

- (1) Figures presented are for the fiscal year end of March 31
- (2) Total revenues including interest
- (3) Total operating expenses exclusive of depreciation, interest, baseball lease credit adjustments and loss on disposal of turf.
- (4) Debt service payments on notes are excluded
- (5) The City guarantees the payment of Stadium Authority debt service and/or operating losses

Table 12
CITY OF PITTSBURGH, PENNSYLVANIA

## **Demographic Statistics**

## Last Ten Years

Fiscal <u>year</u>	(1) <u>Population</u>	(2) Per capita <u>income</u>	(2) Median <u>age</u>	(3) School enrollment	(4) Unemployment rate percentage
1988	423,938	\$ 16,559	36.23	39,549	5.7
1989	423,938	17,849	36.62	39,308	4.6
1990	369,879	18,737	37.08	39,661	4.8
1991	369,879	20,087	37.41	40,137	6.0
1992	369,879	21,437	37.74	39,343	6.8
1993	369,879	22,786	38.08	40,167	6.0
1994	369,879	24,136	38.42	39,728	5.9
1995	369,879	23,361*	38.24	39,761	5.5
1996	369,879	20,747*	34.60	39,955	4.5
1997	369,879	22,550	34.60	40,181	4.6

## **Data Sources**

- (1) Census Bureau
- (2) U.S. Market Forecasts 1997
- (3) School District of Pittsburgh
- (4) PNC Bank, Regional Economic Update, Spring 1998
- \* Change in method of calculations



## Table 13 CITY OF PITTSBURGH, PENNSYLVANIA

## Property Value, Construction and Bank Deposits

## Last Ten Years

(Amounts in Thousands)

		Constru	ction (2)	
		Number of		
Fiscal	Property	permits	Dollar	Bank
<u>year</u>	<u>value (1)</u>	issued	<u>value</u>	deposits (3)
1988	\$ 1,965,628	3,281	\$ 213,564	\$ 12,835,352
1989	1,978,453	3,233	338,507	14,661,606
1990	2,071,085	3,099	140,749	16,199,328
1991	2,085,143	3,500	146,969	17,913,895
1992	2,120,326	3,368	213,314	17,919,571
1993	2,055,751	3,363	212,452	30,113,033
1994	2,070,364	3,148	201,982	30,529,054
1995	2,036,489	3,019	158,575	37,372,876
1996	2,036,489	2,793	250,315	72,833,745
1997	2,047,441	2,490	193,471	76,412,827

(1) Assessed value from Table 4

## Data sources

- (2) Bureau of Building Inspection, City of Pittsburgh
- (3) Federal Reserve Bank, Cleveland branch

## Table 14

## CITY OF PITTSBURGH, PENNSYLVANIA

## Miscellaneous Statistics

## December 31, 1997

Date of incomposition	1017
Date of incorporation Form of government	1816
Number of employees (excluding police and fire)	Mayor/Council
Area in square miles	2,304 55,5
Name of government facilities and services:	33.3
Miles of streets	1,035
Number of bridges	1,033
Number of street lighting units	_ <del>_</del> -
Culture and recreation:	43,000
Recreation centers	27
Senior centers	19
Parks	36
Parklets	71
Park acreage	2,581
Swimming pools	32
Tennis court sites	124
Ballfields	124
Basketball courts	150
Play areas	154
Ice rinks	_
Zoo	1
Fire protection:	1
Number of stations	35
Number of fire personnel and officers	894
Number of calls answered	30,000
Number of building inspections	95,300
Police protection:	95,300
Number of stations	6
Number of police officers	1,179
Number of law violations:	1,179
Physical arrests	18,369
Traffic violations	32,000
Emergency medical protection:	32,000
Number of units	17
Number of personnel	189
Number of calls answered	64,500
Facilities and services not included in the reporting entity:	04,500
Water System:	
Miles of water mains	1,200
Daily average consumption in gallons	70,000,000
Maximum daily capacity of plant in gallons	117,000,000
Education:	117,000,000
Number of elementary schools	58
Number of elementary school instructors	941
Number of adult education centers	3
Number of adult education teachers	19
Number of secondary schools and special education centers	17
Number of secondary schools and special education instructors	593
Number of middle schools	15
Number of middle school instructors	450
Number of community colleges	1
Number of universities	$ar{ au}$
Hospitals:	,
Number of hospitals	10
Number of patient beds	6,218
	5,210

Table 15
CITY OF PITTSBURGH, PENNSYLVANIA

## City Employment

## Last Ten Years

Regular	Actual
budgeted	January
<u>positions</u>	<u>payroll</u>
5,221	\$ 4,849
5,257	4,896
5,225	4,933
5,094	4,886
4,960	4,734
5,019	4,698
4,984	4,961
4,451	4,430
4,319	4,217
4,304	4,131
	budgeted positions  5,221 5,257 5,225 5,094 4,960 5,019 4,984 4,451 4,319

# OTHER INFORMATION

# Schedule of Insurance in Force

# For the Year Ended December 31, 1997

Type of insurance/ name of company	Coverage	Policy period	Liability limits	Annual premium
Boiler insurance - Reliance Insurance	General services blanket	02/28/97 - 02/28/98	\$5,000,000 per accident \$50,000 business interruption per occurrence	\$ 18,700
Errors and omissions insurance - Western World Insurance Co.	Public safety E.M.S.	07/01/97 - 06/30/98	\$500,000 per endorsement \$2,500 deductible	22,280
Property insurance - Reliance Insurance	General services blanket	02/28/97 - 02/28/98	All risk and extended coverage \$2,500 deductible	28,768
Point Park police - General Star	Public safety police	09/17/97 - 09/17/99	\$500,000 each \$1,000,000 aggregate \$2,500 deductible each claim	3,980
Crime, general - Reliance Insurance	General services blanket	02/28/97 - 02/28/98	Various	1,401
General liability - Reliance Insurance	General services blanket	02/28/97 - 02/28/98	\$500,000 per occurrence \$500,000 aggregate	2,268

# Salaries and Surety Bonds of Principal Officials

# For the Year Ended December 31, 1997

Official	Budget annual <u>salary</u>	Amount of surety bond
Mayor	\$ 81,222	\$ 10,000
Director of Finance	79,608	200,000
Controller	51,299	10,000
Members of City Council (9)	46,312 each	-

#### Schedule of Bonds and Notes Payable

December 31, 1997

	Date of	Amount	Amount
<u>Serial bonds</u>	<u>issue</u>	<u>sold</u>	outstanding
General obligation bonds, 1991 Series	10/01/91	\$ 45,000,000	39,955,000

General obligation bonds, 1992, Series A
(zero coupon bonds) 06/01/92 29,894,645 26,406,569

Carried forward 66,361,569

	<u>-</u>		faximum
Maturity	or ceiling		e requirements
information	rate of interest	<u>Interest</u>	Principal
\$1,175,000 in 1998	% 5.70	\$ 2,474,385	1,175,000
\$1,235,000 in 1999	5.75		
\$1,315,000 in 2000	5.88		
\$1,380,000 in 2001	6.00		
\$1,470,000 in 2002	6.10		
\$1,565,000 in 2003	6.13		
\$1,655,000 in 2004	6.20		
\$1,760,000 in 2005	6.30		
\$1,870,000 in 2006	6.38		
\$1,990,000 in 2007	6.25		
\$2,110,000 in 2008	6.25		
\$2,250,000 in 2009	6.25		
\$2,385,000 in 2010	6.25		
\$2,535,000 in 2011	6.25		
\$2,695,000 in 2012	6.25		
\$2,860,000 in 2013	6.25		
\$3,040,000 in 2014	6.25		
\$3,230,000 in 2015	6.25		
\$3,435,000 in 2016	6.25		
\$3,260,000 in 1998	5.60	900,263	2,359,737
\$3,265,000 in 1999	5,80		<b>_,_</b> ,_,,
\$3,260,000 in 2000	6.00		
\$3,250,000 in 2001	6.10		
\$3,250,000 in 2002	6.20		
\$3,240,000 in 2003	6.30		
\$2,535,000 in 2004	6.40		
\$2,525,000 in 2005	6.50		
\$2,530,000 in 2006	6.55		
\$2,530,000 in 2007	6.60		
\$2,530,000 in 2008	6.65		
\$2,535,000 in 2009	6.70		
\$2,530,000 in 2010	6.75		
(\$10,833,431) Unamortized Bond			
· · · · · · · · · · · · · · · · · · ·		3,374,648	3,534,737

# Schedule of Bonds and Notes Payable, Continued

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Brought forward	10000	<u></u>	\$ 66,361,569
General obligation bonds, 1992, Series B	10/15/92	\$ 26,695,000	7,340,000
General obligation bonds, 1992, Series C (zero coupon bonds)	10/15/92	4,440,559	6,057,650
General obligation bonds, 1992, Series D	10/15/92	44,540,000	44,540,000
General obligation bonds, 1993, Series A	04/01/93	60,745,000	56,260,000

Carried forward 180,559,219

	Coupon	1998 Maximum	
Maturity	or ceiling	debt service	requirements
<u>information</u>	rate of interest	<u>Interest</u>	<u>Principal</u>
		\$ 3,374,648	3,534,737
\$3,150,000 in 1998	% 5.00	374,415	3,150,000
\$2,040,000 in 1999	5.10		
\$2,150,000 in 2000	5.25		
\$2,260,000 in 2001	6.05	-	-
\$2,260,000 in 2002	6.15		
\$2,260,000 in 2003	6.25		
\$1,430,000 in 2004	6.35		
(\$2,152,350) Unamortized Bond Disco	unt		
\$ 830,000 in 2004	6.00	2,706,906	-
\$2,305,000 in 2005	6.00		
\$2,450,000 in 2006	6.00		
\$2,595,000 in 2007	6.00		
\$2,750,000 in 2008	6.00		
\$2,915,000 in 2009	6.00		
\$3,090,000 in 2010	6.00		
\$3,275,000 in 2011	6.13		
\$3,480,000 in 2012	6.13		
\$3,685,000 in 2013	6.13		
\$3,920,000 in 2014	6.13		
\$4,155,000 in 2015	6.13		
\$4,410,000 in 2016	6.13		
\$4,680,000 in 2017	6.13		
\$2,200,000 in 1998	4.20	2,914,901	2,200,000
\$2,295,000 in 1999	4.38		
\$2,395,000 in 2000	4.50		
\$2,500,000 in 2001	4.70		
\$2,620,000 in 2002	4.80		
\$2,745,000 in 2003	4.90		
\$2,880,000 in 2004	5.00		
\$3,020,000 in 2005	5.10		
\$3,175,000 in 2006	5.20		
\$3,345,000 in 2007	5.30		
\$3,525,000 in 2008	5.40		
\$3,710,000 in 2009	5.50		
\$3,915,000 in 2010	5.50		
\$4,130,000 in 2011	5.50		
\$4,360,000 in 2012	5.50		
\$4,595,000 in 2013	5.50		
\$4,850,000 in 2014	5.50	9,370,870	8,884,737

#### Schedule of Bonds and Notes Payable, Continued

Serial bonds	Date of <u>issue</u>	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 180,559,219
General obligation bonds, 1994, Series A	08/01/94	\$ 37,000,000	33,520,000
General obligation bonds, 1995, Series A	12/01/95	75,000,000	75,000,000
<b>C</b>			

Carried forward

289,079,219

	Coupon		Maximum	
Maturity	or ceiling	<u>debt servi</u>	ce requiren	<u>nents</u>
information	rate of interest	<u>Interest</u>		<u>Principal</u>
		\$ 9,370,870	S	8,884,737
\$ 1,260,000 in 1998	<b>%</b> 4.50	1,856,246		1,260,000
\$ 1,320,000 in 1999	4.70			
\$ 1,385,000 in 2000	5.00			
\$ 1,450,000 in 2001	5.00			
\$ 1,525,000 in 2002	5.10			
\$ 1,605,000 in 2003	5.20			
\$ 1,690,000 in 2004	5.30			
\$ 1,780,000 in 2005	5.40			
\$ 1,880,000 in 2006	5.50			
\$ 1,985,000 in 2007	5.60			
\$ 2,100,000 in 2008	5.70			
\$ 2,225,000 in 2009	5.70			
\$ 2,355,000 in 2010	5.80			
\$ 2,500,000 in 2011	5.88			
\$ 2,655,000 in 2012	5.88			
\$ 2,815,000 in 2013	6.00			
\$ 2,990,000 in 2014	6.00			
\$ 355,000 in 1999	4.10	3,893,280		_
\$ 375,000 in 2000	4.20	3,073,200		
\$ 390,000 in 2001	4.30			
\$ 405,000 in 2002	4.40			
\$ 425,000 in 2003	4.50			
\$ 445,000 in 2004	4.60			
\$ 465,000 in 2005	4.70			
\$ 485,000 in 2006	4.88			
\$ 510,000 in 2007	5.00			
\$ 530,000 in 2008	5.10			
\$ 1,325,000 in 2009	5.13			
\$32,580,000 in 2010	5.20			
\$34,295,000 in 2011	5.25			
\$ 2,415,000 in 2012	5.25			
5 2,413,000 Ht 2012	J.&J	15,120,396		10,144,737

Serial bonds	Date of <u>issue</u>	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 289,079,219
General obligation bonds, 1995, Series B	12/01/95	\$ 104,705,000	104,700,000
General obligation bonds, 1996, Series A	12/15/96	162,535,000	162,535,000
Carried forward			556,314,219

Maturity	Coupon or ceiling		laximum requirements
information	rate of interest	Interest	Principal
		\$ 15,120,396	10,144,737
\$ 5,000 in 1998	% 4.00	5,097,209	5,000
\$ 1,180,000 in 1999	4.10		
\$ 3,830,000 in 2000	4.20		
\$ 4,005,000 in 2001	4.30		
\$ 4,165,000 in 2002	4.40		
\$ 4,385,000 in 2003	4.50		
\$ 4,610,000 in 2004	4.60		
\$ 4,885,000 in 2005	4.70		
\$ 6,380,000 in 2006	4.80		
\$12,645,000 in 2007	4.90		
\$28,955,000 in 2008	5.00		
\$29,655,000 in 2009	5.13		
\$14,485,000 in 1998	5.00	8,203,225	14,485,000
\$15,185,000 in 1999	5.00	, ,	, ,
\$14,595,000 in 2000	5.00		
\$15,295,000 in 2001	5.00		
\$16,025,000 in 2002	5.00	•	
\$16,780,000 in 2003	5.00		
\$17,540,000 in 2004	4,50		
\$18,425,000 in 2005	6.00		
\$19,485,000 in 2006	6.00		
\$14,720,000 in 2007	6.00		
,, <b></b> ,		28,420,830	24,634,737
			(Continued)

#### Schedule of Bonds and Notes Payable, Continued

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 556,314,219
General obligation bonds, 1996, Series B	12/15/96	\$ 37,710,000	37,710,000

Carried forward 594,024,219

	Coupon	1998 Maximum	
Maturity	or ceiling	debt_service	_
<u>information</u>	rate of interest	Interest	<u>Principal</u>
		\$ 28,420,830	24,634,737
\$ 525,000 in 1998	% 5.65	2,564,976	525,000
\$ 560,000 in 1999	5.80		
\$ 590,000 in 2000	6.00		
\$ 630,000 in 2001	6.10		
\$ 670,000 in 2002	6.20		
\$ 715,000 in 2003	6.30		
\$ 760,000 in 2004	6.40		
\$ 810,000 in 2005	6.50		
\$ 865,000 in 2006	6.55		
\$ 925,000 in 2007	6.55		
\$ 985,000 in 2008	6.60		
\$1,055,000 in 2009	6.60		
\$1,125,000 in 2010	6.60		
\$1,200,000 in 2011	6.60		
\$1,285,000 in 2012	6.60		
\$1,375,000 in 2013	7.00		
\$1,475,000 in 2014	7.00		
\$1,580,000 in 2015	7.00		
\$1,695,000 in 2016	7.00		
\$1,820,000 in 2017	7.00		
\$1,950,000 in 2018	7.00		
\$2,095,000 in 2019	7.10		
\$2,250,000 in 2020	7.10		
\$2,415,000 in 2021	7.10		
\$2,590,000 in 2022	7.10		
\$2,780,000 in 2023	7.10		
\$2,985,000 in 2024	7.10		
		30,985,806	25,159,737

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 594,024,219
General obligation bonds, 1997, Series A	12/01/97	\$ 20,295,000	20,295,000
General obligation bonds, 1997, Series B	12/01/97	29,735,000	29,735,000
General obligation bonds, 1997, Series C	12/01/97	20,120,000	20,120,000
Subtotal			664,174,219
Less bonds funded by Stadium Authority  Total general obligation bonds			26,406,569
payable			637,767,650

Coupon			998 Maximum	
Maturity	or ceiling		requirements	
information	rate of interest	<u>Interest</u>	<u>Principal</u>	
		\$ 30,985,806	25,159,737	
\$2,155,000 in 1999	% 4.50	670,366	-	
\$2,250,000 in 2000	5.00			
\$2,355,000 in 2001	4.25			
\$2,455,000 in 2002	5.00			
\$2,580,000 in 2003	4.75			
\$2,700,000 in 2004	4.75			
\$2,830,000 in 2005	5.00			
\$2,970,000 in 2006	5.00			
\$3,120,000 in 2007	4.60	1,056,604	-	
\$3,265,000 in 2008	4.90			
\$3,425,000 in 2009	5.00			
\$3,595,000 in 2010	5.00			
\$3,775,000 in 2011	5.00			
\$3,965,000 in 2012	5.50			
\$4,180,000 in 2013	5.50			
\$4,410,000 in 2014	5.50			
\$4,655,000 in 2015	5.12	723,665	_	
\$4,895,000 in 2016	5.25			
\$5,150,000 in 2017	5.25			
\$5,420,000 in 2018	5.25			
. ,		33,436,441	25,159,737	
		900,263	2,359,737	
		32,536,178	22,800,000	
			(Continued)	

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Public Auditorium Authority Revenue Bonds (City share)			
Auditorium Bonds (Refunding), 1991, Series A	10/01/91	\$ 7,960,000	4,740,000
Auditorium Bonds (Civic Arena Improvements),			
1991, Series B	10/01/91	3,122,500	3,122,500
Carried forward			7,862,500

Maturity	Coupon or ceiling	1998 Maximum  debt service requirements	
information	rate of interest	Interest	Principal
\$827,500 in 1998	<b>%</b> 5.70	\$ 286,958	827,500
\$875,000 in 1999	5.80	<b>9</b> 200,750	627,500
\$362,500 in 2000	5.90		
\$382,500 in 2001	6.00		
\$405,000 in 2002	6.10		
\$430,000 in 2003	6.20		
\$457,500 in 2004	6.30		
\$485,000 in 2005	6.40		
\$515,000 in 2006	6.50		
,			
#215 000 i 2000	5.00	105 (50	
\$315,000 in 2000	5.90	195,658	-
\$332,500 in 2001	6.00		
\$352,500 in 2002	6.10		
\$375,000 in 2003	6.20		
\$397,500 in 2004	6.30		
\$422,500 in 2005	6.40		
\$450,000 in 2006	6.50		
\$477,500 in 2007	6.50		
		482,616	827,500
			(Continued)

#### Schedule of Bonds and Notes Payable, Continued

Date of

Serial bonds	issue	<u>sold</u>	outstanding
Brought forward			\$ 7,862,500
Auditorium Bonds, 1994, Series A	09/15/94	\$ 1,685,000	1,567,500

09/15/94

Total Public Auditorium Authority Revenue Bonds

Auditorium Bonds (Taxable), 1994, Series B

13,945,000

4,515,000

Amount

**Amount** 

5,125,000

	Coupon	1998 Maximum	
Maturity	or ceiling	debt_service	requirements
information	rate of interest	<u>Interest</u>	<u>Principal</u>
		\$ 482,616	827,500
\$ 50,000 in 1998	% 4.75	90,261	50,000
\$ 52,500 in 1999	4.95		
\$ 55,000 in 2000	5.00		
\$ 57,500 in 2001	5.10		
\$ 60,000 in 2002	5.20		
\$ 62,500 in 2003	5.30		
\$ 65,000 in 2004	5.40		
\$ 70,000 in 2005	5.50		
\$ 72,500 in 2006	5.65		
\$ 77,500 in 2007	5.80		
\$ 82,500 in 2008	5.90		
\$ 87,500 in 2009	6.00		
\$ 92,500 in 2010	6.00		
\$ 97,500 in 2011	6.00		
\$102,500 in 2012	6.00		
\$110,000 in 2013	6.13		
\$117,500 in 2014	6.13		
\$122,500 in 2015	6.13		
\$132,500 in 2016	6.13		
\$207,500 in 1998	7.20	370,391	207,500
\$207,500 in 1999	7.45		
\$205,000 in 2000	7.55		
\$205,000 in 2001	7.75		
\$205,000 in 2002	7.85		
\$205,000 in 2003	7.95		
\$205,000 in 2004	7.95		
\$205,000 in 2005	8.00		
\$205,000 in 2006	8.15		
\$205,000 in 2007	8.30		
\$205,000 in 2008	8.35		
\$205,000 in 2009	8.50		
\$205,000 in 2010	8.50		
\$205,000 in 2011	8.50		
\$205,000 in 2012	8.50		
\$205,000 in 2013	8.50		
\$205,000 in 2014	8.50		
\$205,000 in 2015	8.60		
\$205,000 in 2016	8.60		
\$205,000 in 2017	8.60		
\$205,000 in 2018	8.60		
\$205,000 in 2019	8.60		
		943,268	1,085,000

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
<u>Urban Redevelopment Authority of Pittsburgh</u> <u>Taxable Revenue Bonds</u>			
Urban Redevelopment Authority of Pittsburgh Guaranteed Tax Increment Financing Bonds, 1994 Series A	02/02/94	\$ 2,085,535	1,945,490
Urban Redevelopment Authority of Pittsburgh Taxable Revenue Bonds, 1994 Series B	06/15/94	8,245,000	6,345,000
Carried forward			8,290,490

Maturity	Coupon or ceiling		Maximum requirements
Maturity information	rate of interest	Interest	
mormation	rate of interest	<u>miterest</u>	<u>Principal</u>
\$ 73,808 in 1998	% 5.35	\$ 130,586	73,808
\$ 77,593 in 1999	5.50		
\$ 83,270 in 2000	5.75		
\$ 87,055 in 2001	5.90		
\$ 92,733 in 2002	6.15		
\$ 98,410 in 2003	6.25		
\$ 104,088 in 2004	6.35		
\$ 111,657 in 2005	6.45		
\$ 119,228 in 2006	6.50		
\$ 126,798 in 2007	7.20		
\$ 134,365 in 2008	7.20		
\$ 145,723 in 2009	7.20		
\$ 155,185 in 2010	7.20		
\$ 166,540 in 2011	7.20		
\$ 177,895 in 2012	7.20		
\$ 191,142 in 2013	7.20		
\$ 720,000 in 1998	7.20	492,940	720,000
\$ 770,000 in 1999	7.40	472,740	720,000
\$ 830,000 in 2000	7.70		
\$ 895,000 in 2001	7.80		
\$ 965,000 in 2002	8.00		
\$1,040,000 in 2003	8.00		
\$1,040,000 in 2004	8.00		
#1,123,000 HI 2007	0.00	623,526	793,808
			(Continued)
			,

#### Schedule of Bonds and Notes Payable, Continued

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 8,290,490
Urban Redevelopment Authority of Pittsburgh Special Tax Development Bonds, 1995 Series A	02/01/95	\$ 61,390,000	59,705,000
Urban Redevelopment Authority of Pittsburgh			

Redevelopment Bonds, 1995 Series B

Carried forward 70,796,394

12/01/95

2,855,787

2,800,904

Managina	Coupon	1998 Maximum  debt service requirements	
Maturity	or ceiling		
<u>information</u>	rate of interest	<u>Interest</u>	Principal
		\$ 623,526	793,808
		,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
\$ 950,000 in 1998	% 8.17	5,287,106	950,000
\$ 1,030,000 in 1999	8.24	- <del>, -</del> - : <b>, - :</b> -	,,,,,,
\$ 1,120,000 in 2000	8.30		
\$ 1,215,000 in 2001	8.38		
\$ 1,325,000 in 2002	8.45		
\$ 1,440,000 in 2003	8.50		
\$ 1,570,000 in 2004	8.55		
\$ 3,070,000 in 2005	8.60		
\$ 3,345,000 in 2006	8.65		
\$ 3,650,000 in 2007	8.70		
\$ 3,985,000 in 2008	8.80		
\$ 4,350,000 in 2009	8.85		
\$ 4,755,000 in 2010	8.92		
\$ 5,205,000 in 2011	9.07		
\$ 5,695,000 in 2012	9.07		
\$ 6,240,000 in 2013	9.07		
\$10,760,000 in 2014	9.07		
\$ 121,120 in 1998	5.13	159,145	121,120
\$ 130,583 in 1999	5.13		
\$ 138,153 in 2000	5.13		
\$ 132,475 in 2001	5.75		
\$ 141,938 in 2002	5.75		
\$ 153,293 in 2003	5.75		
\$ 164,648 in 2004	5.75		
\$ 176,003 in 2005	5.75		
\$ 189,250 in 2006	5.75		
\$ 200,605 in 2007	6.00	•	
\$ 215,745 in 2008	6.00		
\$ 232,778 in 2009	6.00		
\$ 247,918 in 2010	6.00		
\$ 556,395 in 2011	6.00		
		6,069,777	1,864,928

#### Schedule of Bonds and Notes Payable, Continued

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 70,796,394
Urban Redevelopment Authority of Pittsburgh Redevelopment Bonds, 1995 Series C	12/01/95	<b>\$</b> 1,637,016	1,637,016

05/15/96

3,179,187

Total Urban Redevelopment Authority Bonds

Urban Redevelopment Authority of Pittsburgh, Taxable Redeveloment Bonds, 1996 Series

75,612,597

3,179,187

Coupon Maturity or ceiling			faximum requirements
information	rate of interest	Interest	Principal
	<del></del>		
		\$ 6,069,777	1,864,928
\$ 20,818 in 1999	% 5.75	100,071	-
\$ 49,205 in 2000	5.75		
\$ 51,098 in 2001	5.75		
\$ 54,883 in 2002	5.75		
\$ 60,560 in 2003	5.75		
\$ 64,345 in 2004	5.75		
\$ 68,130 in 2005	5.75		
\$ 79,485 in 2006	5.75		
\$ 81,378 in 2007	6.25		
\$ 88,948 in 2008	6.25		
\$ 94,625 in 2009	6.25		
\$102,195 in 2010	6.25		
\$111,658 in 2011	6.25		
\$119,228 in 2012	6.25		
\$128,690 in 2013	6.25		
\$140,045 in 2014	6.25		
\$321,725 in 2015	6.25		
\$ 86,894 in 1998	6.26	239,718	86,894
\$ 94,450 in 1999	6.50		
\$102,006 in 2000	6.69		
\$107,673 in 2001	6.81		
\$117,118 in 2002	7.03		
\$124,674 in 2003	7.17		
\$132,230 in 2004	7.31		
\$145,453 in 2005	7.42		
\$154,898 in 2006	7.43		
\$168,121 in 2007	7.48		
\$179,455 in 2008	7.53		
\$196,456 in 2009	8.01		
\$211,568 in 2010	8.01		
\$230,458 in 2011	8.01		
\$247,459 in 2012	8.01		
\$270,127 in 2013	8.01		
\$290,906 in 2014	8.01		
\$319,241 in 2015	8.01		
		6,409,566	1,951,822

Serial bonds	Date of <u>issue</u>	Amount <u>sold</u>	Amount outstanding
Stadium Authority Revenue Bonds			
Guaranteed Refunding Bonds, Series 1993	08/15/93	\$ 15,945,000	15,485,000
Note payable (Scoreboard), 1994 Series	01/19/94	4,373,000	3,098,400
Subtotal			18,583,400
Plus General Obligation Bonds funded by Stadium Authority			22,810,000
Net Stadium Authority Bonds and Notes Payable			41,393,400

Maturity	Coupon or ceiling			Maximum requirements
information	rate of interest		Interest	Principal
\$1,450,000 in 1997	% 3.85	s	690,962	1,450,000
\$1,505,000 in 1998	4.05	•	070,702	1,450,000
\$1,570,000 in 1999	4.15			
\$1,635,000 in 2000	4.25			
\$1,700,000 in 2001	4.40			
\$1,780,000 in 2002	4.55			
\$1,860,000 in 2003	4.70			
\$1,945,000 in 2004	4.85			
\$2,040,000 in 2005	5.00			
\$ 387,300 annually	Variable based		-	387,300
through 2004	on prime rate			
			690,962	1,837,300
			588,669	2,681,331
			<u>1,279,631</u>	<u>4,518,631</u>
				(Continued)

# Schedule of Bonds and Notes Payable, Continued

Serial bonds  Public Parking Authority of Pittsburgh	Date of <u>issue</u>	Amount <u>sold</u>	Amount outstanding
Parking Systems Revenue Bonds' Series 1992A	08/15/92	\$ 60,960,000	51,940,146
Registered Notes (neighborhood business districts)	Various	Unknown	2,250
Kaufmann's Note	1986	1,600,000	715,658
Union National Bank Secured Note	1992	435,000	15,000
Urban Redevelopment Authority of Pittsburgh Note	1994	128,293	54,027
PNC Bank Secured Note	1996	2,000,000	1,919,793
		000 000	900,000
PNC Bank Secured Note	1997	800,000	800,000
Total Public Parking Authority Bonds and			

Notes Payable

55,446,874

	Coupon	1998 Maximum	
Maturity	or ceiling		requirements
<u>information</u>	rate of interest	<u>Interest</u>	Principal
\$ 2,165,000 in 1998	% 4.80	\$ 2,963,612	2,165,000
\$ 2,270,000 in 1999	5.00		
\$ 2,385,000 in 2000	5.20		
\$ 2,505,000 in 2001	5.38		
\$ 2,640,000 in 2002	5.40		
\$ 2,785,000 in 2003	5.50		
\$ 2,940,000 in 2004	5.75		
\$ 3,105,000 in 2005	5.75		
\$ 3,285,000 in 2006	.5.75		
\$ 3,475,000 in 2007	5.88		
\$ 3,680,000 in 2008	5.88		
\$ 3,895,000 in 2009	5.88		
\$ 4,125,000 in 2010	5.88		
\$ 4,365,000 in 2011	5.88		
\$ 4,625,000 in 2012	5.88		
\$ 4,895,000 in 2013	5.88		
\$ (1,199,854) unamortized bond discount			
\$ 2.250 after 2000	No interest	-	-
\$ 80,000 annually through 2005	No interest	-	80,000
\$ 75,658 in 2006			
\$ 15,000 in 1998	65% of prime rate	159	15,000
\$ 19,380 annually through 1999	No interest	-	19,380
\$ 15,267 in 2000			
\$ 141,837 in 1998	6.00	138,543	141,837
\$ 178,554 in 1999	6.00		
\$ 189,587 in 2000	6.00		
\$ 184,030 in 2001	6.00		
\$ 1,225,785 in 2002	6.00		
\$ 33,255 in 1998	5.75	45,604	33,255
\$ 69,443 in 1999	5.75		
\$ 73,542 in 2000	5.75		
\$ 77.882 in 2001	5.75		
\$ 545,878 in 2002	5.75	<del></del>	
		3,147,918	2,454,472
			(Continued

Serial bonds	Date of <u>issue</u>	Amount <u>sold</u>	Amount outstanding
Pittsburgh Water and Sewer Authority Bonds			
Revenue Refunding Bonds, 1993 Series A	10/15/93	\$ 278,970,000	253,310,000
Revenue Bonds, 1993 Series B	10/15/93	10,785,000	10,785,000
Carried forward			264,095,000

	Coupon	1998 M	aximum
Maturity	or ceiling	debt service :	requirements
information	rate of interest	Interest	Principal
\$ 8,550,000 in 1998	\$ 3.90	\$ 12,822,778	8,550,000
\$ 8,885,000 in 1999	4.00		
\$ 9,245,000 in 2000	4.25		
\$ 9,635,000 in 2001	4.40		
\$10,065,000 in 2002	4.50		
\$10,505,106 in 2003	4.60		
\$11,000,000 in 2004	4.70		
\$11,515,000 in 2005	4.75		
\$12,060,000 in 2006	4.80		
\$12,640,000 in 2007	4.90		
\$13,260,000 in 2008	5.00		
\$13,920,000 in 2009	5.00		
\$14,620,000 in 2010	5.00		
\$15,350,000 in 2011	6.50		
\$16,345,000 in 2012	6.50		
\$17,410,000 in 2013	6.50		
\$18,540,000 in 2014	4.75		
\$19,425,000 in 2015	4.75		
\$20,340,000 in 2016	4.75		
\$ 1,325,000 in 2017	5.00	471,844	-
\$ 1,390,000 in 2018	5.00		
\$ 1,460,000 in 2019	5.00		
\$ 1,535,000 in 2020	5.00		
\$ 1,610,000 in 2021	5.00		
\$ 1,690,000 in 2022	5.00		
\$ 1,775,000 in 2023	5.00		
		13,294,622	8,550,000
			(Continued)

# Schedule of Bonds and Notes Payable, Continued

Serial bonds	Date of <u>issue</u>	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 264,095,000
First Lien Revenue Bonds, 1995 Series A	07/15/95	\$ 89,850,000	89,850,000

Carried forward 353,945,000

	Coupon		aximum
Maturity	or ceiling	debt service	
information	rate of interest	Interest	<u>Principal</u>
		\$ 13,294,622	8,550,000
\$1,555,000 in 1998	% 4.00	4,794,205	1,555,000
\$1,615,000 in 1999	4.13		
\$1,685,000 in 2000	4.25		
\$1,755,000 in 2001	4.38		
\$1,830,000 in 2002	4.40		
\$1,915,000 in 2003	4.50		
\$2,000,000 in 2004	4.63		
\$2,090,000 in 2005	4.80		
\$2,190,000 in 2006	5.00		
\$2,300,000 in 2007	5.00		
\$2,415,000 in 2008	5.20		
\$2,540,000 in 2009	5.30		
\$2,675,000 in 2010	5.30		
\$2,820,000 in 2011	5.40		
\$2,970,000 in 2012	5.40		
\$3,130,000 in 2013	5.50		
\$3,305,000 in 2014	5.50		
\$3,485,000 in 2015	5.50		
\$3,675,000 in 2016	5.74		
\$3,885,000 in 2017	5.74		
\$4,100,000 in 2018	5.74		
\$4,330,000 in 2019	5.75		
\$4,570,000 in 2020	5.75		
\$4,830,000 in 2021	5.75		
\$5,100,000 in 2022	5.75		
\$5,385,000 in 2023	5.79		
\$5,690,000 in 2024	5.79		
\$6,010,000 in 2025	5.79		
		18,088,827	10,105,000

Serial bonds	Date of issue	Amount <u>sold</u>	Amount outstanding
Brought forward			\$ 353,945,000
Subordinate Revenue Bonds, 1995 Series B	07/15/95	\$ 103,020,000	98,410,000

Gross Pittsburgh Water and Sewer Authority Revenue Bonds	452,355,000
Plus net bond discount	(1,781,000)
Less deferred Series 1991 refunding loss	25,606,000
Net Pittsburgh Water and Sewer	
Authority Revenue Bonds	424,968,000
Total Bonds and Notes Payable	<b>\$</b> 1.249.133.521

	Coupon	199 <b>8</b> M	aximum
Maturity	or ceiling	debt service	requirements
information	rate of interest	Interest	Principal
		\$ 18,088,827	10,105,000
\$ 2,505,000 in 1998	<b>%</b> 4.00	5,207,915	2,505,000
\$ 2,490,000 in 1999	4.10		
\$ 2,590,000 in 2000	4.25		
\$ 3,130,000 in 2001	4.38		
\$ 3,490,000 in 2002	4.50		
\$ 3,650,000 in 2003	4.60		
\$ 3,830,000 in 2004	4.70		
\$ 4,025,000 in 2005	4.80		
\$ 4,225,000 in 2006	5.00		
\$ 3,980,000 in 2007	5.10		
\$ 2,800,000 in 2008	5.20		
\$ 1,965,000 in 2009	5.30		
\$ 2,070,000 in 2010	5.40		
\$ 2,180,000 in 2011	5.50		
\$ 2,300,000 in 2012	5.50		
\$ 2,425,000 in 2013	5.60		
\$ 2,565,000 in 2014	5.60		
\$ 2,705,000 in 2015	5.60		
\$ 2,860,000 in 2016	5.81		
\$ 3,020,000 in 2017	5.81		
\$ 3,195,000 in 2018	5.81		
\$ 3,375,000 in 2019	5.81		
\$ 3,570,000 in 2020	5.81		
\$ 3,770,000 in 2021	5.87		
\$ 3,990,000 in 2022	5.87		
\$ 4,215,000 in 2023	5.87		
\$ 4,460,000 in 2024	5.87		
\$13,030,000 in 2025	5.87		
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		23,296,742	12,610,000
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