

CITY OF PITTSBURGH, PENNSYLVANIA

Comprehensive Annual Financial Report

Year Ended December 31, 1996

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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, 1996, 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 71 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 purposes financial statements referred to above present fairly, in all material respects, the financial position of the City of Pittsburgh, Pennsylvania, at December 31, 1996, and the results of its operations and the cash flows of its discretely presented 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.

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 and, therefore, express no opinion thereon.

Pittsburgh, Pennsylvania
July 30, 1997

FINANCIAL SECTION

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, 1996, 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 71 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 purposes financial statements referred to above present fairly, in all material respects, the financial position of the City of Pittsburgh, Pennsylvania, at December 31, 1996, 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
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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.

Pittsburgh, Pennsylvania
April __, 1997

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

CITY OF PITTSBURGH,
PENNSYLVANIA

CITY OF PITTSBURGH, PENNSYLVANIA

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

December 31, 1996

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Assets and other debits:				
Assets:				
Cash and investments (note 3)	\$ 54,331,612	15,952,339	22,893,211	41,297,156
Receivables:				
Real estate tax (net of uncollectible accounts of \$7,753,269)	10,372,588	-	-	-
Other taxes receivable	9,777,891	-	-	-
Other (net of allowance for uncollectible accounts of \$1,465,000)	2,964,786	2,584,084	-	24,851
Accounts receivable (net of uncollectible accounts of \$7,250,000)	-	-	-	-
Receivable from PWSA (note 4)	19,367,000	-	-	-
Contributions receivable	-	-	-	-
Accrued interest	235,636	11,908	939,427	-
Prepaid expenditures	1,334,210	-	-	-
Due from other funds (note 13)	5,388,046	291,233	-	6,661,764
Due from primary government	-	-	-	-
Due from other governments (note 12)	3,804,267	5,978,287	-	1,706,837
Grant receivable - Allegheny Regional Asset District	-	-	-	-
Inventories, at cost	-	-	-	-
Trusteed and restricted funds (note 5)	-	-	-	-
Property, plant and equipment (Component Units net of \$90,001,554 accumulated depreciation) (note 7)	-	-	-	-
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	-	-	-	-
Total assets	\$ <u>107,576,036</u>	<u>24,817,851</u>	<u>23,832,638</u>	<u>49,690,608</u>

Fuduciary Fund Type Trust and Agency	Account Group		Primary Government (Memorandum Only)	Discretely Presented Component	Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long-term Debt	Total	Units	Total
200,265,253	-	-	334,739,571	17,724,857	352,464,428
-	-	-	10,372,588	-	10,372,588
-	-	-	9,777,891	-	9,777,891
22,673	-	-	5,596,394	184,338	5,780,732
-	-	-	-	25,207,253	25,207,253
-	-	-	19,367,000	-	19,367,000
370,680	-	-	370,680	-	370,680
860,032	-	-	2,047,003	212,538	2,259,541
-	-	-	1,334,210	-	1,334,210
174,954	-	-	12,515,997	-	12,515,997
-	-	-	-	151,000	151,000
-	-	-	11,489,391	-	11,489,391
-	-	-	-	7,250,000	7,250,000
-	-	-	-	4,043,000	4,043,000
-	-	-	-	150,742,507	150,742,507
-	170,560,869	-	170,560,869	396,516,354	567,077,223
-	-	-	-	11,402,560	11,402,560
-	-	23,145,292	23,145,292	-	23,145,292
-	-	651,006,703	651,006,703	-	651,006,703
-	-	<u>298,868,473</u>	<u>298,868,473</u>	-	<u>298,868,473</u>
<u>201,693,592</u>	<u>170,560,869</u>	<u>973,020,468</u>	<u>1,551,192,062</u>	<u>613,434,407</u>	<u>2,164,626,469</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Liabilities, equity and other credits:				
Liabilities:				
Accounts payable	\$ 8,549,097	5,609,798	-	3,188,802
Retainage payable	-	56,075	-	935,773
Accrued interest payable	-	-	512,663	-
Accrued liabilities	5,925,187	1,131,968	-	181,355
Deferred compensation payable	-	-	-	-
Accounts payable - primary government	-	-	-	-
Due to other funds (note 13)	52,045	4,913,286	-	1,010,774
Due to Water & Sewer Authority	151,000	-	-	-
Due to other governments	3,542,901	495,523	-	-
Deposits held in trust	-	-	-	-
Grants payable from the primary government	-	-	-	-
Bonds payable, net (note 10)	-	-	-	-
Capital lease obligations (note 10G and 10H)	-	-	-	-
Deferred loan (note 10H)	-	-	-	-
Accrued pension costs (notes 8 and 10H)	-	-	-	-
Accrued workers' compensation	16,647,000	-	-	-
Accrued compensated absences	13,717,000	-	-	-
Accrued claims and judgments	6,000,000	-	-	600,000
Deferred revenue	9,938,786	-	-	-
Deferred revenue - lease (note 4)	<u>19,367,000</u>	-	-	-
Total liabilities	<u>83,890,016</u>	<u>12,206,650</u>	<u>512,663</u>	<u>5,916,704</u>
Equity and other credits:				
Contributed capital (note 15)	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings (accumulated deficit) (note 17)	-	-	-	-
Fund balances (deficit):				
Reserved for:				
Endowments	-	-	-	-
Encumbrances	1,868,215	683,447	-	10,587,655
Employee retirement system	-	-	-	-
Prepaid expenditures	1,334,210	-	-	-
Unreserved:				
Designated for debt service	-	-	23,319,975	-
Designated for subsequent years' expenditures	-	544,522	-	33,186,249
Undesignated (note 17)	<u>20,483,595</u>	<u>11,383,232</u>	-	-
Total fund equity and other credits	<u>23,686,020</u>	<u>12,611,201</u>	<u>23,319,975</u>	<u>43,773,904</u>
Total liabilities, equity and credits	<u>\$ 107,576,036</u>	<u>24,817,851</u>	<u>23,832,638</u>	<u>49,690,608</u>

See accompanying notes to financial statements.

Fudiciary Fund Type Trust and Agency	Account Group		Primary Government (Memorandum Only)	Discretely Presented Component	Reporting Entity (Memorandum Only)
	General Fixed Assets	General Long-term Debt	Total	Units	Total
-	-	-	17,347,697	9,364,932	26,712,629
-	-	-	991,848	-	991,848
-	-	-	512,663	9,808,557	10,321,220
1,745,512	-	-	8,984,022	5,112,000	14,096,022
46,597,219	-	-	46,597,219	-	46,597,219
-	-	-	-	467,729	467,729
6,539,892	-	-	12,515,997	-	12,515,997
-	-	-	151,000	-	151,000
91,556	-	-	4,129,980	-	4,129,980
883,033	-	-	883,033	-	883,033
-	-	-	-	22,775,168	22,775,168
-	-	674,151,995	674,151,995	533,019,555	1,207,171,550
-	-	907,473	907,473	21,017,000	21,924,473
-	-	3,834,000	3,834,000	-	3,834,000
-	-	189,289,000	189,289,000	-	189,289,000
-	-	83,233,000	99,880,000	-	99,880,000
-	-	15,405,000	29,122,000	-	29,122,000
-	-	6,200,000	12,800,000	-	12,800,000
-	-	-	9,938,786	4,088,165	14,026,951
-	-	-	19,367,000	-	19,367,000
55,857,212	-	973,020,468	1,131,403,713	605,653,106	1,737,056,819
-	-	-	-	17,817,500	17,817,500
-	170,560,869	-	170,560,869	-	170,560,869
-	-	-	-	(10,036,199)	(10,036,199)
41,367	-	-	41,367	-	41,367
57,214	-	-	13,196,531	-	13,196,531
144,067,535	-	-	144,067,535	-	144,067,535
-	-	-	1,334,210	-	1,334,210
-	-	-	23,319,975	-	23,319,975
-	-	-	33,730,771	-	33,730,771
1,670,264	-	-	33,537,091	-	33,537,091
145,836,380	170,560,869	-	419,788,349	7,781,301	427,569,650
201,693,592	170,560,869	973,020,468	1,551,192,062	613,434,407	2,164,626,469

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1996

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Revenues:				
Taxes, including penalty and interest	\$ 269,212,641	-	-	-
Payment in lieu of taxes	3,582,814	-	-	-
Interest and dividends	4,458,800	288,218	4,194,782	-
Fines and forfeits	6,860,993	-	-	-
Licenses and fees	8,322,745	-	-	-
Intergovernmental revenues	6,279,794	47,350,552	-	5,520,645
Charges for user services	-	17,696,556	-	760,702
Miscellaneous	<u>1,012,563</u>	<u>128,885</u>	<u>-</u>	<u>-</u>
Total revenues	299,730,350	65,464,211	4,194,782	6,281,347
Expenditures:				
Current operating:				
General government	22,892,693	8,798,374	-	-
Public safety	117,120,433	17,481,784	-	-
Public works	23,872,089	12,615,226	-	-
Sanitation	12,769,389	-	-	-
Community, recreational and cultural	3,826,927	4,730,049	-	-
Employee benefits	89,521,346	-	-	-
Claims and judgments	4,771,034	-	-	(335,000)
Miscellaneous	1,191,832	-	-	-
Intergovernmental programs	-	23,559,506	-	-
Capital projects	-	814,517	-	45,302,418
Bond issuance cost	558,969	-	1,092,354	-
Debt service:				
Principal retirement and lease payments	1,723,724	-	17,021,331	-
Interest and fiscal charges	128,004	-	24,324,084	-
Authorities debt subsidies	<u>9,020,666</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>287,397,106</u>	<u>67,999,456</u>	<u>42,437,769</u>	<u>44,967,418</u>
Excess (deficiency) of revenues over (under) expenditures	12,333,244	(2,535,245)	(38,242,987)	(38,686,071)

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only) <u>1996</u>
-	269,212,641
-	3,582,814
288,150	9,229,950
-	6,860,993
-	8,322,745
-	59,150,991
792,688	19,249,946
<u>497,278</u>	<u>1,638,726</u>
1,578,116	377,248,806

-	31,691,067
-	134,602,217
-	36,487,315
-	12,769,389
1,490,453	10,047,429
-	89,521,346
-	4,436,034
191,898	1,383,730
-	23,559,506
-	46,116,935
-	1,651,323

-	18,745,055
-	24,452,088
-	<u>9,020,666</u>
<u>1,682,351</u>	<u>444,484,100</u>

(104,235) (67,235,294)

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

	Governmental Fund Types			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Excess (deficiency) of revenues over (under) expenditures brought forward	\$ 12,333,244	(2,535,245)	(38,242,987)	(38,686,071)
Other financing sources (uses):				
Bond proceeds	37,068,964	-	168,589,419	-
Proceeds from fixed asset disposition	-	203,453	-	-
Operating transfers from other funds	839,842	4,421,852	48,484,878	-
Operating transfers from discretely presented component units	-	-	3,270,000	-
Operating transfers to other funds	(54,387,478)	(940,693)	-	-
Capital lease proceeds - PWSA	40,000,000	-	-	-
Payment to escrow agent for refunded debt	-	-	(167,489,733)	-
Total other financing sources (uses)	<u>23,521,328</u>	<u>3,684,612</u>	<u>52,854,564</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	35,854,572	1,149,367	14,611,577	(38,686,071)
Fund balance at beginning of year	(12,168,552)	11,461,834	8,708,398	82,459,975
Fund balance at end of year	\$ <u>23,686,020</u>	<u>12,611,201</u>	<u>23,319,975</u>	<u>43,773,904</u>

See accompanying notes to financial statements.

Fiduciary Fund Type Expendable Trust	Totals (Memorandum Only) 1996
(104,235)	(67,235,294)
-	205,658,383
-	203,453
1,621,799	55,368,371
-	3,270,000
(40,200)	(55,368,371)
-	40,000,000
-	(167,489,733)
<u>1,581,599</u>	<u>81,642,103</u>
1,477,364	14,406,809
<u>890,621</u>	<u>91,352,276</u>
<u>2,367,985</u>	<u>105,759,085</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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 Fiscal Year Ended December 31, 1996
(Amounts expressed in thousands)

	General Fund		
	Budget as Amended	Actual	Variance Favorable (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 and Sewer Authority	17,249	14,280	(2,969)
Intergovernmental	9,072	7,326	(1,746)
Miscellaneous	719	1,345	626
Trust reimbursements	-	-	-
Total revenues	<u>313,520</u>	<u>311,781</u>	<u>(1,739)</u>
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
Intergovernmental programs	-	-	-
Capital projects	-	-	-
Bond issuance cost	-	-	-
Debt service:			
Principal retirement	18,126	18,126	-
Interest	26,167	24,721	1,446
Stadium Authority subsidy	-	-	-
Urban Redevelopment Authority subsidy	1,211	1,211	-
Public Auditorium Authority subsidy	1,609	1,528	81
Total expenditures	<u>337,805</u>	<u>315,629</u>	<u>22,176</u>
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 contributions and expenses	-	<u>(37,069)</u>	<u>(37,069)</u>
Net other financing sources	-	32,989	32,989

Special Revenue Community Development			Capital Projects		
Budget as Amended	Actual	Variance Favorable (Unfavorable)	Budget as Amended	Actual	Variance Favorable (Unfavorable)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
56,021	24,491	(31,530)	1,325	1,564	239
-	-	-	-	-	-
<u>56,021</u>	<u>24,491</u>	<u>(31,530)</u>	<u>1,325</u>	<u>1,564</u>	<u>239</u>
16,958	6,543	10,415	-	-	-
352	86	266	-	-	-
11,827	2,476	9,351	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,884	14,182	12,702	-	-	-
-	-	-	173,292	39,373	133,919
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>56,021</u>	<u>23,287</u>	<u>32,734</u>	<u>173,292</u>	<u>39,373</u>	<u>133,919</u>
-	1,204	1,204	(171,967)	(37,809)	134,158

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 (Unfavorable)
Excess (deficiency) revenues and other financing sources (under) expenditures and other uses	\$ (24,285)	29,141	53,426
Fund balances - budgetary basis, beginning of year	<u>24,285</u>	<u>11,438</u>	<u>(12,847)</u>
Fund balance - budgetary basis, end of year	\$ <u> -</u>	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		9,125	
Net effect of GAAP basis recognition of expenditures		(2,585)	
Net effect of GAAP basis recognition of other financing sources (uses)		<u> 174</u>	
Fund balances - GAAP basis, end of year		\$ <u>23,686</u>	

See accompanying notes to financial statements.

Special Revenue Community Development			Capital Projects		
<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
-	1,204	1,204	(171,967)	(37,809)	134,158
<u>-</u>	<u>188</u>	<u>188</u>	<u>171,967</u>	<u>80,881</u>	<u>(91,086)</u>
<u><u>-</u></u>	<u>1,392</u>	<u>1,392</u>	<u><u>-</u></u>	<u>43,072</u>	<u>43,072</u>
	(103)			1,579	
	1,538			4,718	
	(3,626)			(5,595)	
	<u>884</u>			<u>-</u>	
	<u>85</u>			<u>43,774</u>	

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1996

	<u>Fiduciary Fund Type Pension Trust</u>	<u>Discretely Presented Component Units</u>	<u>Total (Memorandum Only) Reporting Entity</u>
Operating revenues:			
Water and waste charges	\$ -	59,257,000	59,257,000
Contributions	85,644,176	-	85,644,176
Investment income	17,300,680	-	17,300,680
Miscellaneous	19,629	1,703,038	1,722,667
Rentals	-	4,303,631	4,303,631
Concessions	-	1,077,272	1,077,272
Medallions	-	1,772,211	1,772,211
Stadium bond service charge	-	-	-
Parking receipts	-	19,122,887	19,122,887
Debt service rental	-	<u>98,562</u>	<u>98,562</u>
Total operating revenues	<u>102,964,485</u>	<u>87,334,601</u>	<u>190,299,086</u>
Operating expenses:			
Benefit payments and dues	59,198,278	-	59,198,278
Salaries and wages	-	4,117,966	4,117,966
Utilities	-	809,482	809,482
Interest expense	-	3,337,134	3,337,134
Depreciation and amortization	-	13,221,991	13,221,991
Cooperation agreement operating expenses	-	9,462,000	9,462,000
Payments to non-City water agencies	-	2,034,000	2,034,000
Repairs and maintenance	-	1,986,770	1,986,770
Insurance	-	624,322	624,322
Administrative and other operating	940,936	7,598,254	8,539,190
Parking tax expense	-	3,395,748	3,395,748
Miscellaneous	717,058	3,500,000	4,217,058
Direct operating expenses	-	<u>15,641,000</u>	<u>15,641,000</u>
Total operating expenses	<u>60,856,272</u>	<u>65,728,667</u>	<u>126,584,939</u>
Operating income (carried forward)	42,108,213	21,605,934	63,714,147

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

	Fiduciary <u>Fund Type</u> Pension <u>Trust</u>	Discretely Presented Component <u>Units</u>	Total (Memorandum <u>Only</u>) Reporting <u>Entity</u>
Operating income (brought forward)	\$ 42,108,213	21,605,934	63,714,147
Non-operating revenue (expense):			
Interest income	-	4,396,262	4,396,262
Interest expense	-	(23,499,949)	(23,499,949)
Amortization	-	(334,000)	(334,000)
Meter and wharf receipts	-	581,836	581,836
Other income	-	17,711	17,711
Meter and wharf expenses	-	(504,512)	(504,512)
Payment in lieu of taxes	-	(1,357,319)	(1,357,319)
Other expense	-	(225,423)	(225,423)
Allegheny Regional Asset District Grant	-	<u>12,500,000</u>	<u>12,500,000</u>
Total non-operating revenues (expenses)	<u>-</u>	<u>(8,425,394)</u>	<u>(8,425,394)</u>
Net income	42,108,213	13,180,540	55,288,753
Retained earnings (accumulated deficit), fund balances beginning of year	<u>101,360,182</u>	<u>(23,216,739)</u>	<u>78,143,443</u>
Retained earnings (accumulated deficit), fund balances at end of year	\$ <u>143,468,395</u>	<u>(10,036,199)</u>	<u>133,432,196</u>

See accompanying notes to financial statements.

CITY OF PITTSBURGH, PENNSYLVANIA

Combined Statement of Cash Flows - Discretely Presented Component Units

For the Year Ended December 31, 1996

	Component Units (Proprietary Fund Type)
Cash flows from operating activities:	
Operating income	\$ 21,605,934
Reconciliation of operating income to net cash provided by operating activities:	
Depreciation and amortization	13,237,798
Gain on sale of assets	(2,205)
Loss on disposal of Stadium turf	214,631
1995 Baseball lease credit adjustments	3,500,000
Interest	<u>3,337,134</u>
	41,893,292
Changes in operating assets and liabilities:	
Accounts receivable	(6,489,540)
Prepaid expenses	72,370
Other current assets	(74,585)
Accounts payable and accrued expenses	2,785,343
Deferred revenue	26,954
Due to primary government	(382,805)
Change in accrued payroll and withholdings	<u>(131,000)</u>
Net cash provided by operating activities	37,700,029
Cash flows from investing activities:	
Interest earnings	8,466,040
Purchase of investment securities	(173,920,480)
Proceeds from sale and maturities of investments	209,511,359
Advance to Pittsburgh Associates	(3,500,000)
Change in restricted cash and investments	9,161,490
Additions to property, plant and equipment	<u>(11,784)</u>
Net cash provided by investing activities	49,706,625

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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	\$ (3,280,134)
Interest payment related to non-capital funds	(2,288,093)
Payment in lieu of taxes	(1,357,319)
Meter and wharf receipts, net	77,324
Other, net	(220,952)
Grants from the Allegheny Regional Asset District	<u>10,250,000</u>
Net cash provided by non-capital financing activities	3,180,826
Cash flows from capital and related financing activities:	
Payments received on notes receivable	102,588
Principal payments related to capital funds	(9,396,550)
Interest payments related to capital funds	(31,022,164)
Additions to Stadium complex	(2,515,066)
Acquisition and construction of capital assets	(17,777,901)
Proceeds from sale of assets	67,283
Principal paid on capital lease obligation	(38,350,000)
Proceeds from issuance of revenue bonds related to capital funds	<u>2,000,000</u>
Net cash used by capital and related financing activities	<u>(96,891,810)</u>
Net decrease in cash	(6,304,330)
Cash and cash equivalents at beginning of year	<u>40,222,694</u>
Cash and cash equivalents at end of year	\$ <u><u>33,918,364</u></u>
Supplemental information:	
Cash and cash equivalents	17,724,857
Trusted and restricted funds	153,265,506
Long-term restricted investments	(133,144,999)
Restricted funds which are not cash or investments	<u>(3,927,000)</u>
Total cash and cash equivalents, end of year	\$ <u><u>33,918,364</u></u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements

For the Fiscal Year Ended December 31, 1996

(1) Organization and Summary of Significant Accounting Policies

Description of City

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 of Pittsburgh, Pennsylvania (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. Impose its Will - If the City can significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.
 - b. Financial Benefit or Burden - 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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. The ELA has outstanding \$2,670,000 of Equipment Revenue Bonds and has entered into lease agreements with the City pursuant to which the City has agreed to make annual rental payments to the ELA of varying amounts to cover debt service on the bonds.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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. The 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

Special Revenue

Pittsburgh Sports and Festival Federation

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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)

CITY OF PITTSBURGH, PENNSYLVANIA

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 solely from the County of Allegheny. The Federation operates on a March 31 year end.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

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

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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

	<u>PWSA</u> December 31, <u>1996</u>	<u>Stadium</u> <u>Authority</u> March 31, <u>1996</u>	<u>Public</u> <u>Parking</u> <u>Authority</u> September 30, <u>1996</u>	<u>PSFF</u> March 31, <u>1996</u>
<u>Condensed Balance Sheets</u>				
Current assets:				
Cash and investments	\$ 11,620	3,402	2,493	210
Other	25,733	9,797	1,517	-
Trusteed and restricted assets	136,876	380	16,089	-
Non-current assets	5,150	-	3,650	-
Net fixed assets	<u>294,671</u>	<u>33,637</u>	<u>68,192</u>	<u>17</u>
Total assets	\$ <u>474,050</u>	<u>47,216</u>	<u>91,941</u>	<u>227</u>
Current liabilities:				
Current portion of long-term debt	\$ -	1,745	2,313	-
Current maturities of long-term debt - City of Pittsburgh	-	1,190	-	-
Accounts payable - City of Pittsburgh	-	-	468	-
Other	4,727	3,210	3,235	10
Deferred revenue	-	2,089	-	-
Non-current liabilities:				
Long-term payable to City of Pittsburgh	-	22,810	-	-
Grants from the City of Pittsburgh	-	22,775	-	-
Capital lease obligation and other liabilities	36,119	-	-	-
Long-term debt	431,994	18,374	54,593	-

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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

	<u>PWSA</u> December 31, <u>1996</u>	<u>Stadium Authority</u> March 31, <u>1996</u>	<u>Public Parking Authority</u> September 30, <u>1996</u>	<u>PSFF</u> March 31, <u>1996</u>
<u>Condensed Balance Sheets, continued</u>				
Fund equity:				
Contributed capital	\$ 5,277	-	-	-
Restricted for construction purposes	-	12,541	-	-
Retained earnings (deficit)	<u>(4,067)</u>	<u>(37,518)</u>	<u>31,332</u>	<u>217</u>
Total liabilities and equity	<u>\$ 474,050</u>	<u>47,216</u>	<u>91,941</u>	<u>227</u>

Condensed Statements of Revenues, Expenses and Changes in Retained Earnings
(Amounts expressed in thousands)

	<u>PWSA</u> December 31, <u>1996</u>	<u>Stadium Authority</u> March 31, <u>1996</u>	<u>Public Parking Authority</u> September 30, <u>1996</u>	<u>PSFF</u> March 31, <u>1996</u>
Operating revenues	\$ 59,497	7,577	19,540	721
Operating expenses:				
Depreciation and amortization	7,598	2,525	3,099	16
Other	<u>27,137</u>	<u>12,545</u>	<u>12,231</u>	<u>577</u>
Operating income (loss)	24,762	(7,493)	4,210	128
Non-operating revenues (expenses):				
Interest expense	(20,407)	-	(3,093)	-
Other	<u>3,126</u>	<u>12,500</u>	<u>(552)</u>	<u>-</u>
Net income	<u>7,481</u>	<u>5,007</u>	<u>565</u>	<u>128</u>
Retained earnings (deficit), beginning of year	<u>(11,548)</u>	<u>(42,525)</u>	<u>30,767</u>	<u>89</u>
Retained earnings (deficit), end of year	<u>\$ (4,067)</u>	<u>(37,518)</u>	<u>31,332</u>	<u>217</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, the City's portion of outstanding Auditorium Authority debt service was \$14,982,500 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, 1996, the Auditorium Authority's enterprise fund (operations of David L. Lawrence Convention Center) had a retained earnings of \$664,517 with net income of \$273,200.

Under a subleased 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Related Organizations

Urban Redevelopment Authority of Pittsburgh (URA)

The URA administers federal, state and local grants designed to provide a broad range of urban renewal and maintenance programs within the City of Pittsburgh. The URA is administered by a five-member board, all of whom are appointed by the Mayor. The City does not subsidize the operations of the URA and does not guarantee its debt service.

During 1996, the URA, as a sub-grantee, administered \$14,181,814 of costs related to various HUD programs passed through the City. Additionally, the City made capital grants to the URA totaling \$11,950,000 during 1996 for various economic and redevelopment projects. The URA administers numerous other programs with significant funding from sources other than the City.

The URA operates on a fiscal year ending December 31.

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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.

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."

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

The fund accounting structure for the City is as follows:

Governmental Fund Types

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

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

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

Capital Projects Funds - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types

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

Account 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(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.

(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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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.

(F) Budgetary Data

1. General Budget Policies - As required by the Home Rule Charter, the City follows these procedures in establishing the budgetary data reflected in the financial statements:
 - a. On the second Monday of November preceding the fiscal year, the Mayor presents to City Council an operating budget and a capital budget for the succeeding fiscal year.
 - b. Public hearings are conducted to obtain the advice of other officials and citizens as part of the preparation of both budgets.
 - c. Before the beginning of the fiscal year, City Council adopts, by resolution, both budgets.
 - d. The adoption of the operating and capital budgets constitutes an appropriation or setting apart of funds from general resources of the City for purposes set forth in the budgets.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

- 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.
- 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 funds are prepared on a project basis. The general fund, special revenue - community development fund and capital project funds 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

- 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 1996, 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.
3. Budget Basis of Accounting - 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, as amended, figures for community development and capital projects funds 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(I) Other Assets

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

(J) Lease Receivable

The revenue from the Pittsburgh Water and Sewer Authority capital lease receivable related to the sale of the water and sewer system is recorded as payments are received rather than when measurable and available due to the non-recurring nature of the transaction.

(K) Prepaid Expenditures

Prepaid expenditures in the general fund consist of premium deposits with insurance companies which are available to reduce future employee benefit expenses.

(L) 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.

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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 and Parking Authority facilities 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.

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

(M) 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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.

(N) 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).

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.

(O) Deferred Compensation Plan

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

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 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.

(P) 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 1996 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, there have been no claims paid from this fund.

(Q) Reclassification of Prior Year Statements

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

(R) Adoption of New Pronouncement

For the year ended December 31, 1996, the City implemented Government Accounting Standards Board Statement (GASB) No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance." This statement requires that governments recognize pass-through grants as revenues and expenditures of a governmental fund. In accordance with GASB No. 24, these pass-through grants increased both the revenues and expenditures of the Community Development - Special Revenue Fund by approximately \$2,656,000.

(S) 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)

CITY OF PITTSBURGH, PENNSYLVANIA

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:

	<u>General Fund</u>
Excess of revenues and other sources over expenditures and other uses - GAAP basis	\$ 35,854,573
Revenues:	
Increase in revenues susceptible to accrual recorded when received in cash on the budgetary basis	(9,125,183)
Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis	13,526,882
Capital lease proceeds budgeted as revenue	7,010,692
Operating transfers budgeted as revenues	<u>638,267</u>
Total	12,050,658
Expenditures:	
Decrease in expenditures recognized on a GAAP basis recorded when paid in cash on the budgetary basis	2,584,994
Reimbursements budgeted as revenues and recognized as a reduction of expenditures on a GAAP basis	(13,526,882)
Pension benefit contribution recorded as expenditures	35,654,165
Operating transfers budgeted as expenditures	<u>(52,944,342)</u>
Total	(28,232,065)
Other financing (sources) uses:	
Operating transfers budgeted as revenues and expenditures	52,306,075
Capital lease proceeds budgeted as revenues	(7,010,692)
Pension benefit contribution recorded as expenditures	(35,654,165)
Decrease in other financing sources susceptible to accrual but recorded when received in cash on the budgetary basis	<u>(173,238)</u>
Total	<u>9,467,980</u>
Excess of revenues and other sources over expenditures and other uses - budgetary basis	\$ <u>29,141,146</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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:

	<u>Special Revenue</u>
Excess of revenues and other sources over expenditures and other uses - GAAP basis - all Special Revenue Funds	\$ 1,149,367
Adjustment for non-budgeted Special Revenue Funds	(1,149,367)
Revenues:	
Increase of revenues susceptible to accrual recorded when received in cash on the budgetary basis	(627,262)
Revenues for non-budgeted Community Development Funds	<u>(3,567,455)</u>
Total	<u>(4,194,717)</u>
Expenditures:	
Decrease in expenditures recognized on a GAAP basis recorded when paid in cash on the budgetary basis	1,830,999
Expenditures for non-budgeted Community Development Funds	911,223
Non-budgeted expenditures for Community Development Funds with budgets	<u>3,540,283</u>
Total	<u>6,282,505</u>
Other financing (sources) uses:	
Decrease in operating transfers susceptible to accrual but not budgeted	<u>(884,051)</u>
Total	<u>(884,051)</u>
Excess of revenues and other sources over expenditures and other uses - budgetary basis	\$ <u>1,203,737</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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:

	<u>Capital Projects</u>
Excess of expenditures and other uses over revenues and other sources - GAAP basis	\$ (38,686,071)
Revenues:	
Revenue and reimbursements to trust funds	(5,441,357)
Increase in revenues susceptible to accrual recorded when received in cash on the budgetary basis	<u>723,760</u>
Total	(4,717,597)
Expenditures:	
Trust fund expenditures	6,416,502
Decrease in expenditures recognized on a GAAP basis but recorded when paid in cash on the budgetary basis	<u>(821,616)</u>
Total	<u>5,594,886</u>
Excess of revenues and other sources over expenditures and other uses - budgetary basis	\$ <u>(37,808,782)</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, except the Stadium Authority and the Pittsburgh Sports and Festival Federation, Inc., which are as of March 31, 1996, and the Public Parking Authority, which is as of September 30, 1996, is as follows:

	<u>Cash</u>	<u>Investments</u>	<u>Total</u>
<u>Current Unrestricted</u>			
<u>Primary Government - Unrestricted</u>			
City Treasurer (most governmental, expendable trust and agency funds)	\$ 14,279,712	128,996,786	143,276,498
Equipment Leasing Authority (special revenue and debt service funds)	316,670	2,001,294	2,317,964
Pension Trust Funds	13,264,863	129,283,027	142,547,890
Deferred Compensation Plan	<u>16,478</u>	<u>46,580,741</u>	<u>46,597,219</u>
Total Primary Government - Unrestricted	27,877,723	306,861,848	334,739,571
<u>Component Units - Unrestricted</u>			
PWSA	11,620,000	-	11,620,000
Stadium Authority	246,715	3,155,115	3,401,830
Public Parking Authority	605,449	1,887,195	2,492,644
PSFF	<u>210,383</u>	<u>-</u>	<u>210,383</u>
Total Component Units - Unrestricted	<u>12,682,547</u>	<u>5,042,310</u>	<u>17,724,857</u>
Total Unrestricted	40,560,270	311,904,158	352,464,428
<u>Current Restricted</u>			
<u>Component Units - Restricted</u>			
PWSA	653,000	132,356,000	133,009,000
Stadium Authority	240,755	-	240,755
Public Parking Authority	-	16,088,751	16,088,751
PSFF	<u>-</u>	<u>-</u>	<u>-</u>
Total Component Units - Restricted	<u>893,755</u>	<u>148,444,751</u>	<u>149,338,506</u>
Total Unrestricted and Restricted	\$ <u>41,454,025</u>	<u>460,348,909</u>	<u>501,802,934</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, 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, 1996, the Equipment Leasing Authority invested its funds in one or more of the above authorized investments.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

The cost of all investments at December 31, 1996, 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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:

American Express Credit Corporation	
Commercial Paper, 5.8%, due 01/06/97	\$ 35,095,197
Hirtle Callaghan Trust International Equity	
Portfolio Fund #263	8,445,537

(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, 1996, the Authority invested its funds in such authorized investments.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, 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.

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 - \$3,298,591, category 2 - \$13,069,780 and category 3 - \$14,645,604; component unit unrestricted category 1 - \$860,847 and category 3 - \$12,337,953; component unit restricted category 1 - \$227,500 and category 3 - \$676,965.

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

	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Category</u>
<u>Primary Government - Unrestricted</u>			
(A) City Treasurer (most governmental, expendable trust and agency funds):			
Repurchase agreements	\$ 19,300,000	19,300,000	3
Money market mutual funds	68,062,646	68,062,646	N/A
Guaranteed investment contract	27,735,492	27,735,492	N/A
U.S. government and agency obligations	<u>13,898,648</u>	<u>13,846,730</u>	
Total	128,996,786	128,944,868	
(B) Equipment Leasing Authority:			
Repurchase agreements	4,988	4,988	3
Money market mutual funds	<u>1,996,306</u>	<u>1,996,306</u>	N/A
Total	2,001,294	2,001,294	

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Category</u>
<u>Primary Government - Unrestricted</u>			
(C) Pension Trust:			
Preferred and common stocks	\$ 41,176,695	53,921,248	2
U.S. government & agency obligations	22,645,600	22,965,100	2
Corporate and other obligations	<u>65,460,732</u>	<u>65,906,247</u>	2
	129,283,027	142,792,595	
(D) Deferred Compensation:			
Money market trust funds	<u>46,580,741</u>	<u>46,580,741</u>	N/A
Total Primary Government - Unrestricted	306,861,848	320,319,498	
<u>Component Units - Unrestricted</u>			
(E) Stadium Authority:			
Money market pooled investments	3,155,115	3,155,115	N/A
(F) Pittsburgh Parking Authority:			
Local government securities	52,227	52,227	1
Money market mutual funds	<u>1,834,968</u>	<u>1,834,968</u>	N/A
Total	<u>1,887,195</u>	<u>1,887,195</u>	
Total Component Units - Unrestricted	<u>5,042,310</u>	<u>5,042,310</u>	
Total Unrestricted	311,904,158	325,361,808	
<u>Component Units - Restricted</u>			
(G) PWSA:			
Repurchase agreements	1,736,000	1,736,000	3
U.S. government and agency obligations	8,990,000	8,978,000	3
Guaranteed investment contracts	103,973,000	103,973,000	N/A
Local government securities	<u>17,657,000</u>	<u>17,657,000</u>	3
Total	132,356,000	132,344,000	

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

<u>Component Units - Restricted</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Category</u>
(H) Pittsburgh Parking Authority:			
Commercial paper	\$ 2,006,681	2,019,000	2
Corporate obligations	7,421,000	7,421,000	3
Money market mutual funds	2,824,864	2,824,864	N/A
U.S. government and agency obligations	<u>3,836,206</u>	<u>3,793,373</u>	3
Total	<u>16,088,751</u>	<u>16,058,237</u>	
 Total Component Units - Restricted	 <u>148,444,751</u>	 <u>148,402,237</u>	
 Grand Total	 \$ <u>460,348,909</u>	 <u>473,764,045</u>	

(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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

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 are to be satisfied during the initial three years of the Capital Lease. The Authority has the option to purchase the System in 2025 for \$1.

The City will record payments received as another financing source in the accompanying statement of revenues, expenditures and changes in fund balances of the General Fund in the applicable year as follows:

Initial payment	\$ 39,898,035
1996 payment	40,000,000
1997 payment	<u>21,017,000</u>
Total net lease payment from the Authority	\$ <u>100,915,035</u>

The future minimum capital lease payment due from the Authority under the Capital Lease Agreement for 1997 is:

Future minimum lease receivable	\$ 21,017,000
Less amount representing interest	<u>(1,650,000)</u>
Present value of net minimum lease receivable	\$ <u>19,367,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

The accompanying balance sheet of the general fund as of December 31, 1996, includes a lease receivable as a due from the Authority and deferred lease payments of \$19,367,000.

As of December 31, 1996, 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(5) Trusted and Restricted Funds

The following is a summary of trustee and restricted funds:

<u>Component Units</u>	<u>Cash and investments</u>	<u>Other</u>	<u>Total</u>
Pittsburgh Water and Sewer Authority (PWSA):			
Construction	\$ 7,376,000	113,000	7,489,000
Debt service	29,764,000	518,000	30,282,000
Operating reserve	5,345,000	23,000	5,368,000
Self-insured escrow	653,000	-	653,000
Capital projects fund	72,039,000	13,000	72,052,000
Acquisition fund	<u>18,142,000</u>	<u>2,890,000</u>	<u>21,032,000</u>
Subtotal	133,319,000	3,557,000	136,876,000
Stadium Authority:			
Parking maintenance	<u>240,755</u>	<u>60,000</u>	<u>300,755</u>
Subtotal	240,755	60,000	300,755
Parking Authority:			
Operating reserve	2,190,000	-	2,190,000
Debt service	2,806,243	-	2,806,243
Debt service reserve	3,006,087	-	3,006,087
Debt service project fund	1,914,732	-	1,914,732
Capital improvement fund	1,892,434	-	1,892,434
Construction	146,119	-	146,119
Renewal and replacement	2,268,000	-	2,268,000
Revenue	642,252	-	642,252
City meter	178,850	-	178,850
City wharf	308,997	-	308,997
Excess coverage	<u>735,037</u>	<u>-</u>	<u>735,037</u>
Subtotal	<u>16,088,751</u>	<u>-</u>	<u>16,088,751</u>
Subtotal	149,648,506	3,617,000	153,265,506
Less PWSA accrued interest payable	7,886,000	-	7,886,000
Parking Authority investments, non-current, restricted	<u>2,522,999</u>	<u>-</u>	<u>2,522,999</u>
Total component units trustee and restricted funds	\$ <u>139,239,507</u>	<u>3,617,000</u>	<u>142,856,507</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Tax Lien Sale

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 estimate 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. The proceeds for the sale of the second group (approximately \$14,000,000) was placed in an Escrow Fund held by a third party (the Urban Redevelopment Authority of Pittsburgh). The City's share of the payment for the first group of liens sold (approximately \$8 million) was received in October 1996. The City's share of the second payment for the second group of liens (approximately \$8 million) was received in April 1997. As of December 31, 1996, the City reduced the balance of the real estate taxes receivable by the amount of the principal amount sold on the first installment. The principal related to the second group of liens remained in the real estate tax receivable and deferred revenue at December 31, 1996.

(7) Fixed Assets

The following is a summary of changes in the general fixed assets account group during 1996:

	Balance January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	Balance December 31, <u>1996</u>
		(amounts in thousands)			
Land and buildings	\$ 112,009,619	697,148	(934,360)	-	111,772,407
Machinery and equipment	45,508,989	1,013,783	(813,930)	238,872	45,947,714
Capital leases	12,013,464	-	-	(238,872)	11,774,592
Construction-in-progress	<u>-</u>	<u>1,066,156</u>	<u>-</u>	<u>-</u>	<u>1,066,156</u>
Total general fixed assets	\$ <u>169,532,072</u>	<u>2,777,087</u>	<u>(1,748,290)</u>	<u>-</u>	<u>170,560,869</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Construction-in-progress is comprised of expenditures for the Public Safety Police Zone #1 Building.

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

	<u>1996</u> (amounts in thousands)
Stadium complex	\$ 64,162
Land and parking facilities	93,330
Machinery and equipment	2,594
Utility plant	174,806
Nonutility plant	6,819
Capitalized system lease	100,646
Construction-in-progress	<u>44,160</u>
Total	486,517
Less accumulated depreciation	<u>(90,000)</u>
Net component unit property, plant and equipment	\$ <u>396,517</u>

(8) Pension Plans

(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, 1996, the date of the most recent actuarial valuation, the Plan had 2,320 active members and 2,018 retirees, disableds and survivors.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 contribution 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, the Plan had 1,169 active members and 1,648 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)

CITY OF PITTSBURGH, PENNSYLVANIA

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996, the Plan had 845 active members and 1,046 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)

CITY OF PITTSBURGH, PENNSYLVANIA

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

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 actuarial 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)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996:

The only change in actuarial assumptions in 1996 was applicable to the Municipal Pension Fund. The change relates to estimates of future plan payments to cover premiums for supplemental medical coverage under social security.

Because of slower than expected growth in the cost of coverage, the assumed annual increase in the cost of future premiums was reduced to 6.5% for all future years. This change in actuarial assumptions reduces the actuarial accrued liability by \$1,629,676, decreasing the total amortization payment by \$161,247.

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	4.50	4.50
Merit/seniority	<u>.75</u>	<u>1.25</u>	<u>1.25</u>
	% <u>4.50</u>	<u>5.75</u>	<u>5.75</u>
Assumed post-retirement benefit increases	% <u>6.50</u>	<u>N/A</u>	<u>N/A</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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 step-rated 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.

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, 1996:

	Comprehensive				
	<u>Board</u>	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
	(amounts in thousands)				
Pension benefit obligation:					
Vested benefits:					
Retirees and beneficiaries					
currently receiving benefits	\$ -	118,128	206,001	96,188	420,317
Terminated members not yet					
receiving benefits	-	-	474	-	474
Active members:					
Accumulated employee					
contributions	-	26,652	18,363	25,910	70,925
Employer-financed - vested	<u>-</u>	<u>13,608</u>	<u>11,244</u>	<u>32,397</u>	<u>57,249</u>
Total vested	-	158,388	236,082	154,495	548,965
Employer-financed - nonvested	<u>-</u>	<u>14,792</u>	<u>37,170</u>	<u>32,344</u>	<u>84,306</u>
Total pension benefit	-	173,180	273,252	186,839	633,271
obligation					
Net assets available for benefits, at cost,					
from December 31, 1995, financial					
statements (market value \$118,631)	<u>101,283</u>	<u>15</u>	<u>42</u>	<u>18</u>	<u>101,358</u>
Unfunded pension					
benefit obligation	\$ <u>(101,283)</u>	<u>173,165</u>	<u>273,210</u>	<u>186,821</u>	<u>531,913</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Contributions

For funding purposes, the City utilizes actuarial 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 actuarial required pension contributions for the plan year beginning January 1, 1996, are as follows:

Required Contributions

	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Normal cost	\$ 3,277,455	5,022,566	4,310,195	12,610,216
Percent of covered payroll	% 5.09	11.58	10.02	8.36
Amortization payment	4,857,308	14,536,242	9,573,108	28,966,658
Percent of covered payroll	7.54	33.50	22.25	19.21
Estimated member	<u>(3,265,495)</u>	<u>(2,891,101)</u>	<u>(2,720,314)</u>	<u>(8,876,910)</u>
Percent of covered payroll	5.07	6.66	6.32	5.89
Required contributions	\$ <u>4,869,268</u>	<u>16,667,707</u>	<u>11,162,989</u>	<u>32,699,964</u>
Percent of covered payroll	% <u>7.56</u>	<u>38.41</u>	<u>25.94</u>	<u>21.68</u>
Total 1996 payroll	\$ 69,708,719	51,354,925	44,516,772	165,580,416
Covered 1996 payroll	64,411,005	43,388,771	43,025,840	150,825,616

Contributions Made

During 1996, the City contributed \$56,842,271 from the General Fund, including \$35,095,197 from the proceeds of a sale of bonds, and \$2,076,688 from the Retirees Trust Fund. Plan participants contributed \$8,857,952 and state aid totaled \$15,502,284. (See table below.) The contribution from the Retirees Trust Fund funded pension benefit increases, which are separate from the actuarially determined pension liability.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Summary of Contributions

<u>Source</u>	<u>Municipal</u>	<u>Police</u>	<u>Fire</u>	<u>Total</u>
Participants	\$ 3,042,076	2,938,115	2,877,761	8,857,952
Percent of covered payroll	% 4.72	6.77	6.69	5.87
Commonwealth of Pennsylvania:				
General	3,868,302	6,292,216	4,101,298	14,261,816
Percent of covered payroll	6.01	14.50	9.53	9.46
Supplemental	336,457	547,285	356,726	1,240,468
Percent of covered payroll	0.52	1.26	0.83	0.82
City of Pittsburgh	<u>39,997,301</u>	<u>10,485,394</u>	<u>8,436,244</u>	<u>58,918,939</u>
Percent of covered payroll	<u>62.10</u>	<u>24.17</u>	<u>19.61</u>	<u>39.06</u>
Total	\$ <u>47,244,136</u>	<u>20,263,010</u>	<u>15,772,029</u>	<u>83,279,175</u>
Percent of covered payroll	% <u>73.75</u>	<u>46.70</u>	<u>36.66</u>	<u>55.22</u>

For financial reporting purposes, the City accounts for pension cost under APB #8. The net pension cost for 1996 under APB #8 was \$18,183,604. The City contributed \$57,130,604 from the General Fund. Contributions in excess of net pension costs of \$38,947,000 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, 1994, 1995 and 1996, respectively, available assets were sufficient to fund 25.5%, 20.5% and 15.6% of the municipal pension benefit obligation, 15.2%, 13.5% and 13.0% of the police pension benefit obligation and 14.1%, 18.5% and 20.8% of the fire pension benefit obligation. The unfunded pension benefit obligation represented 185.3%, 213.1% and 227.0% of the annual payroll for employees covered by the municipal pension plan; 449.6%, 511.3% and 547.6% for the police pension plan and 369.8%, 362.8% and 344.1% for the fire pension plan for 1994, 1995 and 1996, respectively. For the three years ended December 31, 1994, 1995 and 1996, respectively, employer contributions represented 6.0%, 4.5% and 62.1% of the municipal plan covered payroll; 18.6%, 18.3% and 24.8% of the police plan covered payroll; and 15.0%, 16.7% and 19.6% of the fire plan covered payroll. Employer contributions were made in accordance with actuarial determined requirements.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

At January 1, 1996, 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 receiving benefits	2,018	1,648	1,046	4,712
Terminated employees - vested	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total	<u>2,018</u>	<u>1,651</u>	<u>1,046</u>	<u>4,715</u>
Active members:				
Vested	1,125	104	312	1,541
Nonvested	<u>1,195</u>	<u>1,065</u>	<u>533</u>	<u>2,793</u>
	<u>2,320</u>	<u>1,169</u>	<u>845</u>	<u>4,334</u>
Total membership	<u>4,338</u>	<u>2,820</u>	<u>1,891</u>	<u>9,049</u>

(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 1,165 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 1996, a post-retirement healthcare benefits expense paid by the City was \$5,690,169.

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 170 retirees in this group with a total cost to the City in 1996 of \$731,616.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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 1,173 retirees in this group with a total cost during 1996 of \$172,392.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(10) Long-Term Debt

The maximum amount payable for future maturities of bonds and interest on general long-term debt at December 31, 1996, and changes in bond principal for the year then ended are summarized below:

	<u>Principal</u>	
	<u>Outstanding at December 31, 1995</u>	<u>Bonds paid or defeased and discount amortized during 1996</u>
Council and public election general obligation bonds:		
Twelve general obligation bond issues with rates ranging from 4.00% to 6.75%. The bonds are payable from general revenues:		
1996	\$ 12,380,000	12,380,000
1997	23,530,000	8,310,000
1998	23,545,000	12,495,000
1999	25,040,000	13,350,000
2000	28,980,000	14,270,000
2001	27,725,000	12,490,000
2002 - 2006	168,205,000	84,700,000
2007 - 2011	220,955,000	14,650,000
2012 - 2016	59,590,000	-
2017 - 2021	4,680,000	-
2022 - 2024	<u>-</u>	<u>-</u>
Subtotal	594,630,000	172,645,000
Less discount	16,990,364	2,028,277
Less bonds funded by Stadium Authority	<u>29,635,983</u>	<u>1,578,170</u>
Total	548,003,653	169,038,553

Face value and discount on bonds issued during 1996	Outstanding at December 31, 1996	Interest
-	-	-
-	15,220,000	27,999,189
15,010,000	26,060,000	30,884,388
15,745,000	27,435,000	29,963,221
15,185,000	29,895,000	28,878,697
15,925,000	31,160,000	28,593,395
92,075,000	175,580,000	120,559,577
20,010,000	226,315,000	67,081,388
7,410,000	67,000,000	18,855,657
10,530,000	15,210,000	5,223,705
<u>8,355,000</u>	<u>8,355,000</u>	<u>917,852</u>
200,245,000	622,230,000	358,957,069
-	14,962,087	-
<u>-</u>	<u>28,057,813</u>	<u>19,153,664</u>
200,245,000	579,210,100	339,803,405

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

	<u>Principal</u>	
	<u>Outstanding at December 31, 1995</u>	<u>Bonds paid during 1996</u>
Equipment Leasing Authority Revenue Bonds:		
One revenue bond issue with interest rates ranging from 6.05% to 6.5%. The bonds are payable from general resources transferred from the General Fund:		
1996	\$ 5,230,000	5,230,000
1997	<u>2,670,000</u>	<u>-</u>
Total	7,900,000	5,230,000
 Public Auditorium Authority Revenue Bonds:		
Five bond issues with interest rates ranging from 4.4% to 8.60%. The City's share of debt service on these bonds is payable from general revenues:		
1996	987,500	987,500
1997	1,037,500	-
1998	1,085,000	-
1999	1,135,000	-
2000	937,500	-
2001	977,500	-
2002 - 2006	5,645,000	-
2007 - 2011	1,940,000	-
2012 - 2016	1,610,000	-
2017 - 2021	<u>615,000</u>	<u>-</u>
Total	15,970,000	987,500

<u>Bonds issued during 1996</u>	<u>Outstanding at December 31, 1996</u>	<u>Interest</u>
-	-	-
-	<u>2,670,000</u>	<u>121,756</u>
-	2,670,000	121,756
-	-	-
-	1,037,500	1,528,364
-	1,085,000	1,425,882
-	1,135,000	1,314,232
-	937,500	1,194,674
-	977,500	1,096,502
-	5,645,000	3,763,124
-	1,940,000	1,284,495
-	1,610,000	639,477
-	<u>615,000</u>	<u>105,780</u>
-	14,982,500	12,352,530

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

	<u>Principal</u>	
	<u>Outstanding at December 31, 1995</u>	<u>Bonds paid during 1996</u>
Urban Redevelopment Authority of Pittsburgh		
Taxable Bonds:		
One tax increment financing (TIF) bond issue with interest rates ranging from 5.0% 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:		
1996	\$ 68,130	68,130
1997	71,915	-
1998	73,808	-
1999	77,593	-
2000	83,270	-
2001	87,055	-
2002 - 2006	526,116	-
2007 - 2011	728,611	-
2012 - 2013	<u>369,037</u>	-
Total	2,085,535	<u>68,130</u>
Urban Redevelopment Authority of Pittsburgh Taxable Bonds:		
One Special Tax Development Bond issue with interest rates ranging from 7.91% to 9.07%. Bonds are payable solely from City's assignment to the URA of certain Allegheny Regional Asset District revenues:		
1996	810,000	810,000
1997	875,000	-
1998	950,000	-
1999	1,030,000	-
2000	1,120,000	-
2001	1,215,000	-
2002 - 2006	10,750,000	-
2007 - 2011	21,945,000	-
2012 - 2014	<u>22,695,000</u>	-
Total	61,390,000	<u>810,000</u>

<u>Bonds issued during 1996</u>	<u>Outstanding at December 31, 1996</u>	<u>Interest</u>
-	-	-
-	71,915	134,182
-	73,808	130,586
-	77,593	126,638
-	83,270	122,370
-	87,055	117,582
-	526,116	500,544
-	728,611	297,456
-	<u>369,037</u>	<u>40,333</u>
-	2,017,405	1,469,691

-	-	-
-	875,000	5,356,318
-	950,000	5,287,106
-	1,030,000	5,209,490
-	1,120,000	5,124,618
-	1,215,000	5,031,658
-	10,750,000	23,301,666
-	21,945,000	16,523,072
-	<u>22,695,000</u>	<u>4,576,268</u>
-	60,580,000	70,410,196

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

	<u>Principal</u>	
	<u>Outstanding at December 31, 1995</u>	<u>Bonds paid during 1996</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:		
1996	\$ -	-
1997	54,883	-
1998	121,120	-
1999	151,401	-
2000	187,358	-
2001	183,573	-
2002 - 2006	1,152,535	-
2007 - 2011	1,932,245	-
2012 - 2015	<u>709,688</u>	-
Total	4,492,803	<u>-</u>

<u>Bonds issued during 1996</u>	<u>Outstanding at December 31, 1996</u>	<u>Interest</u>
-	-	-
-	54,883	265,133
-	121,120	259,216
-	151,401	252,766
-	187,358	243,268
-	183,573	233,035
-	1,152,535	984,810
-	1,932,245	579,571
-	<u>709,688</u>	<u>108,050</u>
-	4,492,803	2,925,849

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

	<u>Principal</u>	
	<u>Outstanding at December 31, 1995</u>	<u>Bonds paid during 1996</u>
Urban Redevelopment Authority of Pittsburgh Taxable Bonds:		
One taxable revenue bond issue with interest rates ranging from 6.95% to 8.0%. These bonds are payable from general resources of the General Fund:		
1996	\$ 630,000	630,000
1997	675,000	-
1998	720,000	-
1999	770,000	-
2000	830,000	-
2001	895,000	-
2002 - 2004	<u>3,130,000</u>	<u>-</u>
Total	7,650,000	630,000
Urban Redevelopment Authority 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	-	-
1999	-	-
2000	-	-
2001	-	-
2002 - 2006	-	-
2007 - 2011	-	-
2012 - 2015	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>
General Long-Term Debt Account Group	\$ <u>647,491,991</u>	<u>176,764,183</u>

<u>Bonds issued during 1996</u>	<u>Outstanding at December 31, 1996</u>	<u>Interest</u>
-	-	-
-	675,000	539,852
-	720,000	492,940
-	770,000	441,100
-	830,000	384,120
-	895,000	320,210
-	<u>3,130,000</u>	<u>513,600</u>
-	7,020,000	2,691,822
-	-	242,438
86,894	86,894	239,718
94,450	94,450	233,929
102,006	102,006	227,447
107,673	107,673	220,368
674,373	674,373	969,068
986,058	986,058	659,937
<u>1,127,733</u>	<u>1,127,733</u>	<u>190,120</u>
<u>3,179,187</u>	<u>3,179,187</u>	<u>2,983,025</u>
<u>203,424,187</u>	<u>674,151,995</u>	<u>432,758,274</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Stadium Authority Revenue Bonds and Note

One revenue bond issue with an interest rate of 7.1%, one revenue refunding bond issue with interest rates ranging from 3.6% 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:

	<u>Principal</u>			
	Outstanding at March 31, <u>1995</u>	Bonds paid during <u>1996</u>	Bonds issued during <u>1996</u>	Outstanding at March 31, <u>1996</u>
1996	\$ 1,502,300	1,502,300	-	-
1997	1,752,300	-	-	1,752,300
1998	1,837,300	-	-	1,837,300
1999	1,892,300	-	-	1,892,300
2000	1,957,300	-	-	1,957,300
2001	2,022,300	-	-	2,022,300
2002 - 2008	<u>10,874,200</u>	<u>-</u>	<u>-</u>	<u>10,874,200</u>
Subtotal	21,838,000	1,502,300	-	20,335,700
General obligation bonds funded by Authority	<u>25,100,000</u>	<u>1,100,000</u>	<u>-</u>	<u>24,000,000</u>
Total Stadium debt	\$ <u>46,938,000</u>	<u>2,602,300</u>	<u>-</u>	<u>44,335,700</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Public Parking Authority Revenue Bonds and Notes

One revenue bond issue with interest rates ranging from 4.6% to 5.875%, and five notes, three with no interest and one with a variable interest rate based on 65% of the prime lending rate and one with a fixed rate of 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:

	<u>Principal</u>			
	Outstanding at September 30, <u>1995</u>	Bonds paid during <u>1996</u>	Bonds issued during <u>1996</u>	Outstanding at September 30, <u>1996</u>
1996	\$ 2,174,374	2,174,374	-	-
1997	2,259,374	-	53,862	2,313,236
1998	2,279,374	-	168,186	2,447,560
1999	2,369,374	-	178,560	2,547,934
2000	2,480,279	-	189,575	2,669,854
2001	2,585,000	-	184,030	2,769,030
2002 - 2006	15,150,658	-	1,225,787	16,376,445
2007 - 2011	19,540,000	-	-	19,450,000
2012 - 2013	<u>9,522,236</u>	<u>-</u>	<u>-</u>	<u>9,522,236</u>
Subtotal	58,360,669	2,174,374	2,000,000	58,186,295
Less unamortized discount	<u>(1,359,835)</u>	<u>(79,990)</u>	<u>-</u>	<u>(1,279,845)</u>
Total Parking debt	\$ <u>57,000,834</u>	<u>2,094,384</u>	<u>2,000,000</u>	<u>56,906,450</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 5.79%, and one revenue refunding bond issue with interest rates ranging from 3.5% to 6.5%. The bonds are payable from revenue from Water and Sewer operations:

	<u>Principal</u>			
	Outstanding at December 31, <u>1995</u>	Bonds paid and premium amortized during <u>1996</u>	Bonds issued and refunding loss amortized during <u>1996</u>	Outstanding at December 31, <u>1996</u>
1996	\$ 7,980,000	7,980,000	-	-
1997	9,440,000	-	-	9,440,000
1998	12,610,000	-	-	12,610,000
1999	12,990,000	-	-	12,990,000
2000	13,520,000	-	-	13,520,000
2001	14,520,000	-	-	14,520,000
2002 - 2006	84,390,000	-	-	84,390,000
2007 - 2011	95,535,000	-	-	95,535,000
2012 - 2016	121,480,000	-	-	121,480,000
2017 - 2021	45,965,000	-	-	45,965,000
2022 - 2025	<u>51,345,000</u>	<u>-</u>	<u>-</u>	<u>51,345,000</u>
Subtotal	469,775,000	7,980,000	-	461,795,000
Plus net bond premium	(1,934,000)	(72,000)	-	(1,862,000)
(Less) plus refunding loss series 1991	<u>(30,364,000)</u>	<u>-</u>	<u>2,425,000</u>	<u>(27,939,000)</u>
Total debt	\$ <u>437,477,000</u>	<u>(7,908,000)</u>	<u>2,425,000</u>	<u>431,994,000</u>

(A) Council and Public Election General Obligation Bonds

General Obligation Refunding Bonds - Series of 1996A

In December 1996, the City issued \$162,535,000 of General Obligation Refunding Bonds, Series 1996A with an average interest rate of 5.27% to advance refund the General Obligation Bonds, Series 1986B with an average interest rate of 6.97%. These bonds consisted of serial bonds bearing various fixed rates ranging from 5.0% to 6.0% with maturities commencing on March 1, 1998, and continuing annually through March 2007.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

The net proceeds of the Series 1996A of \$167,497,065 (less payments of \$1,659,601 in underwriting fees, insurance and other issuance costs; plus original issue premium of \$6,621,666) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for future debt service payments on the bonds described below. As a result, these bonds are considered to be defeased and the related liability for the bonds has been removed from the general long-term debt account group.

Principal and interest payments refunded:

<u>Issue/series</u>	<u>Rate</u>	<u>Principal</u>	<u>Interest</u>
1986B	% 6.75 - 7.0	\$ 160,265,000	\$ 61,218,803

The 1986B bonds were redeemed on March 1, 1997.

The City's advanced refunding of the above bonds decreased its total debt service over the next 11 years by \$13,504,333. The transaction resulted in an economic gain (difference between the present values of debt service on the old and new bonds) of approximately \$12,903,000.

Taxable General Obligation Pension Bonds - Series 1996B

In December 1996, the City issued \$37,710,000 of Taxable General Obligation Pension Bonds, Series 1996B with an average interest rate of 6.86%. These bonds consisted of \$7,050,000 of serial bonds bearing various fixed rates ranging from 5.65% to 6.55% and \$30,660,000 of term bonds bearing various fixed rates ranging from 6.6% to 7.1% with maturities commencing on March 1, 1998, and continuing annually through March 2024.

The net proceeds of the Series 1996B of \$35,095,197 (after payment of \$1,200,004 in underwriting fees, insurance and other issuance costs and \$1,414,799 which is being deposited into the trust and agency fund to reimburse the City for excess MMO payments) were deposited to the City of Pittsburgh Municipal Pension Fund to reduce the unfunded actuarial accrued pension liability.

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, 1996, bonds outstanding of \$212,330,000 refunded by the above mentioned issues are considered defeased.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(B) Equipment Leasing Authority (ELA)

As of December 31, 1996, future minimum lease payments under all lease agreements between the ELA and the City are as follows:

<u>December 31,</u>	<u>Lease payments</u> (in thousands)
1997	\$ 2,791

The City has executed a separate lease agreement with the ELA for this outstanding bond issuance. Pursuant to these agreements, the City is required to subsidize any deficiencies of the ELA debt service fund. Additionally, at the City's option, any earnings derived from the ELA investment and salvage accounts may be used as rental credits against the scheduled lease payments. It has been City policy to fully utilize such rental credits.

(C) 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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, 1996. 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.

(D) 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(E) Pittsburgh Water and Sewer Authority

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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.

Under the first formula, revenues as defined, must be sufficient to provide annually:

- (a) Funds to pay all of its current expenses;
- (b) An amount equal to 100% of the debt service requirements with respect to its bonds during the then current fiscal year; and
- (c) Funds to pay indirect expenses billed by the City and the "additional payment."

The second formula varies from the above in that any unrestricted cash and investments in the revenue fund at the beginning of the year may be included with revenues; however, 120% of the debt service requirements must be met in the determination.

(F) Urban Redevelopment Authority of Pittsburgh (URA)

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)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(1) Urban Redevelopment Authority of Pittsburgh (URA) Guaranteed Tax Increment Financing Bonds - Series 1994A

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.

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, who 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), who 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 its 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: business 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(3) Urban Redevelopment Authority of Pittsburgh (URA) Redevelopment Bonds
(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% to 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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)

CITY OF PITTSBURGH, PENNSYLVANIA

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) Urban Redevelopment Authority of Pittsburgh (URA) Taxable Development Bonds (North Shore Tax Increment Financing District - ALCOA Project), 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(G) Capital Obligations

From 1987 through 1995, the City of Pittsburgh entered into various agreements for the lease purchase of data processing equipment. Current lease payments are recorded in the City's General Fund. The future minimum lease payments under these lease agreements are as follows:

1997		\$ <u>925,864</u>
	Total minimum lease payments	925,864
	Less amount representing interest	<u>(18,391)</u>
	Present value of net minimum lease payments	\$ <u>907,473</u>

(H) Other Long-Term Obligations

The following is a summary of transactions affecting all other long-term obligations to the City during 1996:

	Capital <u>Lease</u>	Deferred <u>Loan</u>	Accrued Pension <u>Costs</u>	Accrued Workers' <u>Compensation</u>	Accrued Compensated <u>Absences</u>	Accrued Claims and <u>Judgments</u>
Balance, January 1, 1996	\$ 2,669,152	3,834,000	228,236,000	105,796,253	28,014,935	11,485,000
Additions	-	-	-	12,724,683	15,253,780	3,721,025
Reductions	<u>(1,761,679)</u>	<u>-</u>	<u>(38,947,000)</u>	<u>(18,640,936)</u>	<u>(14,146,781)</u>	<u>(2,406,025)</u>
Balance, December 31, 1996	907,473	3,834,000	189,289,000	99,880,000	29,121,934	12,800,000
Less amounts accrued currently in:						
General Fund	-	-	-	(16,647,000)	(13,716,934)	(6,000,000)
Capital Projects Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Long-term portion, December 31, 1996	\$ <u>907,473</u>	<u>3,834,000</u>	<u>189,289,000</u>	<u>83,233,000</u>	<u>15,405,000</u>	<u>6,200,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(11) Operating Leases

(A) The Stadium Authority has operating leases with Pittsburgh Associates, the Allegheny Club and Pittsburgh Steelers Sports, Inc. Under terms of the basic agreement dated January 1, 1982, these operating leases provide for guaranteed payments of approximately \$1,160,000 annually for a 40-year period which began April 1, 1971. Certain of these leases contain provisions for additional rentals based on visions foretold in the agreements.

On March 23, 1989, the Authority entered into an agreement with the Commonwealth of Pennsylvania to lease certain property near Three Rivers Stadium to be used for public parking. The term of the lease is ten years renewable for four additional ten-year periods. Lease payments for the years ended March 31, 1996 and 1995, were \$93,500 and \$62,758, 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, 1996:

General fund:

Commonwealth of Pennsylvania	\$ 881,851
Allegheny County Information Systems	16,009
Regional Asset District	<u>2,906,407</u>
	3,804,267

Special revenue:

Job Training Partnership Program	1,117,814
Housing and Urban Development	4,659,110
Allegheny County - Public Safety	<u>201,363</u>
	5,978,287

Capital projects:

Commonwealth of Pennsylvania - Highway Funds	664,571
Federal Government - Highway Funds	894,982
Pittsburgh Water & Sewer Authority	<u>147,284</u>
	<u>1,706,837</u>

Total due from other governments	\$ <u>11,489,391</u>
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(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(13) Interfund Receivable and Payable Balances

	<u>Receivables</u>	<u>Payables</u>
General fund	\$ 5,388,046	52,045
Special revenue funds:		
JTPA	209,808	1,459,675
Housing	-	2,313,745
Civic and cultural	81,425	996,703
Public safety	<u>-</u>	<u>143,163</u>
Total special revenue funds	291,233	4,913,286
Capital projects funds:		
Engineering and construction	4,992,040	68,342
Public works	1,133,641	105,444
General services	-	8,198
Other	<u>536,083</u>	<u>828,790</u>
Total capital projects funds	6,661,764	1,010,774
Trust funds:		
Gifts and donations	174,954	134,395
Parks endowments	-	72,142
Workers' compensation	-	4,992,040
Pension:		
Comprehensive board	-	161,084
Agency funds:		
Payroll withholding	-	885,657
Deposits	-	200
Other	<u>-</u>	<u>294,374</u>
Total trust and agency funds	<u>174,954</u>	<u>6,539,892</u>
Total	\$ <u>12,515,997</u>	<u>12,515,997</u>

In addition, the Parking Authority has a \$467,729 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, 1996.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(14) Operating Transfers

Transfers between primary government funds:

	<u>Transfers in</u>	<u>Transfers out</u>
General fund	\$ 839,842	54,387,478
Special revenue funds:		
JTPA	28,337	-
Housing	884,051	-
Civic and cultural	869,200	239,842
Public safety	1,923,563	600,000
Equipment leasing	<u>716,701</u>	<u>100,851</u>
Total special revenue funds	4,421,852	940,693
Debt service funds:		
General obligation	42,847,144	-
Equipment leasing	<u>5,637,734</u>	-
Total debt service funds	48,484,878	-
Trust funds:		
Gifts and donations	207,000	-
Parks endowments	-	40,200
Pension escrow	<u>1,414,799</u>	-
Total trust funds	<u>1,621,799</u>	<u>40,200</u>
Total transfers between primary government funds	\$ <u>55,368,371</u>	<u>55,368,371</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Transfers between primary government and discretely presented component units:

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

* 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, 1995, contributed capital for the Stadium Authority amounted to \$12,540,500. 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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(16) Segment Information

The City maintains Enterprise Funds which provide water services, operate the stadium complex and operate parking facilities. Segment information for their respective year ends are as follows:

	<u>Discrete Component Units</u>				<u>Total</u>
	<u>PWSA</u> December 31, <u>1996</u>	<u>Stadium</u> Authority March 31, <u>1996</u>	<u>Parking</u> Authority September 30, <u>1996</u>	<u>PSFF</u> March 31, <u>1996</u>	
Operating revenues	\$ <u>59,497</u>	<u>7,577</u>	<u>19,540</u>	<u>721</u>	<u>87,335</u>
Depreciation and amortization	\$ <u>7,598</u>	<u>2,525</u>	<u>3,099</u>	<u>16</u>	<u>13,238</u>
Operating income (loss)	\$ <u>24,762</u>	<u>(7,493)</u>	<u>4,210</u>	<u>128</u>	<u>21,607</u>
Net income	\$ <u>7,481</u>	<u>5,007</u>	<u>565</u>	<u>128</u>	<u>13,181</u>
Property, plant and equipment additions	\$ <u>16,673</u>	<u>2,515</u>	<u>1,105</u>	<u>12</u>	<u>20,305</u>
Net working capital	\$ <u>32,626</u>	<u>4,965</u>	<u>(2,006)</u>	<u>200</u>	<u>35,785</u>
Total assets	\$ <u>474,050</u>	<u>47,216</u>	<u>91,941</u>	<u>227</u>	<u>613,434</u>
Bonds and other long-term liabilities, net	\$ <u>468,113</u>	<u>63,959</u>	<u>54,593</u>	<u>-</u>	<u>586,665</u>
Equity (deficit):					
Contributed capital	5,277	12,541	-	-	17,818
Retained earnings (deficit)	<u>(4,067)</u>	<u>(37,518)</u>	<u>31,332</u>	<u>217</u>	<u>(10,036)</u>
Total equity (deficit)	\$ <u>1,210</u>	<u>(24,977)</u>	<u>31,332</u>	<u>217</u>	<u>7,782</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

(17) Fund Deficits

Elimination of General Fund Deficit

The City Administration has taken several measures in the last few years to eliminate the General Fund GAAP basis fund balance deficit. These measures included employee layoffs, consolidation of services, a strict cash management program, revenue enhancements and the signing of a capital lease agreement with the Pittsburgh Water and Sewer Authority (PWSA) whereby the PWSA purchased the assets of the City's Water Department with payments equal to approximately \$96,000,000 (note 4). As of December 31, 1996, the Administration's actions have increased the City's GAAP basis fund balance by approximately \$43,800,000.

The Administration implemented several programs in the 1996 budget designed to increase revenues and decrease expenditures. Revenue raising initiatives included state funding for the city courts and more aggressive collection of delinquent tax and traffic ticket revenues. Expenditure initiatives included reductions in employee healthcare benefits costs, workers' compensation costs and the size of the City's work force through attrition and an early retirement program. The Mayor's Office of Management and Budget and the Department of Finance were responsible for the establishment, implementation and monitoring of these 1996 initiatives.

In 1996, the Murphy Administration formed the competitive Pittsburgh Task Force. Its responsibility is to further address the City's "financial structural imbalance" and to eliminate the GAAP basis fund balance deficit. The eleven member task force is composed of representatives from the business community, the Pittsburgh School District, organized labor, nonprofit institutions, City Council and the City Administration. The task force is to provide the Administration with options to restructure the City's operations that will ultimately contribute to revenue enhancements and/or expenditure reductions. All City services selected by the task force will be subject to a thorough functional analysis that may lead to reorganization, outsourcing, elimination or consolidation of the service. The task force's report was issued to the Administration in October 1996 and was used during the 1997 budget deliberations between the Administration and City Council.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

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 1996.

(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, 1996, was \$1,530,659.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 1996, the URA received payments of \$429,454. This left a balance including accrued interest of \$6,176,808 at December 31, 1996.

(19) Construction and Other Significant Commitments

As of December 31, 1996, the City had the following commitments with respect to unfinished capital projects:

<u>Capital project</u>	<u>Remaining construction commitment</u>	<u>Expected date of completion</u>
Computerized Traffic Response	\$ 1,422,955	May 1998
Reconstruction of Wallridge Street	587,757	August 1997
Reconstruction of Pioneer Avenue	541,900	October 1997
Unisource Computer Cabling	517,348	December 1997
Reconstruction of various streets	<u>168,652</u>	May 1997
Total	\$ <u>3,238,612</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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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 City 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, 1996 and 1995, were as follows:

	<u>1996</u>	<u>1995</u>
Accrued claims and judgments, January 1	\$ 11,485,000	8,151,500
Current year claims and changes in estimates	3,721,025	4,917,544
Claim payments	<u>(2,406,025)</u>	<u>(1,584,044)</u>
Accrued claims and judgments, December 31	\$ <u>12,800,000</u>	<u>11,485,000</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.

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.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Changes in the accrued workers' compensation liability during the years ended December 31, 1996 and 1995, are as follows:

	<u>1996</u>	<u>1995</u>
Accrued workers' compensation, January 1	\$ 105,796,253	108,245,000
Current year claims and changes in estimates	12,724,683	17,195,915
Claim payments	<u>(18,640,936)</u>	<u>(19,644,662)</u>
Accrued workers' compensation, December 31	\$ <u>99,880,000</u>	<u>105,796,253</u>

(23) Sale of Pittsburgh Pirates

In February 1996, the Pittsburgh Pirates were sold to new owners. The sale had a financial impact on the City, the Stadium Authority, a discretely presented component unit of the City, and the Urban Redevelopment Authority of the City, which is a related organization. The following describes the impact of the sale on these entities, respectively.

City Impact

In 1986, the City disbursed \$20,000,000 to the URA, which is a related organization, to fund its Business Reinvestment Fund. Under the terms of a cooperation agreement between the two, these funds were then used to make a loan to a private coalition organized to acquire the assets of the Pittsburgh Athletic Company, Inc. (owner of the Pittsburgh Pirates). The URA is obligated to repay to the City the \$20,000,000 if funds become available through the occurrence of certain events, principally the sale of the Pittsburgh Pirates Major League Baseball Franchise.

The Urban Redevelopment Authority has amended and restated the original loan agreement with the new Pirate owners. The restatement contains repayment provisions based on numerous contingencies. Accordingly, due to restatement of repayment provisions, and the contingent and long-term nature of the loan repayment of the loan to the URA from the new team owners, no receivable is considered recognizable by the City.

The City has made a full faith and credit guarantee of the URA's \$8,245,000 Taxable Guaranteed Revenue Bonds, Series 1994B as part of the Pirates' sale financing arrangements, in addition to being solely responsible for the debt service on the bonds.

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Notes to General Purpose Financial Statements, Continued

Under the terms of agreements with the Stadium Authority dated July 1, 1965, December 1, 1985, and April 1, 1986, the City agreed to make annual grants to the Stadium Authority for the excess of the aggregate costs of operations and maintenance of the Stadium complex and debt service on the Stadium bonds over the funds available to the Stadium Authority for those purposes. The City is entitled to repayment of the amount of the annual grants from revenues of the Stadium Authority in subsequent years to the extent that revenues exceed expenditures for the operations and maintenance of the stadium complex and debt service on the stadium bonds (see Stadium Authority Impact below).

Stadium Authority Impact

As part of the financial incentive to retain the Pirates in Pittsburgh, the Stadium Authority made numerous lease concessions to the new owners. The Stadium Authority was able to make these concessions based upon receiving new revenues from the Allegheny Regional Asset District (the District).

On February 23, 1995, the Authority entered into a cooperation and support agreement (the Agreement) with the District. The District was created by the Commonwealth of Pennsylvania in July 1994 to distribute the revenue from a new 1% sales tax in Allegheny County, Pennsylvania. Under the agreement, the District agreed to provide grants to the Stadium Authority of at least \$10,000,000 annually for a period of ten years beginning with calendar year 1995. The grant amount is reviewed by the District each year based upon the Stadium Authority's planned expenditures and long-term operational goals and objectives.

The grant amount for calendar year 1996 was \$10,000,000. The District grant will replace financial support currently provided to the Authority by the City.

URA Impact

In February 1996, the URA, Pittsburgh Baseball, Inc. and Pittsburgh Baseball Partnership amended and restated their original Equity Participation Loan Agreement dated December 24, 1985 (the Loan Agreement) to assist in the purchase and retention of the Pittsburgh Pirates Major League Baseball Franchise within the City of Pittsburgh.

The Loan Agreement essentially substitutes the original loan amount of \$20,000,000 to the new owners subject to restated provisions and provides for additional loans from the URA and other financing sources not to exceed \$11,500,000. The additional loans are being made from the proceeds of the URA's \$8,245,000 Taxable Guaranteed Revenue Bonds, Series 1994B (see note 10(f)(4)) and funds from the Commonwealth of Pennsylvania.

COMBINING, INDIVIDUAL
FUND AND INDIVIDUAL
ACCOUNT GROUP
FINANCIAL STATEMENTS

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Trust Fund Revenues by Source*

Last Ten Fiscal Years
(In Thousands)

Fiscal year	Pension plan	Participant contribution	Employer contribution	Employer contribution as a percentage of covered payroll	State contribution	Investment income	Miscellaneous	Total
1987	Municipal	\$ 2,592	8,478	% 12.4	\$ 9,100	5,525	-	25,695
	Police	1,917	4,644	14.7	3,975	237	-	10,773
	Fire	<u>2,005</u>	<u>3,161</u>	11.4	<u>3,549</u>	<u>248</u>	<u>22</u>	<u>8,985</u>
	Total	\$ <u>6,514</u>	<u>16,283</u>	12.8	\$ <u>16,624</u>	<u>6,010</u>	<u>22</u>	<u>45,453</u>
1988	Municipal	\$ 3,072	7,865	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>	<u>3,508</u>	9.1	<u>6,042</u>	<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>	<u>14,373</u>
	Total	\$ <u>8,060</u>	<u>9,395</u>	7.5	\$ <u>28,377</u>	<u>5,936</u>	<u>1</u>	<u>51,769</u>
1990	Municipal	\$ 3,382	1,482	2.1	\$ 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	<u>6,777</u>	<u>638</u>	<u>1</u>	<u>11,638</u>
	Total	\$ <u>8,118</u>	<u>7,723</u>	5.7	\$ <u>20,272</u>	<u>4,192</u>	<u>5</u>	<u>40,310</u>
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>	<u>4,420</u>	13.9	<u>6,754</u>	<u>1,323</u>	<u>1</u>	<u>14,984</u>
	Total	\$ <u>8,713</u>	<u>12,939</u>	9.2	\$ <u>18,966</u>	<u>7,095</u>	<u>1</u>	<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>	<u>4,326</u>	15.5	<u>6,408</u>	<u>1,615</u>	<u>2</u>	<u>14,820</u>
	Total	\$ <u>8,346</u>	<u>12,756</u>	8.9	\$ <u>18,018</u>	<u>7,522</u>	<u>8</u>	<u>46,650</u>
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>15,924</u>
	Total	\$ <u>8,768</u>	<u>16,873</u>	11.4	\$ <u>17,490</u>	<u>9,800</u>	<u>2</u>	<u>52,933</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

Fiscal year	Pension plan	Participant contribution	Employer contribution	Employer contribution as a percentage of covered payroll	State contribution	Investment income	Miscellaneous	Total
1994	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>	<u>6,031</u>	15.0	<u>5,563</u>	<u>1,158</u>	<u>1</u>	<u>15,477</u>
	Total	\$ <u>9,083</u>	<u>18,319</u>	12.0	\$ <u>16,856</u>	<u>4,948</u>	<u>2</u>	<u>49,208</u>
1995	Municipal	\$ 3,266	2,894	4.5	\$ 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>	<u>18,414</u>
	Total	\$ <u>8,869</u>	<u>17,554</u>	11.9	\$ <u>17,717</u>	<u>10,350</u>	<u>113</u>	<u>54,603</u>
1996	Municipal	\$ 3,042	39,997	62.1	\$ 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>	<u>2</u>	<u>20,814</u>
	Total	\$ <u>8,858</u>	<u>59,207</u>	39.1	\$ <u>15,502</u>	<u>17,300</u>	<u>20</u>	<u>100,887</u>

* Does not include amount from Retirees' Trust Fund.

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Trust Fund Expenses by Type*

Last Ten Fiscal Years
(In Thousands)

<u>Fiscal year</u>	<u>Pension plan</u>	<u>Benefit payment and dues refunds</u>	<u>Administrative and other expenses</u>	<u>Fees for professional services</u>	<u>Total</u>
1987	Municipal	\$ 12,322	106	318	12,746
	Police	10,517	178	7	10,702
	Fire	<u>8,032</u>	<u>95</u>	<u>6</u>	<u>8,133</u>
	Total	\$ <u>30,871</u>	<u>379</u>	<u>331</u>	<u>31,581</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	\$ <u>33,219</u>	<u>416</u>	<u>241</u>	<u>33,876</u>
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	\$ <u>35,860</u>	<u>748</u>	<u>294</u>	<u>36,902</u>
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>	<u>10,154</u>
	Total	\$ <u>37,053</u>	<u>1,460</u>	<u>325</u>	<u>38,838</u>
1991	Municipal	\$ 15,810	805	199	16,814
	Police	12,978	497	106	13,581
	Fire	<u>10,372</u>	<u>331</u>	<u>70</u>	<u>10,773</u>
	Total	\$ <u>39,160</u>	<u>1,633</u>	<u>375</u>	<u>41,168</u>
1992	Municipal	\$ 17,050	430	179	17,659
	Police	13,716	363	123	14,202
	Fire	<u>11,029</u>	<u>236</u>	<u>83</u>	<u>11,348</u>
	Total	\$ <u>41,795</u>	<u>1,029</u>	<u>385</u>	<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>	<u>788</u>	<u>409</u>	<u>43,806</u>
1994	Municipal	\$ 17,643	354	162	18,159
	Police	18,445	382	152	18,979
	Fire	<u>11,810</u>	<u>241</u>	<u>95</u>	<u>12,146</u>
	Total	\$ <u>47,898</u>	<u>977</u>	<u>409</u>	<u>49,284</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

<u>Fiscal year</u>	<u>Pension plan</u>	<u>Benefit payment and dues refunds</u>	<u>Administrative and other expenses</u>	<u>Fees for professional services</u>	<u>Total</u>
1995	Municipal	\$ 18,680	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>

* Does not include amounts from Retirees' Trust Fund.

CITY OF PITTSBURGH, PENNSYLVANIA

Analysis of Pension Funding Progress*

Last Ten Fiscal Years
(In Thousands)

Fiscal year	Pension plan	Net assets available for benefit	Pension benefit obligation	Percentage funded	Unfunded pension benefit obligation	Annual covered payroll	Unfunded pension benefit obligation as a percentage of annual covered payroll
1987	Municipal	\$ 40,433	150,150	% 26.9	\$ 109,717	68,266	% 160.7
	Police	3,972	175,753	2.3	171,781	31,517	545.0
	Fire	<u>4,386</u>	<u>127,162</u>	3.4	<u>122,776</u>	<u>27,817</u>	441.4
	Total	\$ <u>48,791</u>	<u>453,065</u>	10.8	\$ <u>404,274</u>	<u>127,600</u>	316.8
1988	Municipal	\$ 48,576	150,798	32.2	\$ 102,222	71,550	142.9
	Police	7,639	185,035	4.1	177,395	34,695	511.3
	Fire	<u>6,448</u>	<u>133,533</u>	4.8	<u>127,085</u>	<u>28,755</u>	442.0
	Total	\$ <u>62,663</u>	<u>469,366</u>	13.4	\$ <u>406,702</u>	<u>135,000</u>	301.2
1989	Municipal	\$ 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	<u>9,289</u>	<u>144,107</u>	6.4	<u>134,818</u>	<u>26,540</u>	508.0
	Total	\$ <u>67,360</u>	<u>492,339</u>	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	<u>12,531</u>	<u>139,416</u>	9.0	<u>126,885</u>	<u>28,738</u>	441.5
	Total	\$ <u>82,227</u>	<u>492,546</u>	16.7	\$ <u>410,319</u>	<u>136,200</u>	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>	<u>143,723</u>	10.9	<u>128,113</u>	<u>31,776</u>	403.2
	Total	\$ <u>83,698</u>	<u>516,738</u>	16.2	\$ <u>433,040</u>	<u>140,600</u>	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>	<u>143,828</u>	13.5	<u>124,470</u>	<u>35,725</u>	348.4
	Total	\$ <u>90,245</u>	<u>528,219</u>	17.1	\$ <u>437,974</u>	<u>142,900</u>	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

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

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

<u>Fiscal year</u>	<u>Pension plan</u>	<u>Net assets available for benefit</u>	<u>Pension benefit obligation</u>	<u>Percentage funded</u>	<u>Unfunded pension benefit obligation</u>	<u>Annual covered payroll</u>	<u>Unfunded pension benefit obligation as a percentage of annual covered payroll</u>
1994	Municipal	\$ 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	<u>24,479</u>	<u>173,362</u>	14.1	<u>148,883</u>	<u>40,260</u>	369.8
	Total	\$ <u>103,027</u>	<u>575,495</u>	17.9	\$ <u>472,468</u>	<u>152,469</u>	309.9
1995	Municipal	\$ 35,034	170,984	20.5	\$ 136,948	63,810	214.6
	Police	34,386	254,561	13.5	219,723	43,065	510.2
	Fire	<u>33,531</u>	<u>181,029</u>	18.5	<u>146,952</u>	<u>40,652</u>	361.5
	Total	\$ <u>102,951</u>	<u>606,574</u>	17.0	\$ <u>503,623</u>	<u>147,527</u>	341.4
1996	Municipal	\$ 26,941	173,180	15.6	\$ 146,239	64,411	227.0
	Police	35,637	273,252	13.0	237,615	43,389	547.6
	Fire	<u>38,780</u>	<u>186,839</u>	20.8	<u>148,059</u>	<u>43,026</u>	344.1
	Total	\$ <u>101,358</u>	<u>633,271</u>	16.0	\$ <u>531,913</u>	<u>150,826</u>	352.7

* Does not include amounts from Retirees' Trust Fund.

GENERAL FUND

The General Fund accounts for the financial operations of the City which are not accounted for in any other fund.

Principal sources of revenue are real estate, property, earned income and other taxes. In addition, the General Fund receives revenue from fines, licenses, permits and other miscellaneous sources.

General Fund expenditures are for the general operation of the City. The most significant expenditures in the General Fund are for Public Safety: Police, Fire and Emergency Services.

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

Comparative Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash and short-term investments, at cost which approximates market	\$ 54,331,612	16,703,449
Restricted cash	-	39,818
Receivables:		
Real estate taxes (net of allowance for uncollectible accounts of \$7,753,269 in 1996 and \$16,005,045 in 1995)	10,372,588	5,071,012
Sewage charges (net of allowance for uncollectible accounts of \$-0- in 1996 and \$7,705,908 in 1995)	-	1,467,792
Taxpayer-assessed taxes receivable	9,777,891	8,314,974
Other (net of allowance for uncollectible accounts of \$1,465,000 in 1996 and \$1,374,421 in 1995)	2,964,786	2,974,616
Due from PWSA (note 4)	19,367,000	59,367,000
Prepaid expenditures and other assets	1,334,210	1,259,751
Accrued interest	235,636	53,326
Due from other governments	3,804,267	3,833,782
Due from other funds	5,388,046	5,981,653
Inventories, at cost	-	-
Total assets	\$ <u>107,576,036</u>	<u>105,067,173</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	8,549,097	11,087,009
Accrued liabilities	5,925,187	5,128,315
Due to other funds	52,045	200,000
Due to Water and Sewer Authority	151,000	127,146
Due to other governments	3,542,901	2,076,895
Accrued workers' compensation	16,647,000	15,898,253
Accrued compensated absences	13,717,000	14,146,935
Accrued claims and judgments	6,000,000	3,650,000
Deferred revenue, principally real estate taxes	9,938,786	5,554,172
Deferred lease payment (note 4)	<u>19,367,000</u>	<u>59,367,000</u>
Total liabilities	83,890,016	117,235,725
Fund balance:		
Reserved:		
Encumbrances	1,868,215	1,831,310
Prepaid expenditures	1,334,210	1,259,751
Unreserved:		
Undesignated	<u>20,483,595</u>	<u>(15,259,613)</u>
Total fund balance	<u>23,686,020</u>	<u>(12,168,552)</u>
Total liabilities and fund balance	\$ <u>107,576,036</u>	<u>105,067,173</u>

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Taxes, including penalty and interest	\$ 269,212,641	253,527,745
Payment in lieu of taxes	3,582,814	4,981,469
Interest and dividends	4,458,800	3,730,304
Fines and forfeits	6,860,993	5,781,807
Licenses and fees	8,322,745	7,447,041
Intergovernmental revenues	6,279,794	4,740,489
Miscellaneous	<u>1,012,563</u>	<u>2,002,325</u>
Total revenues	299,730,350	282,211,180
Expenditures:		
Current operating:		
General government	22,892,693	21,414,639
Public safety	117,120,433	115,856,578
Public works	23,872,089	30,522,718
Sanitation	12,769,389	12,034,574
Community, recreational and cultural	3,826,927	3,308,480
Employee benefits	89,521,346	52,109,191
Claims and judgments	4,771,034	1,584,044
Miscellaneous	1,191,832	2,581,137
Debt service:		
Principal retirement of capital leases	1,723,724	1,609,487
Interest on capital leases	128,004	242,869
Interest on short-term notes	-	459,583
Bond issuance costs	558,969	-
Public Auditorium Authority subsidy	1,609,233	1,576,046
Urban Redevelopment Authority subsidy	<u>7,411,433</u>	<u>7,465,967</u>
Total expenditures	287,397,106	250,765,313
Excess of revenues over expenditures	12,333,244	31,445,867

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

	<u>1996</u>	<u>1995</u>
Other financing sources (uses):		
Operating transfer from discretely presented component unit	\$ -	4,089,568
Operating transfer from capital project	-	176,463
Operating transfer from special revenue	839,842	300,000
Operating transfer to special revenue	(4,381,652)	(4,680,855)
Operating transfer to debt service	(48,384,027)	(50,144,023)
Operating transfer to trust and agency	(1,621,799)	(350,000)
Capital lease proceeds - PWSA	40,000,000	35,000,000
PWSA liability transfer, net	-	4,898,036
Pension bond proceeds	<u>37,068,964</u>	<u>-</u>
Total other financing sources (uses)	<u>23,521,328</u>	<u>(10,710,811)</u>
Excess of revenues and other financing sources over expenditures and other financing uses	35,854,572	20,735,056
Fund balance (deficit) at beginning of year	<u>(12,168,552)</u>	<u>(32,903,608)</u>
Fund balance (deficit) at end of year	\$ <u>23,686,020</u>	<u>(12,168,552)</u>

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

For the Fiscal Year Ended December 31, 1996
(With Comparative Actual for December 31, 1995)

(Amounts Expressed in Thousands)

	1996			1995		
	Budget as amended	Actual	Variance favorable (unfavorable)	Budget as amended	Actual	Variance favorable (unfavorable)
Revenues:						
Taxes, including penalty and interest	\$ 264,871	268,609	3,738	268,172	253,993	(14,179)
Interest earnings	2,239	4,270	2,031	1,706	3,360	1,654
Fines and forfeits	8,439	7,147	(1,292)	6,284	5,933	(351)
Licenses and fees	10,931	8,804	(2,127)	12,177	9,027	(3,150)
Water & Sewer Authority	17,249	14,280	(2,969)	19,577	13,860	(5,717)
Intergovernmental	9,072	7,326	(1,746)	10,519	5,132	(5,387)
Miscellaneous	719	1,345	626	6,000	1,268	(4,732)
Trust reimbursements	-	-	-	592	-	(592)
Total revenues	313,520	311,781	(1,739)	325,027	292,573	(32,454)
Expenditures:						
Current operating:						
General government	26,995	24,502	2,493	27,449	24,379	3,070
Public safety	108,359	101,805	6,554	107,841	101,872	5,969
Public works	35,522	32,172	3,350	34,840	31,805	3,035
Sanitation	9,735	9,331	404	10,961	10,324	637
Water	-	-	-	4,144	3,403	741
Community, recreational and cultural	4,609	3,655	954	4,976	4,602	374
Employee benefits	82,818	78,016	4,802	79,989	77,500	2,489
Claims and judgments	2,509	2,406	103	1,284	1,009	275
Utilities	7,790	7,531	259	8,523	8,357	166
Miscellaneous	12,355	10,625	1,730	16,377	13,407	2,970
Debt service:						
Principal retirement	18,126	18,126	-	17,270	17,270	-
Interest	26,167	24,721	1,446	28,082	27,884	198
Stadium Authority subsidy	-	-	-	465	-	465
Urban Redevelopment Authority	1,211	1,211	-	1,342	1,266	76
Public Auditorium Authority subsidy	1,609	1,528	81	1,620	1,576	44
Total expenditures	337,805	315,629	22,176	345,163	324,654	20,509

(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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget as <u>amended</u>	<u>Actual</u>	Variance favorable (unfavorable)	Budget as <u>amended</u>	<u>Actual</u>	Variance favorable (unfavorable)
Excess (deficiency) of revenues over (under) expenditures	\$ (24,285)	(3,848)	20,437	(20,136)	(32,081)	(11,945)
Other financing sources (uses):						
Capital lease obligation proceeds	-	32,989	32,989	-	35,000	35,000
Pension bond proceeds	-	37,069	37,069	-	-	-
Pension benefit contribution and expenses	<u>-</u>	<u>(37,069)</u>	<u>(37,069)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources	<u>-</u>	<u>32,989</u>	<u>32,989</u>	<u>-</u>	<u>35,000</u>	<u>35,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(24,285)	29,141	53,426	(20,136)	2,919	23,055
Fund balances - budgetary basis, beginning of year	<u>24,285</u>	<u>11,438</u>	<u>(12,847)</u>	<u>20,136</u>	<u>8,519</u>	<u>(11,617)</u>
Fund balances - budgetary basis, end of year	\$ <u>=</u>	40,579	<u>40,579</u>	<u>=</u>	11,438	<u>11,438</u>
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):						
Cumulative difference between budgetary basis and GAAP basis, beginning of year		(23,607)			(41,423)	
Net effect of GAAP basis recognition of revenues		9,125			1,507	
Net effect of GAAP basis recognition of expenditures		(2,585)			11,411	
Net effect of GAAP basis recognition of other financing sources (uses)		<u>174</u>			<u>4,898</u>	
Fund balances - GAAP basis, end of year		\$ <u>23,686</u>			<u>(12,169)</u>	

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

Schedule of Revenues Compared With Budget (Budgetary Basis)

For the Fiscal Year Ended December 31, 1996
(With Comparative Actual as of December 31, 1995)

(Amounts Expressed in Thousands)

	1996			1995		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Taxes:						
Real estate	\$ 118,528	122,411	3,883	117,150	114,921	(2,229)
Payment in lieu of taxes	7,009	5,190	(1,819)	4,900	4,307	(593)
Mercantile	6,622	6,761	139	7,195	6,531	(664)
Amusement	5,130	5,590	460	5,592	5,507	(85)
Personal property	-	-	-	-	44	44
Earned income	38,447	38,558	111	40,194	35,466	(4,728)
Deed transfer	5,247	6,763	1,516	5,954	7,123	1,169
Sewage charges	-	1,475	1,475	1,115	1,473	358
Parking	22,381	22,690	309	23,004	21,802	(1,202)
Occupation privilege	3,136	3,103	(33)	3,213	3,111	(102)
Business privilege	36,249	35,335	(914)	34,822	35,183	361
Institution and service privilege	688	885	197	680	842	162
Public service	438	393	(45)	430	205	(225)
Cable franchise privilege	1,373	1,029	(344)	641	628	(13)
Penalties and interest	4,430	3,683	(747)	4,263	4,078	(185)
Sales tax - Regional Asset District	<u>15,193</u>	<u>14,743</u>	<u>(450)</u>	<u>19,019</u>	<u>12,772</u>	<u>(6,247)</u>
Total taxes, including penalty and interest	264,871	268,609	3,738	268,172	253,993	(14,179)
Interest earnings	2,239	4,270	2,031	1,706	3,360	1,654
Fines and forfeits	8,439	7,147	(1,292)	6,284	5,933	(351)
Licenses and fees:						
Liquor and malt beverage	435	461	26	430	432	2
Business	56	60	4	55	61	6
General government	824	965	141	925	896	(29)
Fees	<u>9,616</u>	<u>7,318</u>	<u>(2,298)</u>	<u>10,767</u>	<u>7,638</u>	<u>(3,129)</u>
Total licenses and fees	10,931	8,804	(2,127)	12,177	9,027	(3,150)
Water & Sewer Authority reimbursement	17,249	14,280	(2,969)	19,577	13,860	(5,717)
Intergovernmental revenues	9,072	7,326	(1,746)	10,519	5,132	(5,387)
Miscellaneous	719	1,345	626	6,000	1,268	(4,732)
Workers' compensation trust reimbursement	-	-	-	<u>592</u>	-	<u>(592)</u>
Total revenues	\$ <u>313,520</u>	<u>311,781</u>	<u>(1,739)</u>	<u>325,027</u>	<u>292,573</u>	<u>(32,454)</u>

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

Schedule of Expenditures Compared With Budget (Budgetary Basis)

For the Fiscal Year Ended December 31, 1996
(With Comparative Actual for December 31, 1995)

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Current Operating - General Government:						
City Council and City Clerk's Office:						
City Council:						
Salaries	\$ 406	406	-	369	368	1
Council service, supplies and equipment	138	132	6	216	210	6
Salaries, wages and services of council	731	669	62	715	659	56
Education and training	<u>47</u>	<u>43</u>	<u>4</u>	<u>40</u>	<u>32</u>	<u>8</u>
Total City Council	1,322	1,250	72	1,340	1,269	71
City Clerk's Office:						
Salaries	521	488	33	579	490	89
Premium pay	4	3	1	5	1	4
Miscellaneous services	150	88	62	40	14	26
Newspaper advertising	-	-	-	43	19	24
Supplies	27	26	1	11	4	7
Printing municipal record	-	-	-	20	5	15
Printing Pittsburgh code	-	-	-	28	-	28
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>3</u>	<u>15</u>
Total City Clerk's Office	<u>702</u>	<u>605</u>	<u>97</u>	<u>744</u>	<u>536</u>	<u>208</u>
Total City Council and City Clerk's Office	2,024	1,855	169	2,084	1,805	279
Mayor's Office:						
Office of the Mayor:						
Salaries	1,776	1,614	162	1,821	1,678	143
Premium pay	8	4	4	3	-	3
Miscellaneous services	208	129	79	344	120	224
Education and training	68	54	14	53	42	11
Supplies	50	43	7	63	35	28
Equipment	<u>10</u>	<u>3</u>	<u>7</u>	<u>15</u>	<u>1</u>	<u>14</u>
Total Office of the Mayor	2,120	1,847	273	2,299	1,876	423

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Current Operating - General Government, continued:						
Mayor's Office, continued:						
City Information Systems:						
Salaries	\$ 1,511	1,440	71	1,332	1,268	64
Premium pay	20	16	4	40	21	19
Miscellaneous services	3,910	3,868	42	3,980	3,840	140
Education and travel expense	13	12	1	30	29	1
Supplies	280	264	16	317	303	14
Equipment	<u>60</u>	<u>60</u>	<u>-</u>	<u>71</u>	<u>36</u>	<u>35</u>
Total City Information Systems	<u>5,794</u>	<u>5,660</u>	<u>134</u>	<u>5,770</u>	<u>5,497</u>	<u>273</u>
Total Mayor's Office	7,914	7,507	407	8,069	7,373	696
Magistrates Court:						
Salaries	1,138	930	208	1,110	1,016	94
Premium pay	11	8	3	18	12	6
Miscellaneous services	35	24	11	31	24	7
Education and training	1	1	-	5	2	3
Supplies	13	9	4	12	11	1
Equipment	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>1</u>
Total Magistrates Court	1,200	974	226	1,178	1,066	112
Commission on Human Relations:						
Salaries	251	226	25	245	235	10
Premium pay	2	1	1	1	-	1
Miscellaneous services	29	14	15	27	21	6
Education and training	<u>2</u>	<u>1</u>	<u>1</u>	<u>4</u>	<u>2</u>	<u>2</u>
Total Commission on Human Relations	284	242	42	277	258	19

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Current Operating - General Government, continued:						
Office of City Controller:						
Salaries	\$ 2,246	2,101	145	2,150	2,063	87
Premium pay	15	12	3	15	4	11
Miscellaneous services	141	116	25	141	128	13
Education and training	15	8	7	15	7	8
Supplies	40	40	-	40	36	4
Equipment	20	2	18	20	11	9
Computer	-	-	-	-	-	-
Inspection	<u>15</u>	<u>8</u>	<u>7</u>	<u>15</u>	<u>7</u>	<u>8</u>
Total Office of City Controller	2,492	2,287	205	2,396	2,256	140
Department of Finance:						
Salaries	2,535	2,301	234	2,687	2,560	127
Salaries - temporary employees	160	152	8	160	104	56
Premium pay	30	21	9	43	23	20
Miscellaneous services	880	578	302	993	567	426
Education and training	29	28	1	30	20	10
Supplies and materials	250	213	37	290	205	85
Equipment	25	24	1	39	16	23
Lien filing fees	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>	<u>300</u>
Total Department of Finance	4,209	3,617	592	4,542	3,495	1,047
Department of Law:						
Salaries	1,152	1,058	94	1,178	1,098	80
Premium pay	1	-	1	1	-	1
Miscellaneous services	656	384	272	493	329	164
Education and training	10	10	-	10	8	2
Supplies	10	9	1	11	10	1
Equipment	18	17	1	18	17	1
Petty claims	170	157	13	120	111	9
Miscellaneous services and supplies	<u>200</u>	<u>189</u>	<u>11</u>	<u>200</u>	<u>200</u>	<u>-</u>
Total Department of Law	2,217	1,824	393	2,031	1,773	258

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Current Operating - General Government, continued:						
Department of Personnel and Civil Service Commission:						
Salaries	\$ 887	815	72	973	914	59
Premium pay	3	1	2	5	-	5
Miscellaneous services	236	122	114	334	120	214
Education and training	69	42	27	27	16	11
Supplies	17	13	4	19	13	6
Equipment	<u>7</u>	<u>5</u>	<u>2</u>	<u>7</u>	<u>4</u>	<u>3</u>
Total Personnel and Civil Service Commission	1,219	998	221	1,365	1,067	298
Department of City Planning:						
Salaries	1,100	1,006	94	1,234	1,153	81
Premium pay	8	1	7	14	8	6
Miscellaneous services	207	84	123	189	73	116
Education and training	8	8	-	12	8	4
Supplies	26	23	3	28	20	8
Residential parking permit transfer	-	-	-	6	-	6
Equipment	<u>12</u>	<u>12</u>	<u>-</u>	<u>24</u>	<u>24</u>	<u>-</u>
Total Department of City Planning	1,361	1,134	227	1,507	1,286	221
Economic development - marketing	75	64	11	-	-	-
Support	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total General Government	<u>26,995</u>	<u>24,502</u>	<u>2,493</u>	<u>27,449</u>	<u>24,379</u>	<u>3,070</u>
Public Safety - Department of Public Safety:						
Bureau of Administration:						
Salaries and wages	468	353	115	315	258	57
Premium pay	25	7	18	105	47	58
Miscellaneous services	379	217	162	283	161	122
Education and training	12	5	7	9	4	5
Supplies and materials	15	7	8	12	7	5
Equipment	<u>19</u>	<u>18</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Total Bureau of Administration	918	607	311	725	478	247

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Public Safety - Department of Public Safety, continued:						
Bureau of Emergency Medical Services:						
Salaries	\$ 647	607	40	595	563	32
Premium pay	37	29	8	51	43	8
Longevity	112	109	3	112	106	6
Miscellaneous services	144	120	24	147	128	19
Education and training	4	4	-	1	-	1
Emergency medical services transfer	1,400	1,400	-	1,000	1,000	-
Supplies and materials	219	176	43	214	189	25
Equipment	72	36	36	65	33	32
Uniforms	<u>78</u>	<u>69</u>	<u>9</u>	<u>72</u>	<u>69</u>	<u>3</u>
Total Bureau of Emergency Medical Services	2,713	2,550	163	2,257	2,131	126
Bureau of Police:						
Salaries and wages - police City County integrated I.D. system	44,059	42,645	1,414	44,959	42,966	1,993
Salaries and wages	619	400	219	545	545	-
Premium pay	-	-	-	50	43	7
In-grade pay	6,495	5,589	906	7,800	6,979	821
Longevity	364	350	14	250	242	8
Salaries and wages - school crossing guards	1,281	1,228	53	1,596	1,557	39
Salaries and wages - support	2,410	2,160	250	2,313	2,158	155
Investigation expenses	695	416	279	895	797	98
Canine express	270	139	131	270	169	101
Miscellaneous services	169	105	64	169	115	54
Education and training	384	243	141	355	322	33
Supplies and materials	80	28	52	25	21	4
Equipment and machinery	269	206	63	257	224	33
Legal defense contribution	297	36	261	28	17	11
Purchase of uniforms	170	164	6	153	118	35
Total Bureau of Police	<u>1,175</u>	<u>934</u>	<u>241</u>	<u>1,269</u>	<u>1,178</u>	<u>91</u>
	58,737	54,643	4,094	60,934	57,451	3,483

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Public Safety - Department of Public Safety, continued:						
Bureau of Fire:						
Salaries and wages	\$ 34,341	33,046	1,295	32,820	31,526	1,294
Premium pay	8,457	7,909	548	7,853	7,275	578
In-grade pay	425	391	34	405	381	24
Longevity	1,711	1,711	-	1,687	1,682	5
Miscellaneous services	101	72	29	101	80	21
Education and training	18	11	7	28	14	14
Supplies and materials	172	128	44	147	132	15
Equipment	54	43	11	174	118	56
Purchase of uniforms	<u>712</u>	<u>694</u>	<u>18</u>	<u>710</u>	<u>604</u>	<u>106</u>
Total Bureau of Fire	<u>45,991</u>	<u>44,005</u>	<u>1,986</u>	<u>43,925</u>	<u>41,812</u>	<u>2,113</u>
Total Public Safety - Department of Public Safety	<u>108,359</u>	<u>101,805</u>	<u>6,554</u>	<u>107,841</u>	<u>101,872</u>	<u>5,969</u>
Public Works - Department of General Services:						
Administration:						
Salaries	734	641	93	738	686	52
Premium pay	323	267	56	287	226	61
Advertising for contracts	76	71	5	76	49	27
Miscellaneous services	709	605	104	1,173	1,135	38
Education and training	4	4	-	11	10	1
Supplies	30	27	3	40	40	-
Advertising impound car sales	-	-	-	19	19	-
Equipment	10	7	3	10	9	1
Telephone services and equipment	1,226	380	846	1,305	1,047	258
Radio improvement	275	265	10	205	204	1
Utilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Administration	<u>3,387</u>	<u>2,267</u>	<u>1,120</u>	<u>3,864</u>	<u>3,425</u>	<u>439</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Public Works - Department of General Services, continued:						
Fleet Management:						
Salaries	\$ 454	424	30	430	400	30
Salaries and wages	2,380	2,110	270	2,494	2,373	121
Miscellaneous services	122	121	1	135	133	2
Supplies	30	27	3	28	24	4
Gasoline and diesel	1,190	1,057	133	1,205	1,054	151
Oils and grease	105	104	1	105	105	-
Materials	47	46	1	30	30	-
Parts	1,397	1,392	5	1,418	1,417	1
Tires, tubes and chains	453	450	3	468	468	-
Outside repairs	663	658	5	713	713	-
Equipment	22	17	5	22	22	-
Rental of motorized equipment	<u>5,422</u>	<u>5,422</u>	<u>-</u>	<u>5,200</u>	<u>5,117</u>	<u>83</u>
Total Fleet Management	12,285	11,828	457	12,248	11,856	392
Facilities Management:						
Salaries	2,342	2,078	264	2,230	2,112	118
Miscellaneous services	462	367	95	334	333	1
Supplies	57	55	2	57	50	7
Materials	146	142	4	147	146	1
Repairs	46	45	1	56	56	-
Equipment	<u>13</u>	<u>12</u>	<u>1</u>	<u>17</u>	<u>17</u>	<u>-</u>
Total Facilities Management	<u>3,066</u>	<u>2,699</u>	<u>367</u>	<u>2,841</u>	<u>2,714</u>	<u>127</u>
Total Department of General Services	18,738	16,794	1,944	18,953	17,995	958

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Public Works - Department of Public Works:						
Administration:						
Salaries	\$ 817	706	111	797	695	102
Premium pay	1,000	739	261	800	581	219
Miscellaneous services	43	36	7	63	39	24
Education and training	26	17	9	27	12	15
Supplies	24	14	10	12	7	5
Equipment	25	25	-	25	20	5
Sewer maintenance contracts	18	4	14	17	9	8
Street lighting contracts	<u>900</u>	<u>870</u>	<u>30</u>	<u>980</u>	<u>980</u>	<u>-</u>
Total Administration	2,853	2,411	442	2,721	2,343	378
Operations:						
Salaries and wages - street and sewer maintenance	7,461	7,199	262	6,786	6,478	308
Miscellaneous services - street and sewer maintenance	341	330	11	125	48	77
Supplies - street and sewer maintenance	206	181	25	68	62	6
Materials - street and sewer maintenance	377	336	41	286	257	29
Repairs - street and sewer maintenance	649	606	43	389	300	89
Equipment - street and sewer maintenance	218	100	118	147	77	70
Brooms and broom accessories - street and sewer maintenance	65	47	18	60	57	3
Salt - street and sewer maintenance	344	341	3	344	344	-
Rental of equipment - street and sewer maintenance	1,713	1,700	13	1,949	1,455	494
Salaries and wages - painting division	558	508	50	563	447	116
Miscellaneous services - painting	16	8	8	20	8	12
Supplies - painting	19	17	2	14	13	1
Materials - painting	198	185	13	177	136	41
Equipment - painting	29	27	2	19	16	3
Salaries - recycling	30	-	30	29	-	29
Miscellaneous services - recycling	<u>400</u>	<u>323</u>	<u>77</u>	<u>150</u>	<u>59</u>	<u>91</u>
Total Operations	12,624	11,908	716	11,126	9,757	1,369

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Public Works - Department of Public Works, continued:						
Parks Maintenance:						
Premium pay - parks	\$ -	-	-	50	35	15
Miscellaneous services - parks	53	52	1	258	205	53
Supplies - parks	-	-	-	80	78	2
HACP sites - parks	10	7	3	29	12	17
Materials - parks	-	-	-	118	118	-
Repairs - parks	-	-	-	100	94	6
Equipment - parks	-	-	-	106	66	40
Salaries and wages - Frick Park	337	224	113	294	281	13
Salaries and wages - housing authority	223	201	22	241	225	16
Wages - forestry division	278	251	27	331	260	71
Salaries and wages - Point State Park	179	164	15	171	153	18
Premium pay - Point State Park	40	30	10	22	20	2
Miscellaneous services - Point State Park	36	36	-	36	32	4
Total Parks Maintenance	<u>1,156</u>	<u>965</u>	<u>191</u>	<u>1,836</u>	<u>1,579</u>	<u>257</u>
Total Department of Public Works	16,633	15,284	1,349	15,683	13,679	2,004
Department of Engineering and Construction:						
Salaries and wages	-	-	-	-	-	-
Premium pay	-	-	-	-	-	-
Miscellaneous services	57	41	16	56	42	14
Education and training	7	1	6	10	2	8
Supplies	40	19	21	40	22	18
Repairs	2	2	-	2	1	1
Equipment	5	2	3	5	1	4
Miscellaneous services - traffic control	11	6	5	12	4	8
Supplies - traffic control	15	12	3	15	11	4
Utilities - traffic control	-	-	-	-	-	-
Materials - traffic control	7	6	1	57	45	12
Repairs - traffic control	2	1	1	2	-	2
Equipment - traffic control	5	4	1	5	3	2
Total Department of Engineering and Construction	<u>151</u>	<u>94</u>	<u>57</u>	<u>204</u>	<u>131</u>	<u>73</u>
Total Public Works	<u>35,522</u>	<u>32,172</u>	<u>3,350</u>	<u>34,840</u>	<u>31,805</u>	<u>3,035</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Sanitation - Department of Public Works -						
Bureau of Environmental Services:						
Collection and Disposition:						
Premium pay	\$ 465	414	51	455	390	65
Salaries and wages	544	507	37	546	526	20
Wages - regular employees	5,332	5,124	208	5,612	5,381	231
Supplies and materials	72	63	9	87	55	32
Rental of equipment	26	6	20	26	10	16
Equipment	6	-	6	5	2	3
Miscellaneous services	<u>371</u>	<u>346</u>	<u>25</u>	<u>672</u>	<u>640</u>	<u>32</u>
Total Collection and Disposition	6,816	6,460	356	7,403	7,004	399
Garbage, Refuse and Ash						
Disposal:						
Garbage, refuse and ash disposal	<u>2,427</u>	<u>2,419</u>	<u>8</u>	<u>2,865</u>	<u>2,769</u>	<u>96</u>
Total garbage, refuse and ash disposal	2,427	2,419	8	2,865	2,769	96
Animal Control Division:						
Salaries and wages	<u>363</u>	<u>333</u>	<u>30</u>	<u>432</u>	<u>364</u>	<u>68</u>
Total Animal Control Division	363	333	30	432	364	68
Rodent Control Division:						
Salaries	129	119	10	116	108	8
Wages	<u>-</u>	<u>-</u>	<u>-</u>	<u>145</u>	<u>79</u>	<u>66</u>
Total Rodent Control Division	<u>129</u>	<u>119</u>	<u>10</u>	<u>261</u>	<u>187</u>	<u>74</u>
Total Sanitation - Department of Public Works - Bureau of Environmental Services	<u>9,735</u>	<u>9,331</u>	<u>404</u>	<u>10,961</u>	<u>10,324</u>	<u>637</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Water:						
Administration:						
Municipal obligation non-city water	\$ <u> -</u>	<u> -</u>	<u> -</u>	<u>2,828</u>	<u>2,095</u>	<u>733</u>
Total Administration	-	-	-	2,828	2,095	733
Purification:						
Utilities	<u> -</u>	<u> -</u>	<u> -</u>	<u>1,316</u>	<u>1,308</u>	<u>8</u>
Total Purification	<u> -</u>	<u> -</u>	<u> -</u>	<u>1,316</u>	<u>1,308</u>	<u>8</u>
Total Water	<u> -</u>	<u> -</u>	<u> -</u>	<u>4,144</u>	<u>3,403</u>	<u>741</u>
Community, Recreational and Cultural - Department of Parks and Recreation:						
Administration:						
Salaries	1,640	1,494	146	1,720	1,653	67
Premium pay	70	66	4	90	74	16
Miscellaneous services	429	346	83	417	298	119
Education and training	5	3	2	6	6	-
Supplies	118	83	35	118	87	31
Utilities	80	79	1	245	209	36
Swimming pool maintenance transfer	829	829	-	930	930	-
Community enrichment program transfer	667	167	500	350	350	-
HACP sites	132	91	41	98	73	25
Repairs	16	6	10	16	8	8
Equipment	52	17	35	52	37	15
Citywide events	74	59	15	74	71	3
Salaries and wages, regular and temporary employees	450	369	81	423	388	35
Senior citizens program	<u>7</u>	<u>6</u>	<u>1</u>	<u>397</u>	<u>378</u>	<u>19</u>
Total Administration	4,569	3,615	954	4,936	4,562	374

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Community, Recreational and Cultural - Department of Parks and Recreation, continued:						
Carnegie Library	\$ <u>40</u>	<u>40</u>	<u>-</u>	<u>40</u>	<u>40</u>	<u>-</u>
Total Community, Recreational and Cultural - Department of Parks and Recreation	<u>4,609</u>	<u>3,655</u>	<u>954</u>	<u>4,976</u>	<u>4,602</u>	<u>374</u>
Employee Benefits:						
Pensions:						
Policeman's relief and pension	9,481	9,481	-	7,195	7,195	-
Retired police officer payments	43	43	-	42	42	-
Fireman's relief and pension	7,682	7,682	-	6,268	6,268	-
Retired firefighters payments	120	120	-	126	126	-
Municipal pension fund - old	3,407	3,407	-	1,681	1,681	-
Retired employees	2,077	2,077	-	1,673	1,673	-
Police, fire, municipal widows fund	<u>283</u>	<u>283</u>	<u>-</u>	<u>124</u>	<u>124</u>	<u>-</u>
Total Pensions	23,093	23,093	-	17,109	17,109	-
Workers' compensation	937	674	263	1,300	1,041	259
Unemployment compensation	593	554	39	884	766	118
Workers' compensation medical	4,224	4,138	86	3,993	3,291	702
Workers' compensation - indemnity	5,099	5,099	-	5,272	4,937	335
Workers' compensation - disability	<u>8,550</u>	<u>8,550</u>	<u>-</u>	<u>8,305</u>	<u>8,197</u>	<u>108</u>
Total Workers' Compensation	19,403	19,015	388	19,754	18,232	1,522
Health insurance - municipal employees	28,929	28,151	778	32,671	31,984	687
Early Retirement Healthcare	708	708	-	-	-	-
Social security fund	5,585	5,272	313	5,469	5,427	42
Personal leave buy back	1,500	1,213	287	1,185	1,052	133
Retirement severance pay - sick leave	<u>3,600</u>	<u>564</u>	<u>3,036</u>	<u>3,801</u>	<u>3,696</u>	<u>105</u>
Total Employee Benefits	<u>82,818</u>	<u>78,016</u>	<u>4,802</u>	<u>79,989</u>	<u>77,500</u>	<u>2,489</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Claims and Judgments:						
Reserve for unsettled wage/labor contract	\$ -	-	-	200	-	200
Claims and judgments	2,502	2,406	96	1,077	1,009	68
No fault insurance claims	<u>7</u>	<u>-</u>	<u>7</u>	<u>7</u>	<u>-</u>	<u>7</u>
Total Claims and Judgments	<u>2,509</u>	<u>2,406</u>	<u>103</u>	<u>1,284</u>	<u>1,009</u>	<u>275</u>
Utilities	<u>7,790</u>	<u>7,531</u>	<u>259</u>	<u>8,523</u>	<u>8,357</u>	<u>166</u>
Miscellaneous:						
Departmental postage	1,344	833	511	1,243	890	353
Refunds:						
Other tax refunds	1,381	1,125	256	1,400	1,400	-
Protest towing/storage refunds	1	-	1	1	-	1
Real estate tax refunds	1,625	1,625	-	1,600	1,500	100
Fine refunds	70	41	29	70	43	27
Sewage refunds	<u>30</u>	<u>5</u>	<u>25</u>	<u>10</u>	<u>4</u>	<u>6</u>
Total refunds	3,107	2,796	311	3,081	2,947	134
Sewage receivable purchases	479	477	2	2,924	2,446	478
Workers' compensation commutations	-	-	-	237	29	208
Spending authorized in prior years:						
Prior year payables	2,471	1,565	906	3,631	1,837	1,794
Accrued payroll - prior year	<u>4,954</u>	<u>4,954</u>	<u>-</u>	<u>5,261</u>	<u>5,258</u>	<u>3</u>
Total spending authorized in prior years	<u>7,425</u>	<u>6,519</u>	<u>906</u>	<u>8,892</u>	<u>7,095</u>	<u>1,797</u>
Total Miscellaneous	<u>12,355</u>	<u>10,625</u>	<u>1,730</u>	<u>16,377</u>	<u>13,407</u>	<u>2,970</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund

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

(Amounts Expressed in Thousands)

	1996			1995		
	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)	Budget appropriation as amended	Expenditures	Variance favorable (unfavorable)
Debt Service:						
Bond and note maturities	\$ 18,126	18,126	-	17,270	17,270	-
Interest on bonds and notes	26,117	24,684	1,433	28,032	27,839	193
Paying agent expenses	50	37	13	50	45	5
Debt service subsidy:						
Auditorium Authority	1,609	1,528	81	1,620	1,576	44
Urban Redevelopment Authority	1,211	1,211	-	1,342	1,266	76
Stadium Authority	-	-	-	465	-	465
Total Debt Service	<u>47,113</u>	<u>45,586</u>	<u>1,527</u>	<u>48,779</u>	<u>48,996</u>	<u>783</u>
Total General Fund Expenditures	\$ <u>337,805</u>	<u>315,629</u>	<u>22,176</u>	<u>345,163</u>	<u>324,654</u>	<u>20,509</u>

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:

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.

CITY OF PITTSBURGH, PENNSYLVANIA

Special Revenue Funds
Combining Balance Sheet

December 31, 1996
(With comparative totals for December 31, 1995)

<u>Assets</u>	<u>Equipment Leasing Authority</u>	<u>Liquid Fuel Tax</u>	<u>JTPA</u>
Cash and short-term investments, at cost which approximates market	\$ 920,568	2,080,801	1,453,554
Receivables:			
Accrued interest	2,688	9,220	-
Other	-	-	-
Due from general fund	-	-	-
Due from other special revenue funds	-	-	209,808
Due from trust and agency	-	-	-
Due from other governments	-	-	<u>1,117,814</u>
Total assets	<u>\$ 923,256</u>	<u>2,090,021</u>	<u>2,781,176</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accounts payable	1,178	324,293	1,236,034
Retainage payable	-	-	-
Accrued liabilities	-	354,445	60,896
Due to general fund	-	-	1,459,675
Due to other special revenue funds	-	-	-
Due to capital projects funds	-	-	-
Due to trust and agency funds	-	-	-
Due to other governments	-	-	-
Total liabilities	<u>1,178</u>	<u>678,738</u>	<u>2,756,605</u>
Fund balances:			
Reserve for encumbrances	149,603	-	-
Unreserved:			
Designated for subsequent years' expenditures	-	-	-
Unreserved	<u>772,475</u>	<u>1,411,283</u>	<u>24,571</u>
Total fund balances	<u>922,078</u>	<u>1,411,283</u>	<u>24,571</u>
Total liabilities and fund balances	<u>\$ 923,256</u>	<u>2,090,021</u>	<u>2,781,176</u>

	<u>Public Safety</u>	<u>Community Development</u>	<u>Civic and Cultural</u>	<u>Totals</u>	
				<u>1996</u>	<u>1995</u>
	6,584,411	1,535,813	3,377,192	15,952,339	11,632,230
	-	-	-	11,908	45,612
	2,013,241	-	570,843	2,584,084	2,982,502
	-	-	52,045	52,045	200,000
	-	-	29,380	239,188	258,688
	-	-	-	-	24,100
	<u>201,363</u>	<u>4,659,110</u>	<u>-</u>	<u>5,978,287</u>	<u>5,859,724</u>
	<u>8,799,015</u>	<u>6,194,923</u>	<u>4,029,460</u>	<u>24,817,851</u>	<u>21,002,856</u>
	226,906	3,717,965	103,422	5,609,798	4,054,188
	-	56,075	-	56,075	24,819
	604,000	22,522	90,105	1,131,968	1,065,706
	140,064	1,204,255	910,703	3,714,697	3,555,615
	3,099	236,090	-	239,189	258,688
	-	840,934	-	840,934	496,006
	-	32,466	86,000	118,466	86,000
	<u>478,077</u>	<u>-</u>	<u>17,446</u>	<u>495,523</u>	<u>-</u>
	<u>1,452,146</u>	<u>6,110,307</u>	<u>1,207,676</u>	<u>12,206,650</u>	<u>9,541,022</u>
	166,860	-	366,984	683,447	425,885
	234,760	-	309,762	544,522	719,243
	<u>6,945,249</u>	<u>84,616</u>	<u>2,145,038</u>	<u>11,383,232</u>	<u>10,316,706</u>
	<u>7,346,869</u>	<u>84,616</u>	<u>2,821,784</u>	<u>12,611,201</u>	<u>11,461,834</u>
	<u>8,799,015</u>	<u>6,194,923</u>	<u>4,029,460</u>	<u>24,817,851</u>	<u>21,002,856</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1996
(With comparative totals for December 31, 1995)

	Equipment Leasing <u>Authority</u>	Liquid Fuel Tax	<u>JTPA</u>
Revenues:			
Interest earnings	\$ 38,244	179,786	-
Intergovernmental revenues	-	4,849,397	8,618,406
Charges for user services	-	-	-
Miscellaneous revenue	<u>128,885</u>	<u>-</u>	<u>-</u>
Total revenues	167,129	5,029,183	8,618,406
Expenditures:			
General government	193,176	-	-
Public safety	-	-	-
Public works	-	4,445,036	-
Community, recreational and cultural	-	-	-
Intergovernmental programs	-	-	8,646,743
Capital projects	<u>814,517</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,007,693</u>	<u>4,445,036</u>	<u>8,646,743</u>
(Deficiency) excess of revenues (under) over expenditures	(840,564)	584,147	(28,337)
Other financing sources (uses):			
Proceeds from fixed asset disposition	203,453	-	-
Operating transfers from other funds	716,701	-	28,337
Operating transfers to other funds	<u>(100,851)</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>819,303</u>	<u>-</u>	<u>28,337</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(21,261)	584,147	-
Fund balances at beginning of year	943,339	827,136	24,571
Equity transfers to other funds	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at end of year	\$ <u>922,078</u>	<u>1,411,283</u>	<u>24,571</u>

<u>Public Safety</u>	<u>Community Development</u>	<u>Civic and Cultural</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
-	-	70,188	288,218	247,204
3,199,834	28,685,708	1,997,207	47,350,552	41,317,888
14,467,146	-	3,229,410	17,696,556	17,498,678
<u>-</u>	<u>-</u>	<u>-</u>	<u>128,885</u>	<u>59,490</u>
<u>17,666,980</u>	<u>28,685,708</u>	<u>5,296,805</u>	<u>65,464,211</u>	<u>59,123,260</u>
852,421	7,361,499	391,278	8,798,374	8,465,237
17,481,784	-	-	17,481,784	15,981,245
-	6,027,909	2,142,281	12,615,226	9,035,694
-	1,347,602	3,382,447	4,730,049	4,838,332
-	14,832,749	80,014	23,559,506	22,652,077
<u>-</u>	<u>-</u>	<u>-</u>	<u>814,517</u>	<u>1,263,305</u>
<u>18,334,205</u>	<u>29,569,759</u>	<u>5,996,020</u>	<u>67,999,456</u>	<u>62,235,890</u>
(667,225)	(884,051)	(699,215)	(2,535,245)	(3,112,630)
-	-	-	203,453	193,293
1,923,563	884,051	869,200	4,421,852	4,705,855
<u>(600,000)</u>	<u>-</u>	<u>(239,842)</u>	<u>(940,693)</u>	<u>(435,165)</u>
<u>1,323,563</u>	<u>884,051</u>	<u>629,358</u>	<u>3,684,612</u>	<u>4,463,983</u>
656,338	-	(69,857)	1,149,367	1,351,353
6,690,530	84,616	2,891,642	11,461,834	10,200,058
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,577)</u>
<u>7,346,868</u>	<u>84,616</u>	<u>2,821,785</u>	<u>12,611,201</u>	<u>11,461,834</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Equipment Leasing Authority
Comparative Balance Sheets

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 920,568	948,039
Accrued interest receivable	<u>2,688</u>	<u>1,745</u>
Total assets	\$ <u>923,256</u>	<u>949,784</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	<u>1,178</u>	<u>6,445</u>
Total liabilities	<u>1,178</u>	<u>6,445</u>
Fund balances:		
Reserve for encumbrances	149,603	19,655
Unreserved	<u>772,475</u>	<u>923,684</u>
Total fund balances	<u>922,078</u>	<u>943,339</u>
Total liabilities and fund balances	\$ <u>923,256</u>	<u>949,784</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Interest earnings	\$ 38,244	72,610
Miscellaneous	<u>128,885</u>	<u>59,490</u>
Total revenues	<u>167,129</u>	<u>132,100</u>
Expenditures:		
General government	193,176	51,435
Capital projects	<u>814,517</u>	<u>1,263,305</u>
Total expenditures	<u>1,007,693</u>	<u>1,314,740</u>
Deficiency of revenue under expenditures	(840,564)	(1,182,640)
Other financing sources (uses):		
Proceeds from fixed asset disposition	203,453	193,293
Operating transfers from other funds	716,701	-
Operating transfers to other funds	<u>(100,851)</u>	<u>(135,165)</u>
Total other financing sources (uses)	<u>819,303</u>	<u>58,128</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses	(21,261)	(1,124,512)
Fund balances at beginning of year	<u>943,339</u>	<u>2,067,851</u>
Fund balances at end of year	\$ <u>922,078</u>	<u>943,339</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Liquid Fuel Tax
Comparative Balance Sheets

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 2,080,801	1,245,495
Accrued interest receivable	9,220	8,671
Due from other governments	-	<u>311,160</u>
Total assets	\$ <u>2,090,021</u>	<u>1,565,326</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	324,293	326,350
Accrued liabilities	<u>354,445</u>	<u>411,840</u>
Total liabilities	678,738	738,190
Fund balances:		
Unreserved	<u>1,411,283</u>	<u>827,136</u>
Total fund balances	<u>1,411,283</u>	<u>827,136</u>
Total liabilities and fund balances	\$ <u>2,090,021</u>	<u>1,565,326</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Interest earnings	\$ 179,786	164,982
Intergovernmental - state	<u>4,849,397</u>	<u>4,773,489</u>
Total revenues	5,029,183	4,938,471
Expenditures:		
Public works	<u>4,445,036</u>	<u>4,932,682</u>
Total expenditures	<u>4,445,036</u>	<u>4,932,682</u>
Excess of revenues over expenditures	584,147	5,789
Fund balances at beginning of year	<u>827,136</u>	<u>821,347</u>
Fund balances at end of year	\$ <u>1,411,283</u>	<u>827,136</u>

CITY OF PITTSBURGH, PENNSYLVANIA

JTPA
Comparative Balance Sheets

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 1,453,554	961,107
Due from community development	209,808	255,589
Due from other governments	<u>1,117,814</u>	<u>1,026,652</u>
Total assets	\$ <u>2,781,176</u>	<u>2,243,348</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	1,236,034	816,719
Accrued liabilities	60,896	52,546
Due to general fund	<u>1,459,675</u>	<u>1,349,512</u>
Total liabilities	2,756,605	2,218,777
Fund balances:		
Unreserved	<u>24,571</u>	<u>24,571</u>
Total fund balances	<u>24,571</u>	<u>24,571</u>
Total liabilities and fund balances	\$ <u>2,781,176</u>	<u>2,243,348</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Intergovernmental - federal	\$ <u>8,618,406</u>	<u>7,638,516</u>
Total revenues	8,618,406	7,638,516
Expenditures:		
Intergovernmental programs	<u>8,646,743</u>	<u>7,919,510</u>
Total expenditures	<u>8,646,743</u>	<u>7,919,510</u>
Deficiency of revenues under expenditures	(28,337)	(280,994)
Other financing sources:		
Operating transfers from general fund	<u>28,337</u>	<u>280,994</u>
Total other financing sources	<u>28,337</u>	<u>280,994</u>
Excess of revenues and other financing sources over expenditures and other financing uses	-	-
Fund balances at beginning of year	<u>24,571</u>	<u>24,571</u>
Fund balances at end of year	\$ <u><u>24,571</u></u>	<u><u>24,571</u></u>

CITY OF PITTSBURGH, PENNSYLVANIA

Public Safety
Comparative Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash and short-term investments, at cost which approximates market	\$ 6,584,411	4,723,712
Other receivables	2,013,241	2,401,543
Due from general fund	-	200,000
Due from other governments	<u>201,363</u>	<u>376,179</u>
Total assets	\$ <u>8,799,015</u>	<u>7,701,434</u>
 <u>Liabilities and Fund Balances</u> 		
Liabilities:		
Accounts payable	226,906	399,304
Accrued liabilities	604,000	508,501
Due to general fund	140,064	100,000
Due to other special revenue funds	3,099	3,099
Due to other government	<u>478,077</u>	<u>-</u>
Total liabilities	1,452,146	1,010,904
Fund balances:		
Reserved for encumbrances	166,860	54,218
Designated for subsequent years' expenditures	234,760	407,199
Unreserved	<u>6,945,249</u>	<u>6,229,113</u>
Total fund balances	<u>7,346,869</u>	<u>6,690,530</u>
Total liabilities and fund balances	\$ <u>8,799,015</u>	<u>7,701,434</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Intergovernmental:		
Federal	\$ 1,767,942	933,985
State	191,003	388,671
Local	1,240,888	831,864
Charges for user services	<u>14,467,147</u>	<u>14,461,892</u>
Total revenues	17,666,980	16,616,412
Expenditures:		
Public safety	<u>18,334,205</u>	<u>15,981,245</u>
Total expenditures	<u>18,334,205</u>	<u>15,981,245</u>
Excess (deficiency) of revenues over (under) expenditures	(667,225)	635,167
Other financing sources (uses):		
Operating transfers from general fund	1,923,563	1,772,372
Operating transfers to general fund	<u>(600,000)</u>	<u>(300,000)</u>
Total other financing sources	<u>1,323,563</u>	<u>1,472,372</u>
Excess of revenues and other sources over expenditures and other financing uses	656,338	2,107,539
Fund balances at beginning of year	<u>6,690,530</u>	<u>4,582,991</u>
Fund balances at end of year	\$ <u>7,346,868</u>	<u>6,690,530</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Community Development
Comparative Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash and short-term investments, at cost which approximates market	\$ 1,535,813	253,381
Due from other governments	<u>4,659,110</u>	<u>4,031,848</u>
Total assets	<u>\$ 6,194,923</u>	<u>4,285,229</u>
 <u>Liabilities and Fund Balances</u> 		
Liabilities:		
Accounts payable	3,717,965	2,472,039
Retainage payable	56,075	24,819
Accrued liabilities	22,522	17,222
Due to general fund	1,204,255	934,938
Due to other special revenue funds	236,090	-
Due to capital projects	840,934	496,006
Due to trust and agency	<u>32,466</u>	<u>255,589</u>
Total liabilities	6,110,307	4,200,613
Fund balances:		
Designated for subsequent years' expenditures	-	1,375
Unreserved	<u>84,616</u>	<u>83,241</u>
Total fund balances	<u>84,616</u>	<u>84,616</u>
Total liabilities and fund balances	<u>\$ 6,194,923</u>	<u>4,285,229</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Intergovernmental - federal	\$ <u>28,685,708</u>	<u>24,919,157</u>
Total revenues	28,685,708	24,919,157
Expenditures:		
General government:		
Council and City Clerk's office	961,776	755,335
Commission on Human Relations	-	(95)
Personnel and Civil Service	837,976	1,002,134
City Planning	5,506,738	6,337,629
Finance	55,009	44,991
Public works:		
Public works	4,566,931	1,308,694
General services	58,904	27,083
Engineering and construction	1,402,074	661,480
Community, recreational and cultural:		
Parks and recreation	1,347,602	1,475,435
Intergovernmental programs	<u>14,832,749</u>	<u>14,660,586</u>
Total expenditures	<u>29,569,759</u>	<u>26,273,272</u>
Deficiency of revenue under expenditures	(884,051)	(1,354,115)
Other financing sources:		
Operating transfers from general fund	<u>884,051</u>	<u>1,354,115</u>
Total other financing sources	<u>884,051</u>	<u>1,354,115</u>
Excess of revenues and other sources over expenditures	-	-
Fund balances at beginning of year	<u>84,616</u>	<u>84,616</u>
Fund balances at end of year	\$ <u><u>84,616</u></u>	<u><u>84,616</u></u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1996

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ <u>56,020,683</u>	<u>24,490,990</u>	(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	4,635,323	1,105,186	3,530,137
Engineering and construction	5,805,064	1,238,215	4,566,849
Community, recreational and cultural programs	1,387,000	133,219	1,253,781
Intergovernmental programs	<u>26,883,646</u>	<u>14,181,814</u>	<u>12,701,832</u>
Total expenditures	<u>56,020,683</u>	<u>23,287,253</u>	<u>32,733,430</u>
Deficiency of revenues under expenditures	-	1,203,737	1,203,737
Fund balances - budgetary basis, beginning of year	<u>-</u>	<u>188,179</u>	<u>188,179</u>
Fund balances - budgetary basis, end of year	\$ <u>-</u>	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		(103,563)	
Net effect of GAAP basis recognition of revenues		1,538,485	
Net effect of GAAP basis recognition of expenditures		(3,626,273)	
Net effect of GAAP basis recognition of other financing sources/uses		<u>884,051</u>	
Fund balance - GAAP basis, end of year		\$ <u>84,616</u>	

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1995

	<u>Budget</u>	<u>Actual (Unfavorable)</u>	Variance Favorable
Revenues:			
Intergovernmental	\$ 57,047,180	22,447,414	(34,599,766)
Total revenues	<u>57,047,180</u>	<u>22,447,414</u>	<u>(34,599,766)</u>
Expenditures:			
General government:			
Council and City Clerk's office	2,143,560	817,340	1,326,220
Finance	100,000	44,991	55,009
Department of Personnel and Civil Service	2,337,290	869,340	1,467,950
Department of City Planning	15,721,751	5,209,875	10,511,876
General services	95,433	39,118	56,315
Public safety	43,273	25,150	18,123
Public works:			
Public works	2,803,319	1,483,004	1,320,315
Engineering and construction	4,351,383	705,297	3,646,086
Community, recreational and cultural programs	350,001	102,763	247,238
Intergovernmental programs	<u>29,101,170</u>	<u>13,671,616</u>	<u>15,429,554</u>
Total expenditures	<u>57,047,180</u>	<u>22,968,494</u>	<u>34,078,686</u>
Deficiency of revenues under expenditures	-	(521,080)	(521,080)
Fund balances - budgetary basis, beginning of year	-	<u>709,259</u>	<u>709,259</u>
Fund balances - budgetary basis, end of year	\$ <u>-</u>	188,179	<u>188,179</u>
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):			
Cumulative difference between budgetary basis		(624,643)	
and GAAP basis, beginning of year			
Net effect of GAAP basis recognition of revenues		2,471,743	
Net effect of GAAP basis recognition of expenditures		(3,304,778)	
Net effect of GAAP basis recognition of other financing sources/uses		<u>1,354,115</u>	
Fund balance - GAAP basis, end of year		\$ <u>84,616</u>	

CITY OF PITTSBURGH, PENNSYLVANIA

Civic and Cultural
Comparative Balance Sheets

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 3,377,192	3,500,496
Receivables:		
Accrued interest	-	35,196
Other	570,843	580,959
Due from other special revenue funds	29,380	3,099
Due from the general fund	52,045	24,100
Due from other governments	-	<u>113,885</u>
Total assets	\$ <u>4,029,460</u>	<u>4,257,735</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	103,422	33,331
Accrued liabilities	90,105	75,597
Due to general fund	910,703	1,171,165
Due to trust and agency	86,000	86,000
Due to other governments	<u>17,446</u>	<u>-</u>
Total liabilities	1,207,676	1,366,093
Fund balances:		
Reserve for encumbrances	366,984	352,012
Reserve for subsequent years' expenditures	309,762	310,669
Unreserved	<u>2,145,038</u>	<u>2,228,961</u>
Total fund balances	<u>2,821,784</u>	<u>2,891,642</u>
Total liabilities and fund balances	\$ <u>4,029,460</u>	<u>4,257,735</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Interest earnings	\$ 70,188	9,612
Intergovernmental revenues:		
Federal	146,014	612,091
State	1,101,452	1,198,230
Local	749,741	21,885
Charges for user services	<u>3,229,410</u>	<u>3,036,786</u>
Total revenues	<u>5,296,805</u>	<u>4,878,604</u>
Expenditures:		
General government	391,278	273,808
Public works	2,142,281	2,105,755
Community, recreational and cultural	3,382,447	3,362,897
Intergovernmental programs	<u>80,014</u>	<u>71,981</u>
Total expenditures	<u>5,996,020</u>	<u>5,814,441</u>
Deficiency of revenue over expenditures	(699,215)	(935,837)
Other financing sources (uses):		
Operating transfers from other funds	869,200	1,298,374
Operating transfers to other funds	<u>(239,842)</u>	<u>-</u>
Total other financing sources	<u>629,358</u>	<u>1,298,374</u>
(Deficiency) excess of revenues and other financing sources over expenditures and other financing uses	(69,857)	362,537
Fund balances at beginning of year	2,891,642	2,618,682
Residual equity transfer	<u>-</u>	<u>(89,577)</u>
Fund balances at end of year	\$ <u>2,821,785</u>	<u>2,891,642</u>

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.

CITY OF PITTSBURGH, PENNSYLVANIA

Debt Service Funds
Combining Balance Sheet

December 31, 1996
(With comparative totals for December 31, 1995)

	<u>General Obligation</u>	<u>Equipment Leasing Authority</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ 21,495,815	1,397,396	22,893,211	8,780,164
Accrued interest receivable	<u>938,366</u>	<u>1,061</u>	<u>939,427</u>	<u>247,732</u>
Total assets	\$ <u>22,434,181</u>	<u>1,398,457</u>	<u>23,832,638</u>	<u>9,027,896</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accrued interest and other payables	<u>512,663</u>	-	<u>512,663</u>	<u>319,498</u>
Total liabilities	512,663	-	512,663	319,498
Fund balances:				
Designated for debt service	<u>21,921,518</u>	<u>1,398,457</u>	<u>23,319,975</u>	<u>8,708,398</u>
Total liabilities and fund balances	\$ <u>22,434,181</u>	<u>1,398,457</u>	<u>23,832,638</u>	<u>9,027,896</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Year Ended December 31, 1996
(With comparative totals for December 31, 1995)

	General Obligation	Equipment Leasing Authority	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
Revenues:				
Interest earnings	\$ 4,191,393	3,389	4,194,782	1,285,216
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,333</u>
Total revenues	4,191,393	3,389	4,194,782	1,318,549
Expenditures:				
Principal retirement	11,791,331	5,230,000	17,021,331	25,039,362
Interest expenditures	23,878,371	407,348	24,285,719	29,947,282
Fiscal agent charges	34,847	3,518	38,365	51,913
Bond issuance costs	<u>1,092,354</u>	<u>-</u>	<u>1,092,354</u>	<u>-</u>
Total expenditures	<u>36,796,903</u>	<u>5,640,866</u>	<u>42,437,769</u>	<u>55,038,557</u>
Deficiency of revenues under expenditures	(32,605,510)	(5,637,477)	(38,242,987)	(53,720,008)
Other financing sources (uses):				
Operating transfers from:				
General fund	42,847,144	5,536,883	48,384,027	50,144,023
Capital projects fund	-	-	-	6,802,930
Special revenue funds	-	100,851	100,851	135,165
Component units	3,270,000	-	3,270,000	3,270,000
Bond proceeds	168,589,419	-	168,589,419	-
Payment to escrow agent for refunded debt	<u>(167,489,733)</u>	<u>-</u>	<u>(167,489,733)</u>	<u>-</u>
Total other financing sources	<u>47,216,830</u>	<u>5,637,734</u>	<u>52,854,564</u>	<u>60,352,118</u>
Excess of revenues and other financing sources over expenditures and other financing uses	14,611,320	257	14,611,577	6,632,110
Fund balances at beginning of year	<u>7,310,198</u>	<u>1,398,200</u>	<u>8,708,398</u>	<u>2,076,288</u>
Fund balances at end of year	\$ <u>21,921,518</u>	<u>1,398,457</u>	<u>23,319,975</u>	<u>8,708,398</u>

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 funds 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.

CITY OF PITTSBURGH, PENNSYLVANIA

Capital Projects Funds
Combining Balance Sheet

December 31, 1996
(With comparative totals for December 31, 1995)

<u>Assets</u>	<u>Engineering and Construction</u>	<u>Parks and Recreation</u>	<u>Public Works</u>
Cash and short-term investments, at cost which approximates market	\$ 13,008,007	314,389	934,462
Interfund receivable	-	-	828,790
Due from special revenue	-	-	304,851
Due from trust and agency	4,992,040	-	-
Due from other governments	1,706,837	-	-
Other receivables	<u>24,851</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>19,731,735</u>	<u>314,389</u>	<u>2,068,103</u>
 <u>Liabilities and Fund Balances</u> 			
Liabilities:			
Accounts payables	823,273	3,737	152,419
Retainage payable	910,447	-	10,450
Accrued liabilities	116,148	-	65,207
Due to general fund	68,342	-	105,444
Interfund payable	-	-	-
Accrued claims and judgments	<u>600,000</u>	<u>-</u>	<u>-</u>
Total liabilities	2,518,210	3,737	333,520
Fund balances:			
Reserved for encumbrances	5,883,353	20,671	329,339
Designated for subsequent years' expenditures	<u>11,330,172</u>	<u>289,981</u>	<u>1,405,244</u>
Total fund balances	<u>17,213,525</u>	<u>310,652</u>	<u>1,734,583</u>
Total liabilities and fund balances	\$ <u>19,731,735</u>	<u>314,389</u>	<u>2,068,103</u>

<u>General Services</u>	<u>Urban Redevelopment</u>	<u>Other</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
720,012	3,946,428	22,373,858	41,297,156	80,423,113
-	-	-	828,790	828,790
-	-	536,083	840,934	496,006
-	-	-	4,992,040	4,992,040
-	-	-	1,706,837	2,760,299
-	-	-	24,851	-
<u>720,012</u>	<u>3,946,428</u>	<u>22,909,941</u>	<u>49,690,608</u>	<u>89,500,248</u>
5,245	-	2,204,128	3,188,802	3,591,083
-	-	14,876	935,773	1,169,538
-	-	-	181,355	164,483
8,198	-	-	181,984	351,379
-	-	828,790	828,790	828,790
-	-	-	600,000	935,000
13,443	-	3,047,794	5,916,704	7,040,273
284,205	1,140,000	2,930,087	10,587,655	6,601,908
<u>422,364</u>	<u>2,806,428</u>	<u>16,932,060</u>	<u>33,186,249</u>	<u>75,858,067</u>
<u>706,569</u>	<u>3,946,428</u>	<u>19,862,147</u>	<u>43,773,904</u>	<u>82,459,975</u>
<u>720,012</u>	<u>3,946,428</u>	<u>22,909,941</u>	<u>49,690,608</u>	<u>89,500,248</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1996
 (With comparative totals for December 31, 1995)

	<u>Engineering and Construction</u>	<u>Parks and Recreation</u>	<u>Public Works</u>
Revenues:			
Intergovernmental revenues	\$ 5,520,645	-	-
Charges for user services	<u>-</u>	<u>-</u>	<u>760,702</u>
Total revenues	5,520,645	-	760,702
Expenditures:			
Capital projects	17,737,029	213,946	7,001,433
Claims and judgments	(335,000)	-	-
Bond issuance costs	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>17,402,029</u>	<u>213,946</u>	<u>7,001,433</u>
Deficiency of revenues under expenditures	(11,881,384)	(213,946)	(6,240,731)
Other financing sources (uses):			
Bond proceeds	-	-	-
Operating transfers (to) from:			
Debt service	-	-	-
Special revenue	-	-	-
General fund	-	-	-
Other capital projects funds	15,400,000	500,000	6,550,000
Payments to refunded debt escrow agent	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>15,400,000</u>	<u>500,000</u>	<u>6,550,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,518,616	286,054	309,269
Fund balances at beginning of year	<u>13,694,909</u>	<u>24,598</u>	<u>1,425,314</u>
Fund balances at end of year	\$ <u>17,213,525</u>	<u>310,652</u>	<u>1,734,583</u>

<u>General Services</u>	<u>Urban Redevelopment</u>	<u>Other</u>	<u>Totals</u>	
			<u>1996</u>	<u>1995</u>
-	-	-	5,520,645	6,419,657
<u>-</u>	<u>-</u>	<u>-</u>	<u>760,702</u>	<u>423,719</u>
-	-	-	6,281,347	6,843,376
522,495	11,950,000	7,877,515	45,302,418	38,695,896
-	-	-	(335,000)	83,500
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,137,539</u>
<u>522,495</u>	<u>11,950,000</u>	<u>7,877,515</u>	<u>44,967,418</u>	<u>39,916,935</u>
(522,495)	(11,950,000)	(7,877,515)	(38,686,071)	(33,073,559)
-	-	-	-	175,992,312
-	-	-	-	(6,802,930)
-	-	-	-	(25,000)
-	-	-	-	(176,463)
911,147	14,600,000	(37,961,147)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(95,315,870)</u>
<u>911,147</u>	<u>14,600,000</u>	<u>(37,961,147)</u>	<u>-</u>	<u>73,672,049</u>
388,652	2,650,000	(45,838,662)	(38,686,071)	40,598,490
<u>317,917</u>	<u>1,296,428</u>	<u>65,700,809</u>	<u>82,459,975</u>	<u>41,861,485</u>
<u>706,569</u>	<u>3,946,428</u>	<u>19,862,147</u>	<u>43,773,904</u>	<u>82,459,975</u>

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1996

	Budget as amended	Actual	Variance favorable (unfavorable)
Revenues:			
Intergovernmental	\$ <u>1,325,000</u>	<u>1,563,749</u>	<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	308,576
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	<u>63,881</u>	<u>63,400</u>	<u>481</u>
Total expenditures	<u>173,292,453</u>	<u>39,372,531</u>	<u>133,919,922</u>
Excess (deficiency) of revenues over (under) expenditures	(171,967,453)	(37,808,782)	134,158,671
Other financing sources:			
Bond proceeds	-	-	-
Operating transfers out	-	-	-
Payment to refunded debt escrow agent	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(171,967,453)	(37,808,782)	134,158,671
Fund balance - budgetary basis, beginning of year	<u>171,967,453</u>	<u>80,880,888</u>	<u>(91,086,565)</u>
Fund balance - budgetary basis, end of year	\$ <u>-</u>	43,072,106	<u>43,072,106</u>
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		<u>(5,594,886)</u>	
Fund balance - GAAP basis, end of year		\$ <u>43,773,904</u>	

CITY OF PITTSBURGH, PENNSYLVANIA

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

For the Fiscal Year Ended December 31, 1995

	<u>Budget as amended</u>	<u>Actual</u>	Variance favorable (<u>unfavorable</u>)
Revenues:			
Intergovernmental	\$ 4,570,500	1,616,972	(2,953,528)
Total revenues	4,570,500	1,616,972	(2,953,528)
Expenditures:			
Capital projects:			
Engineering and construction	104,326,624	18,145,102	86,181,522
Parks and recreation	430,119	2,532	427,587
Public works	16,674,037	7,048,761	9,625,276
General services	10,378,713	905,285	9,473,428
Urban Redevelopment Authority	13,272,028	1,868,000	11,404,028
Other	12,432,383	3,970,216	8,462,167
Bond issuance costs	1,141,252	1,074,139	67,113
Total expenditures	<u>158,655,156</u>	<u>33,014,035</u>	<u>125,641,121</u>
Excess (deficiency) of revenues over (under) expenditures	(154,084,656)	(31,397,063)	122,687,593
Other financing sources:			
Bond proceeds	175,992,312	175,992,312	-
Operating transfers out	(7,004,393)	(7,004,393)	-
Payment to refunded debt escrow agent	<u>(95,315,870)</u>	<u>(95,315,870)</u>	-
Total other financing sources	<u>73,672,049</u>	<u>73,672,049</u>	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(80,412,607)	42,274,986	122,687,593
Fund balance - budgetary basis, beginning of year	<u>80,412,607</u>	<u>38,605,902</u>	<u>(41,806,705)</u>
Fund balance - budgetary basis, end of year	\$ <u>-</u>	80,880,888	<u>80,880,888</u>
Adjustment to generally accepted accounting principles (GAAP) basis (note 2):			
Cumulative difference between budgetary basis and GAAP basis, beginning of year		3,255,583	
Net effect of GAAP basis recognition of revenues		5,226,404	
Net effect of GAAP basis recognition of expenditures		<u>(6,902,900)</u>	
Fund balance - GAAP basis, end of year		\$ <u>82,459,975</u>	

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 nonuniformed 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 pension plan.

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

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

Retirees' trust - to account for the receipt and disbursement of City funds to permit 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.

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.

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.

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.

CITY OF PITTSBURGH, PENNSYLVANIA

Trust and Agency Funds

Combining Balance Sheet

December 31, 1996

(With comparative totals for December 31, 1995)

<u>Assets</u>	<u>Pension funds</u>	<u>Expendable trusts</u>	<u>Agency funds</u>	<u>Totals 1996</u>	<u>Totals 1995</u>
Cash and short-term investments, at cost which approximates market	\$ 13,268,069	7,768,166	49,945,991	70,982,226	64,592,531
Investments	129,283,027	-	-	129,283,027	87,755,568
Accrued interest and dividends receivable	860,032	-	-	860,032	732,039
Due from other funds	-	174,954	-	174,954	86,000
Contributions receivable	370,680	-	-	370,680	510,242
Other receivables	<u>4,522</u>	<u>-</u>	<u>18,151</u>	<u>22,673</u>	<u>32,349</u>
Total assets	<u>\$ 143,786,330</u>	<u>7,943,120</u>	<u>49,964,142</u>	<u>201,693,592</u>	<u>153,708,729</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accrued liabilities and other payables	156,851	46,497	1,243,187	1,446,535	1,521,767
Deferred compensation payable	-	-	46,597,219	46,597,219	41,363,896
Due to other funds	161,084	5,198,577	1,180,231	6,539,892	7,090,799
Due to other governments	-	31,084	60,472	91,556	250,292
Due to individuals	-	298,977	-	298,977	225,704
Deposits held in trust	<u>-</u>	<u>-</u>	<u>883,033</u>	<u>883,033</u>	<u>1,005,468</u>
Total liabilities	317,935	5,575,135	49,964,142	55,857,212	51,457,926
 Fund balances:					
Reserved for encumbrances	-	57,214	-	57,214	63,666
Reserved for endowments	-	41,367	-	41,367	194,971
Reserved for employee benefits	143,468,395	599,140	-	144,067,535	101,876,195
Designated for subsequent years' expenditures	-	-	-	-	4,900
Undesignated	<u>-</u>	<u>1,670,264</u>	<u>-</u>	<u>1,670,264</u>	<u>111,071</u>
Total fund balances	<u>143,468,395</u>	<u>2,367,985</u>	<u>-</u>	<u>145,836,380</u>	<u>102,250,803</u>
Total liabilities and fund balances	<u>\$ 143,786,330</u>	<u>7,943,120</u>	<u>49,964,142</u>	<u>201,693,592</u>	<u>153,708,729</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Trust Funds

Combining Balance Sheet

December 31, 1996

(With comparative totals for December 31, 1995)

<u>Assets</u>	<u>Comprehensive board</u>	<u>Municipal plan</u>	<u>Police plan</u>
Cash and short-term investments, at cost which approximates market	\$ 13,080,049	15,333	150,248
Investments	129,283,027	-	-
Accrued interest, dividends and other	860,032	-	-
Contributions receivable	370,680	-	-
Other receivables	-	<u>4,522</u>	<u>-</u>
Total assets	\$ <u>143,593,788</u>	<u>19,855</u>	<u>150,248</u>
<u>Liabilities and Fund Balances</u>			
Liabilities:			
Accrued liabilities and other payables	134,310	10,238	11,811
Due to general fund	<u>161,084</u>	<u>-</u>	<u>-</u>
Total liabilities	295,394	10,238	11,811
Fund balances:			
Reserve for employee benefits	<u>143,298,394</u>	<u>9,617</u>	<u>138,437</u>
Total liabilities and fund balances	\$ <u>143,593,788</u>	<u>19,855</u>	<u>150,248</u>

<u>Fire plan</u>	<u>Retirees' plan</u>	<u>Totals</u>	
		<u>1996</u>	<u>1995</u>
19,233	3,206	13,268,069	12,664,105
-	-	129,283,027	87,755,568
-	-	860,032	732,039
-	-	370,680	510,242
-	-	4,522	3,946
<u>19,233</u>	<u>3,206</u>	<u>143,786,330</u>	<u>101,665,900</u>
492	-	156,851	95,830
-	-	161,084	209,888
<u>492</u>	-	<u>317,935</u>	<u>305,718</u>
<u>18,741</u>	<u>3,206</u>	<u>143,468,395</u>	<u>101,360,182</u>
<u>19,233</u>	<u>3,206</u>	<u>143,786,330</u>	<u>101,665,900</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Trust Funds

Combining Statement of Revenues, Expenses and Changes in Fund Balances

For the Fiscal Year Ended December 31, 1996
(With comparative totals for December 31, 1995)

	<u>Comprehensive board</u>	<u>Municipal plan</u>	<u>Police plan</u>
Operating revenues:			
Contributions:			
Participants	\$ 8,848,698	-	1,067
Employer	58,918,937	-	288,335
State	<u>15,502,284</u>	-	-
Total contributions	83,269,919	-	289,402
Investment income:			
Gain on security transactions	12,312,200	-	-
Interest and dividends	<u>4,968,813</u>	-	14,963
Total investment income	17,281,013	-	14,963
Miscellaneous	<u>4,007</u>	-	15,282
Total operating revenue	100,554,939	-	319,647
Operating expenses:			
Benefit payments	-	18,317,241	24,937,920
Refund of dues	-	930,637	80,768
Administrative expenses	287,873	268,515	232,783
Fees for professional services	<u>717,058</u>	-	-
Total operating expenses	<u>1,004,931</u>	<u>19,516,393</u>	<u>25,251,471</u>
Net income (loss) before operating transfers	99,550,008	(19,516,393)	(24,931,824)
Operating transfers to pension funds	<u>(57,534,273)</u>	<u>19,511,056</u>	<u>25,028,217</u>
Net income (loss)	42,015,735	(5,337)	96,393
Fund balances at beginning of year	<u>101,282,659</u>	<u>14,954</u>	<u>42,044</u>
Fund balances at end of year	\$ <u>143,298,394</u>	<u>9,617</u>	<u>138,437</u>

<u>Fire plan</u>	<u>Retirees' plan</u>	<u>Totals</u>	
		<u>1996</u>	<u>1995</u>
8,187	-	8,857,952	8,876,910
-	2,076,668	61,283,940	19,439,466
-	-	<u>15,502,284</u>	<u>17,717,106</u>
<u>8,187</u>	<u>2,076,668</u>	85,644,176	46,033,482
-	-	12,312,200	5,933,760
<u>3,790</u>	<u>914</u>	<u>4,988,480</u>	<u>4,418,833</u>
3,790	914	17,300,680	10,352,593
<u>340</u>	<u>-</u>	<u>19,629</u>	<u>113,198</u>
12,317	2,077,582	102,964,485	56,499,273
12,808,393	2,076,668	58,140,222	55,629,897
46,651	-	1,058,056	1,337,173
151,765	-	940,936	925,650
-	-	<u>717,058</u>	<u>458,342</u>
<u>13,006,809</u>	<u>2,076,668</u>	<u>60,856,272</u>	<u>58,351,062</u>
(12,994,492)	914	42,108,213	(1,851,789)
<u>12,995,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
508	914	42,108,213	(1,851,789)
<u>18,233</u>	<u>2,292</u>	<u>101,360,182</u>	<u>103,211,971</u>
<u>18,741</u>	<u>3,206</u>	<u>143,468,395</u>	<u>101,360,182</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Expendable Trust Funds

Combining Balance Sheet

December 31, 1996

(With comparative totals for December 31, 1995)

<u>Assets</u>	<u>Gifts and donations</u>	<u>Workers' compensation</u>	<u>Parks endowments</u>
Cash and short-term investments, at cost which approximate market	\$ 246,454	5,591,180	126,153
Due from other funds	<u>174,954</u>	-	-
Total assets	\$ <u>421,408</u>	<u>5,591,180</u>	<u>126,153</u>
 <u>Liabilities and Fund Balances</u> 			
Liabilities:			
Accrued liabilities and other payables	33,853	-	12,644
Due to other funds	134,395	4,992,040	72,142
Due to other government	-	-	-
Due to individuals	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	168,248	4,992,040	84,786
Fund balances:			
Reserved for encumbrances	57,214	-	-
Reserved for endowments	-	-	41,367
Reserved for employee benefits	-	599,140	-
Designated for subsequent years' expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Undesignated	195,946	-	-
Total fund balances	<u>253,160</u>	<u>599,140</u>	<u>41,367</u>
Total liabilities and fund balances	\$ <u>421,408</u>	<u>5,591,180</u>	<u>126,153</u>

<u>Unclaimed liabilities</u>	<u>Pension escrow</u>	<u>Totals</u>	
		<u>1996</u>	<u>1995</u>
389,580	1,414,799	7,768,166	6,590,131
-	-	174,954	86,000
<u>389,580</u>	<u>1,414,799</u>	<u>7,943,120</u>	<u>6,676,131</u>
-	-	46,497	34,815
-	-	5,198,577	5,447,954
31,084	-	31,084	77,037
<u>298,977</u>	-	<u>298,977</u>	<u>225,704</u>
330,061	-	5,575,135	5,785,510
-	-	57,214	63,666
-	-	41,367	194,971
-	-	599,140	516,013
-	-	-	4,900
<u>59,519</u>	<u>1,414,799</u>	<u>1,670,264</u>	<u>111,071</u>
<u>59,519</u>	<u>1,414,799</u>	<u>2,367,985</u>	<u>890,621</u>
<u>389,580</u>	<u>1,414,799</u>	<u>7,943,120</u>	<u>6,676,131</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Expendable Trust Funds

Combining Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 1996
(With comparative totals for December 31, 1995)

	<u>Gifts and donations</u>	<u>Workers' compensation</u>	<u>Parks endowments</u>
Revenues:			
Interest earnings	\$ -	288,150	-
Charges for user services	792,688	-	-
Donations and endowments	288,033	-	150,000
Escheat revenues	-	-	-
Other	-	<u>(13,125)</u>	<u>72,370</u>
Total revenues	<u>1,080,721</u>	<u>275,025</u>	<u>222,370</u>
Expenditures - current operating:			
Community, recreational and cultural:			
Community activities	968,416	-	-
School services	157,989	-	-
Parks and recreation	26,845	-	337,203
Payment to state	-	-	-
Payments to individuals	-	-	-
Miscellaneous	-	<u>191,898</u>	<u>-</u>
Total expenditures	<u>1,153,250</u>	<u>191,898</u>	<u>337,203</u>
Excess (deficiency) of revenues over (under) expenditures	(72,529)	83,127	(114,833)
Other financing sources (uses):			
Operating transfer from general fund	207,000	-	-
Operating transfer to general fund	-	-	-
Operating transfer to special revenue	-	-	<u>(40,200)</u>
Total other financing sources (uses)	<u>207,000</u>	<u>-</u>	<u>(40,200)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	134,471	83,127	(155,033)
Fund balances at beginning of year	<u>118,689</u>	<u>516,013</u>	<u>196,400</u>
Fund balances at end of year	\$ <u>253,160</u>	<u>599,140</u>	<u>41,367</u>

<u>Unclaimed liabilities</u>	<u>Pension escrow</u>	<u>Totals</u>	
		<u>1996</u>	<u>1995</u>
-	-	288,150	288,378
-	-	792,688	437,013
-	-	438,033	427,064
-	-	-	59,519
-	-	<u>59,245</u>	<u>33,062</u>
-	-	<u>1,578,116</u>	<u>1,245,036</u>
-	-	968,416	684,256
-	-	157,989	117,812
-	-	364,048	521,399
-	-	-	-
-	-	-	-
-	-	<u>191,898</u>	<u>187,458</u>
-	-	<u>1,682,351</u>	<u>1,510,925</u>
-	-	(104,235)	(265,889)
-	1,414,799	1,621,799	350,000
-	-	-	-
-	-	<u>(40,200)</u>	<u>-</u>
-	<u>1,414,799</u>	<u>1,581,599</u>	<u>350,000</u>
-	1,414,799	1,477,364	84,111
<u>59,519</u>	-	<u>890,621</u>	<u>806,510</u>
<u>59,519</u>	<u>1,414,799</u>	<u>2,367,985</u>	<u>890,621</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Gifts and Donations

Comparative Balance Sheets

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ 246,454	191,736
Due from other funds	<u>174,954</u>	<u>86,000</u>
Total assets	\$ <u>421,408</u>	<u>277,736</u>
<u>Liabilities and Fund Balances</u>		
Liabilities:		
Accrued liabilities	33,853	25,935
Due to general fund	<u>134,395</u>	<u>133,112</u>
Total liabilities	168,248	159,047
Fund balances:		
Reserved for encumbrances	57,214	63,637
Designated for subsequent years' expenditures	-	3,500
Undesignated	<u>195,946</u>	<u>51,552</u>
Total fund balances	<u>253,160</u>	<u>118,689</u>
Total liabilities and fund balances	\$ <u>421,408</u>	<u>277,736</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Gifts and Donations

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Charges for user services	\$ 792,688	437,013
Donations and endowments	288,033	27,064
Other	<u>-</u>	<u>-</u>
Total revenues	1,080,721	464,077
Expenditures - current operating:		
Community, recreational and cultural:		
Community activities	968,416	684,256
School services	157,989	117,812
Parks and recreation	<u>26,845</u>	<u>1,401</u>
Total expenditures	<u>1,153,250</u>	<u>803,469</u>
Excess (deficiency) of revenues over (under) expenditures	(72,529)	(339,392)
Other financing sources:		
Operating transfer from general fund	<u>207,000</u>	<u>350,000</u>
Total other financing sources	<u>207,000</u>	<u>350,000</u>
Excess of revenues and other financing sources over expenditures and other financing uses	134,471	10,608
Fund balances at beginning of year	<u>118,689</u>	<u>108,081</u>
Fund balances at end of year	\$ <u>253,160</u>	<u>118,689</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Workers' Compensation Irrevocable Trust

Comparative Balance Sheets

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<u>Assets</u>		
Cash and short-term investments, at cost which approximates market	\$ <u>5,591,180</u>	<u>5,508,053</u>
Total assets	\$ <u>5,591,180</u>	<u>5,508,053</u>
<u>Liabilities and Fund Balances</u>		
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	<u>599,140</u>	<u>516,013</u>
Total fund balances	<u>599,140</u>	<u>516,013</u>
Total liabilities and fund balances	\$ <u>5,591,180</u>	<u>5,508,053</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Workers' Compensation Irrevocable Trust

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Interest earnings	\$ 288,150	286,218
Realized loss	<u>(13,125)</u>	<u>(30,731)</u>
Total revenues	275,025	255,487
Expenditures - current operating:		
Trustee fee	<u>191,898</u>	<u>187,458</u>
Total expenditures	<u>191,898</u>	<u>187,458</u>
Excess of revenues over expenditures	83,127	68,029
Other financing uses:		
Operating transfer to general fund	_____ -	_____ -
Total other financing uses	_____ -	_____ -
Excess of revenues and other financing sources		
over expenditures and other financing uses	83,127	68,029
Fund balances at beginning of year	<u>516,013</u>	447,984
Fund balances at end of year	\$ <u>599,140</u>	<u>516,013</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Parks Endowments

Comparative Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash and short-term investments, at cost which approximates market	\$ <u>126,153</u>	<u>528,082</u>
Total assets	\$ <u><u>126,153</u></u>	<u><u>528,082</u></u>
 <u>Liabilities and Fund Balances</u> 		
Liabilities:		
Accrued liabilities	12,644	8,880
Due to other funds	<u>72,142</u>	<u>322,802</u>
Total liabilities	84,786	331,682
Fund balances:		
Reserved for encumbrances	-	29
Reserved for endowments	41,367	194,971
Designated for subsequent years' expenditures	<u>-</u>	<u>1,400</u>
Total fund balances	<u><u>41,367</u></u>	<u><u>196,400</u></u>
Total liabilities and fund balances	\$ <u><u>126,153</u></u>	<u><u>528,082</u></u>

CITY OF PITTSBURGH, PENNSYLVANIA

Parks Endowments

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Interest earnings	\$ -	2,160
Donations and endowments	150,000	400,000
Other	<u>72,370</u>	<u>63,793</u>
Total revenues	222,370	465,953
Expenditures - current operating:		
Community, recreational and cultural:		
Parks and recreation	<u>337,203</u>	<u>519,998</u>
Total expenditures	<u>337,203</u>	<u>519,998</u>
Excess (deficiency) of revenues over (under) expenditures	(114,833)	(54,045)
Other financing sources (uses):		
Operating transfer to special revenue	<u>(40,200)</u>	-
Total other financing sources (uses)	<u>(40,200)</u>	-
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(155,033)	-
Fund balances at beginning of year	<u>196,400</u>	<u>250,445</u>
Fund balances at end of year	\$ <u>41,367</u>	<u>196,400</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Unclaimed Liabilities

Comparative Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash and short-term investments, at cost which approximates market	\$ <u>389,580</u>	<u>362,260</u>
Total assets	\$ <u>389,580</u>	<u>362,260</u>
 <u>Liabilities and Fund Balances</u> 		
Liabilities:		
Due to other governments	31,084	77,037
Due to individuals	<u>298,977</u>	<u>225,704</u>
Total liabilities	330,061	302,741
 Fund balances:		
Undesignated	<u>59,519</u>	<u>59,519</u>
Total fund balances	<u>59,519</u>	<u>59,519</u>
Total liabilities and fund balances	\$ <u>389,580</u>	<u>362,260</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Unclaimed Liabilities

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Escheat revenues	\$ _____ -	<u>59,519</u>
Total revenues	-	59,519
Expenditures	_____ -	_____ -
Excess of revenues over expenditures	-	59,519
Fund balances at beginning of year	<u>59,519</u>	_____ -
Fund balances at end of year	\$ <u>59,519</u>	<u>59,519</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Escrow

Comparative Balance Sheets

December 31, 1996 and 1995

<u>Assets</u>	<u>1996</u>	<u>1995</u>
Cash and short-term investments, at cost which approximates market	\$ <u>1,414,799</u>	<u>-</u>
Total assets	\$ <u>1,414,799</u>	<u>-</u>
 <u>Liabilities and Fund Balances</u> 		
Liabilities:		
Due to other governments	-	-
Due to individuals	<u>-</u>	<u>-</u>
Total liabilities	-	-
Fund balances:		
Undesignated	1,414,799	<u>-</u>
Total fund balances	<u>1,414,799</u>	<u>-</u>
Total liabilities and fund balances	\$ <u>1,414,799</u>	<u>-</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Pension Escrow

Comparative Statements of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Other financing sources:		
Operating transfer from general fund	\$ <u>1,414,799</u>	<u>-</u>
Total other financing sources	<u>1,414,799</u>	<u>-</u>
 Excess of revenues and other financing sources over expenditures and other financing uses	 1,414,799	 -
Fund balances at beginning of year	<u>-</u>	<u>-</u>
Fund balances at end of year	\$ <u><u>1,414,799</u></u>	<u><u>-</u></u>

CITY OF PITTSBURGH, PENNSYLVANIA

Agency

Combining Balance Sheet

December 31, 1996

(With comparative totals for December 31, 1995)

	<u>Employee benefits</u>	<u>Payroll withholding</u>	<u>Deposit</u>
<u>Assets</u>			
Cash and short-term investments, at cost which approximates market	\$ 46,871,606	1,108,813	692,039
Other receivable	-	-	-
Total assets	\$ <u>46,871,606</u>	<u>1,108,813</u>	<u>692,039</u>
<u>Liabilities</u>			
Accrued liabilities	274,387	223,156	307,410
Deferred compensation payable	46,597,219	-	-
Due to other governments	-	-	-
Due to general fund	-	885,657	200
Due to other funds	-	-	-
Deposits held in trust	-	-	<u>384,429</u>
Total liabilities	\$ <u>46,871,606</u>	<u>1,108,813</u>	<u>692,039</u>

<u>Other</u>	<u>Totals</u>	
	<u>1996</u>	<u>1995</u>
1,273,533	49,945,991	45,338,295
<u>18,151</u>	<u>18,151</u>	<u>28,403</u>
<u>1,291,684</u>	<u>49,964,142</u>	<u>45,366,698</u>
438,234	1,243,187	1,391,122
-	46,597,219	41,363,896
60,472	60,472	173,255
237,886	1,123,743	1,432,957
56,488	56,488	-
<u>498,604</u>	<u>883,033</u>	<u>1,005,468</u>
<u>1,291,684</u>	<u>49,964,142</u>	<u>45,366,698</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Employee Benefits

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended December 31, 1996

	Balance January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1996</u>
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>41,915,927</u>	<u>8,510,643</u>	<u>(3,554,964)</u>	<u>46,871,606</u>
Total assets	\$ <u>41,915,927</u>	<u>8,510,643</u>	<u>(3,554,964)</u>	<u>46,871,606</u>
<u>Liabilities</u>				
Accrued liabilities	551,938	1,239,888	(1,517,439)	274,387
Deferred compensation payable	41,363,896	7,270,755	(2,037,432)	46,597,219
Due to general fund	<u>93</u>	<u>-</u>	<u>(93)</u>	<u>-</u>
Total liabilities	\$ <u>41,915,927</u>	<u>8,510,643</u>	<u>(3,554,964)</u>	<u>46,871,606</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Payroll Withholding

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended December 31, 1996

	Balance January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1996</u>
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>1,080,317</u>	<u>9,876,088</u>	<u>(9,847,592)</u>	<u>1,108,813</u>
Total assets	\$ <u>1,080,317</u>	<u>9,876,088</u>	<u>(9,847,592)</u>	<u>1,108,813</u>
<u>Liabilities</u>				
Accrued liabilities	244,998	9,290,431	(9,312,273)	223,156
Due to general fund	<u>835,319</u>	<u>585,657</u>	<u>(535,319)</u>	<u>885,657</u>
Total liabilities	\$ <u>1,080,317</u>	<u>9,876,088</u>	<u>(9,847,592)</u>	<u>1,108,813</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Deposit

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended December 31, 1996

	Balance January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1996</u>
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ <u>771,160</u>	<u>3,461,738</u>	<u>(3,540,859)</u>	<u>692,039</u>
Total assets	\$ <u>771,160</u>	<u>3,461,738</u>	<u>(3,540,859)</u>	<u>692,039</u>
<u>Liabilities</u>				
Accrued liabilities	232,157	2,239,354	(2,164,101)	307,410
Due to general fund	200	-	-	200
Deposits held in trust	<u>538,803</u>	<u>1,222,384</u>	<u>(1,376,758)</u>	<u>384,429</u>
Total liabilities	\$ <u>771,160</u>	<u>3,461,738</u>	<u>(3,540,859)</u>	<u>692,039</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Other

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended December 31, 1996

	Balance January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1996</u>
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ 1,570,891	7,707,928	(8,005,286)	1,273,533
Other receivables	<u>28,403</u>	<u>-</u>	<u>(10,252)</u>	<u>18,151</u>
Total assets	\$ <u>1,599,294</u>	<u>7,707,928</u>	<u>(8,015,538)</u>	<u>1,291,684</u>
<u>Liabilities</u>				
Accrued liabilities	362,029	692,794	(616,589)	438,234
Due to other governments	173,255	37,776	(150,559)	60,472
Due to general fund	597,345	230,386	(589,845)	237,886
Due to other funds	-	56,488	-	56,488
Deposits held in trust	<u>466,665</u>	<u>6,690,484</u>	<u>(6,658,545)</u>	<u>498,604</u>
Total liabilities	\$ <u>1,599,294</u>	<u>7,707,928</u>	<u>(8,015,538)</u>	<u>1,291,684</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Total Agency Funds

Statement of Changes in Assets and Liabilities

For the Fiscal Year Ended December 31, 1996

	Balance January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>1996</u>
<u>Assets</u>				
Cash and short-term investments, at cost which approximates market	\$ 45,338,295	29,556,397	(24,948,701)	49,945,991
Other receivables	<u>28,403</u>	<u>-</u>	<u>(10,252)</u>	<u>18,151</u>
Total assets	\$ <u>45,366,698</u>	<u>29,556,397</u>	<u>(24,958,953)</u>	<u>49,964,142</u>
<u>Liabilities</u>				
Accrued liabilities	1,391,122	13,462,467	(13,610,402)	1,243,187
Deferred compensation payable	41,363,896	7,270,755	(2,037,432)	46,597,219
Due to other governments	173,255	37,776	(150,559)	60,472
Due to general fund	1,432,957	816,043	(1,125,257)	1,123,743
Due to other funds	-	56,488	-	56,488
Deposits held in trust	<u>1,005,468</u>	<u>7,912,868</u>	<u>(8,035,303)</u>	<u>883,033</u>
Total liabilities	\$ <u>45,366,698</u>	<u>29,556,397</u>	<u>(24,958,953)</u>	<u>49,964,142</u>

**GENERAL FIXED ASSETS
ACCOUNT GROUP**

CITY OF PITTSBURGH, PENNSYLVANIA

Comparative Schedule of General Fixed Assets by Source

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
General fixed assets:		
Land and buildings	\$ 111,772,407	112,009,619
Machinery and equipment	45,947,714	45,508,989
Capital leases	11,774,592	12,013,464
Construction-in-progress	<u>1,066,156</u>	<u>-</u>
Total general fixed assets	\$ <u>170,560,869</u>	<u>169,532,072</u>
Investment in general fixed assets by source:		
General fund	1,426,208	1,371,407
Special revenue	12,270,560	12,210,817
Capital projects	21,440,618	20,558,461
Trust funds	211,909	179,812
Capital leases	2,195,767	2,195,768
Acquired prior to January 1, 1992	<u>133,015,807</u>	<u>133,015,807</u>
Total investment in general fixed assets	\$ <u>170,560,869</u>	<u>169,532,072</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of General Fixed Assets
by Function and Activity

December 31, 1996

	<u>Land and buildings</u>	<u>Machinery and equipment</u>	<u>Capital leases</u>	<u>Construction in-progress</u>	<u>Total</u>
Function and activity:					
General government:					
Mayor's office	\$ -	4,093,269	11,774,592	-	15,867,861
Human relations	-	6,969	-	-	6,969
Council	-	78,988	-	-	78,988
Controller	-	106,889	-	-	106,889
Finance	-	165,098	-	-	165,098
Law	-	66,244	-	-	66,244
Personnel and civil service	-	40,567	-	-	40,567
City planning	-	283,602	-	-	283,602
General services	<u>29,661,826</u>	<u>29,864,701</u>	<u>-</u>	<u>-</u>	<u>59,526,527</u>
Total general government	29,661,826	34,706,327	11,774,592	-	76,142,745
Public safety	22,209,894	1,854,012	-	1,066,156	25,130,062
Public works	6,716,794	8,311,731	-	-	15,028,525
Recreational and cultural	53,183,893	876,239	-	-	54,060,132
Engineering and construction	-	<u>199,405</u>	<u>-</u>	<u>-</u>	<u>199,405</u>
Total general fixed assets	\$ <u>111,772,407</u>	<u>45,947,714</u>	<u>11,774,592</u>	<u>1,066,156</u>	<u>170,560,869</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Changes in General Fixed
Assets by Function and Activity

For the Fiscal Year Ended December 31, 1996

	General fixed assets, January 1, <u>1996</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	General fixed assets, December 31, <u>1996</u>
Function and activity:					
General government:					
Mayor's office	\$ 15,773,742	96,515	(2,396)	-	15,867,861
Human relations	6,969	-	-	-	6,969
Council	114,250	-	(35,262)	-	78,988
Controller	106,490	1,499	(1,100)	-	106,889
Finance	172,526	-	(7,428)	-	165,098
Law	63,658	2,586	-	-	66,244
Personnel and civil service	38,337	4,530	(2,300)	-	40,567
City planning	220,516	63,086	-	-	283,602
General services	<u>58,764,278</u>	<u>1,520,193</u>	<u>(757,944)</u>	-	<u>59,526,527</u>
Total general government	75,260,766	1,688,409	(806,430)	-	76,142,745
Public safety	24,057,789	1,077,573	(5,300)	-	25,130,062
Public works	15,022,289	6,236	-	-	15,028,525
Recreational and cultural	54,989,623	4,869	(934,360)	-	54,060,132
Engineering and construction	<u>201,605</u>	-	<u>(2,200)</u>	-	<u>199,405</u>
Total general fixed assets	\$ <u>169,532,072</u>	<u>2,777,087</u>	<u>(1,748,290)</u>	-	<u>170,560,869</u>

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 timeframe that exceeds one current operating period.

CITY OF PITTSBURGH, PENNSYLVANIA

General Long-Term Debt Account Group

Statements of General Long-Term Debt

December 31, 1996 and 1995

	<u>1996</u>	<u>1995</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	\$ 23,145,292	8,708,398
Amount to be provided for the retirement of bonds	651,006,703	638,783,593
Amount to be provided for capital lease obligations	907,473	2,669,152
Amount to be provided for deferred loan	3,834,000	3,834,000
Amount to be provided for accrued pension costs	189,289,000	228,236,000
Amount to be provided for accrued workers' compensation	83,233,000	89,898,000
Amount to be provided for accrued compensated absences	15,405,000	13,868,000
Amount to be provided for accrued claims and judgments	<u>6,200,000</u>	<u>6,900,000</u>
Total available and to be provided	\$ <u>973,020,468</u>	<u>992,897,143</u>
General long-term debt payable:		
General obligation bonds payable, at face	622,230,000	594,630,000
Less unamortized discount on zero coupon bonds	(14,962,087)	(16,990,364)
Less general obligation bond funded by Stadium Authority	<u>(28,057,813)</u>	<u>(29,635,983)</u>
General obligation bonds payable	579,210,100	548,003,653
Revenue bonds payable	17,652,500	23,870,000
Taxable revenue bonds payable	7,020,000	7,650,000
Self-supporting bonds payable	<u>70,269,395</u>	<u>67,968,338</u>
Total bonds payable	674,151,995	647,491,991
Capital lease obligations	907,473	2,669,152
Deferred loan	3,834,000	3,834,000
Accrued pension costs	189,289,000	228,236,000
Accrued workers' compensation	83,233,000	89,898,000
Accrued compensated absences	15,405,000	13,868,000
Accrued claims and judgments	<u>6,200,000</u>	<u>6,900,000</u>
Total long-term debt payable	\$ <u>973,020,468</u>	<u>992,897,143</u>

COMPONENT UNITS
DISCRETE

CITY OF PITTSBURGH, PENNSYLVANIA

Discrete Component Units

Combining Balance Sheets

December 31, 1996

(With comparative totals for December 31, 1995)

<u>Assets</u>	<u>PSFF</u>	<u>PWSA</u>	<u>Stadium Authority</u>
Current assets:			
Cash and investments	\$ 210,383	11,620,000	3,401,830
Accounts receivable	-	21,539,000	2,363,230
Due from primary government	-	151,000	-
Grant receivable - Allegheny Regional Asset District	-	-	7,250,000
Inventory	-	4,043,000	-
Other current assets	-	-	184,338
Accrued interest receivable and other	-	-	-
Total current assets	<u>210,383</u>	<u>37,353,000</u>	<u>13,199,398</u>
Trusteed and restricted funds:			
Cash and investments	-	133,009,000	240,755
Accounts receivable	-	3,867,000	60,000
Accrued interest payable, net	-	-	-
Total trustee and restricted assets	<u>-</u>	<u>136,876,000</u>	<u>300,755</u>
Noncurrent assets:			
Investments, noncurrent, restricted	-	-	-
Bond issuance costs, net of amortization	-	5,150,000	-
Deferred bond and financing expense	-	-	79,167
Accounts and notes receivable	-	-	-
Total noncurrent assets	<u>-</u>	<u>5,150,000</u>	<u>79,167</u>
Property, plant and equipment:			
Stadium complex	-	-	64,161,828
Land and parking facilities	-	-	-
Machinery and equipment	40,227	-	-
Utility plant	-	174,806,000	-
Nonutility plant	-	6,819,000	-
Capitalized system lease	-	100,646,000	-
Construction-in-progress	-	44,120,000	-
Less accumulated depreciation	<u>(23,199)</u>	<u>(31,720,000)</u>	<u>(30,525,034)</u>
Net property, plant and equipment	<u>17,028</u>	<u>294,671,000</u>	<u>33,636,794</u>
Total assets	<u>\$ 227,411</u>	<u>474,050,000</u>	<u>47,216,114</u>

Public Parking Authority	Totals	
	<u>1996</u>	<u>1995</u>
2,492,644	17,724,857	12,270,196
1,305,023	25,207,253	18,526,548
-	151,000	127,000
-	7,250,000	7,500,000
-	4,043,000	3,953,000
-	184,338	592,439
<u>212,538</u>	<u>212,538</u>	-
4,010,205	54,772,986	42,969,183
13,565,752	146,815,507	195,824,970
-	3,927,000	62,000
-	-	<u>(7,455,000)</u>
13,565,752	150,742,507	188,431,970
2,522,999	2,522,999	9,952,368
1,288,334	6,438,334	6,811,330
-	79,167	87,500
<u>2,362,060</u>	<u>2,362,060</u>	<u>2,509,593</u>
6,173,393	11,402,560	19,360,791
-	64,161,828	62,604,878
93,330,297	93,330,297	90,033,316
2,554,449	2,594,676	1,885,063
-	174,806,000	164,331,000
-	6,819,000	6,064,000
-	100,646,000	100,646,000
40,107	44,160,107	39,902,907
<u>(27,733,321)</u>	<u>(90,001,554)</u>	<u>(78,658,388)</u>
<u>68,191,532</u>	<u>396,516,354</u>	<u>386,808,776</u>
<u>91,940,882</u>	<u>613,434,407</u>	<u>637,570,720</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Discrete Component Units

Combining Balance Sheets, Continued

<u>Liabilities and Equity (Deficit)</u>	<u>PSFF</u>	<u>PWSA</u>	<u>Stadium Authority</u>
Current liabilities:			
Accounts payable and other accrued expenses	\$ 10,192	3,165,000	2,334,998
Accounts payable - primary government	-	-	-
Accrued payroll and related obligations	-	1,562,000	-
Accrued interest payable	-	-	875,627
Current maturities of long-term debt	-	-	1,744,733
Current maturities of long-term debt - primary government	-	-	1,190,000
Deferred revenue	<u>-</u>	<u>-</u>	<u>2,089,165</u>
Total current liabilities	10,192	4,727,000	8,234,523
Accounts payable from trustee funds	-	1,667,000	-
Accrued interest	-	7,886,000	-
Capital lease obligation payable from trustee funds	-	21,017,000	-
Grants from the primary government	-	-	22,775,168
Payroll related obligations	-	3,550,000	-
Deferred revenue	-	1,999,000	-
Long-term debt, net of current portion	-	431,994,000	18,374,372
Long-term payable to the primary government, net of current portion	<u>-</u>	<u>-</u>	<u>22,810,000</u>
Total liabilities	10,192	472,840,000	72,194,063
Fund equity:			
Contributed capital:			
Restricted for construction purposes	-	-	12,540,500
Contributed capital	-	5,277,000	-
Retained earnings:			
Retained earnings	217,219	-	-
Accumulated deficit	<u>-</u>	<u>(4,067,000)</u>	<u>(37,518,449)</u>
Total retained earnings (deficit)	<u>217,219</u>	<u>1,210,000</u>	<u>(24,977,949)</u>
Total liabilities and fund equity	\$ <u>227,411</u>	<u>474,050,000</u>	<u>47,216,114</u>

<u>Public Parking Authority</u>	<u>Totals</u>	
	<u>1996</u>	<u>1995</u>
2,187,742	7,697,932	5,536,413
467,729	467,729	821,901
-	1,562,000	-
1,046,930	1,922,557	1,900,731
2,313,236	4,057,969	3,676,674
-	1,190,000	1,100,000
-	<u>2,089,165</u>	<u>4,944,211</u>
<u>6,015,637</u>	18,987,352	17,979,930
-	1,667,000	1,038,000
-	7,886,000	1,769,000
-	21,017,000	59,367,000
-	22,775,168	22,775,168
-	3,550,000	3,745,000
-	1,999,000	-
54,593,214	504,961,586	512,385,438
-	<u>22,810,000</u>	<u>24,000,000</u>
<u>60,608,851</u>	605,653,106	643,059,536
-	12,540,500	12,540,500
-	5,277,000	5,277,000
31,332,031	31,549,250	30,766,777
-	<u>(41,585,449)</u>	<u>(54,073,093)</u>
<u>31,332,031</u>	<u>7,781,301</u>	<u>(5,488,816)</u>
<u>91,940,882</u>	<u>613,434,407</u>	<u>637,570,720</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Discrete Component Units

Combining Statements of Revenues, Expenses and Changes in Retained Earnings

For the Fiscal Year Ended December 31, 1996
(With comparative totals for December 31, 1995)

	<u>PSFF</u>	<u>PWSA</u>	<u>Stadium Authority</u>
Operating revenues:			
Rentals	\$ -	-	2,576,537
Medallions	-	-	1,772,211
Concessions	-	-	1,077,272
Lounge boxes	-	-	1,727,094
Parking receipts	-	-	-
Debt service rental	-	-	-
Miscellaneous	720,927	240,000	423,426
Parking leases and rentals	-	-	-
Residential, commercial and industrial water sales	-	56,568,000	-
Utility water sales	-	<u>2,689,000</u>	-
Total operating revenues	<u>720,927</u>	<u>59,497,000</u>	<u>7,576,540</u>
Operating expenses:			
Interest	-	-	3,337,134
Direct operating expenses	-	15,641,000	-
Salaries and wages	220,681	-	2,078,772
Administrative and other operating expenses	372,604	-	886,584
Parking taxes	-	-	-
Depreciation and amortization	-	7,598,000	2,524,625
Utilities	-	-	809,482
Repairs and maintenance	-	-	1,637,260
Insurance	-	-	296,039
Cooperation agreement operating expenses	-	9,462,000	-
Expense of water provided by other entities	-	2,034,000	-
1995 baseball lease credit adjustments	-	-	<u>3,500,000</u>
Total operating expenses	<u>593,285</u>	<u>34,735,000</u>	<u>15,069,896</u>
Operating income (loss)	127,642	24,762,000	(7,493,356)

Public Parking Authority	Totals	
	<u>1996</u>	<u>1995</u>
-	2,576,537	7,484,646
-	1,772,211	1,728,866
-	1,077,272	1,712,120
-	1,727,094	1,431,486
15,442,866	15,442,866	14,154,101
98,562	98,562	103,805
318,685	1,703,038	1,042,647
3,680,021	3,680,021	-
-	56,568,000	55,701,000
-	<u>2,689,000</u>	<u>3,360,000</u>
19,540,134	87,334,601	86,718,671
-	3,337,134	3,401,995
-	15,641,000	16,781,000
1,818,513	4,117,966	3,420,577
6,339,066	7,598,254	8,621,477
3,395,748	3,395,748	3,265,114
3,099,366	13,221,991	10,957,563
-	809,482	652,850
349,510	1,986,770	1,338,163
328,283	624,322	602,458
-	9,462,000	7,723,000
-	2,034,000	2,451,000
-	<u>3,500,000</u>	-
<u>15,330,486</u>	<u>65,728,667</u>	<u>59,215,197</u>
4,209,648	21,605,934	27,503,474

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Discrete Component Units

Combining Statements of Revenues, Expenses and Changes in Retained Earnings, Continued

	<u>PSFF</u>	<u>PWSA</u>	<u>Stadium Authority</u>
Nonoperating revenue (expense):			
Interest income	\$ -	3,460,000	-
Meter and wharf receipts	-	-	-
Other income	-	-	-
Interest expense	-	(20,407,000)	-
Amortization	-	(334,000)	-
Meter and wharf expenses	-	-	-
Other expense	-	-	-
Payment in lieu of taxes	-	-	-
Allegheny Regional Asset District grant	<u>-</u>	<u>-</u>	<u>12,500,000</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>(17,281,000)</u>	<u>12,500,000</u>
Income before operating transfers and extraordinary item	127,642	7,481,000	5,006,644
Operating transfer to general fund	<u>-</u>	<u>-</u>	<u>-</u>
Net income	127,642	7,481,000	5,006,644
Retained earnings (accumulated deficit), beginning of year	<u>89,577</u>	<u>(11,548,000)</u>	<u>(42,525,093)</u>
Retained earnings (accumulated deficit), end of year	\$ <u>217,219</u>	<u>(4,067,000)</u>	<u>(37,518,449)</u>

Public Parking Authority	Totals	
	<u>1996</u>	<u>1995</u>
936,262	4,396,262	3,644,524
581,836	581,836	955,048
17,711	17,711	59,763
(3,092,949)	(23,499,949)	(20,454,532)
-	(334,000)	(253,000)
(504,512)	(504,512)	(857,306)
(225,423)	(225,423)	(919,060)
(1,357,319)	(1,357,319)	(2,100,000)
-	<u>12,500,000</u>	<u>7,500,000</u>
<u>(3,644,394)</u>	<u>(8,425,394)</u>	<u>(12,424,563)</u>
565,254	13,180,540	15,078,911
-	-	<u>(4,090,000)</u>
<u>565,254</u>	<u>13,180,540</u>	<u>10,988,911</u>
<u>30,766,777</u>	<u>(23,216,739)</u>	<u>(34,295,227)</u>
<u>31,332,031</u>	<u>(10,036,199)</u>	<u>(23,306,316)</u>

CITY OF PITTSBURGH, PENNSYLVANIA

Discrete Component Units

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 1996
(With comparative totals for December 31, 1995)

	<u>PSFF</u>	<u>PWSA</u>	<u>Stadium Authority</u>
Cash flows from operating activities:			
Operating income	\$ 127,642	24,762,000	(7,493,356)
Reconsolidation of operating income to net cash provided by operating activities:			
Depreciation and amortization	15,807	7,598,000	2,524,625
Gain on sale of assets	(2,205)	-	-
Loss on disposal of Stadium turf	-	-	214,631
Cost of abandoned studies	-	-	-
1995 baseball lease credit adjustments	-	-	3,500,000
Interest	-	-	<u>3,337,134</u>
	<u>141,244</u>	<u>32,360,000</u>	<u>2,083,034</u>
Changes in operating assets and liabilities:			
Accounts receivable	91,388	(6,313,000)	(191,756)
Prepaid expenses	-	-	72,370
Other current assets	-	(90,000)	-
Accounts payable and accrued expenses	(90,360)	2,493,000	749,759
Deferred revenue	-	382,000	(355,046)
Event deposits	-	-	-
Due to primary government	(4,633)	(24,000)	-
Change in Cooperation Agreement settlement	-	-	-
Change in accrued payroll and withholdings	-	<u>(131,000)</u>	<u>-</u>
Net cash provided by (used by) operating activities	<u>137,639</u>	<u>28,677,000</u>	<u>2,358,361</u>
Cash flows from investment activities:			
Interest earnings	-	7,422,000	-
Purchase of investment securities	-	(150,136,000)	-
Proceeds from sale and maturities of investments	-	187,459,000	-
Advance to Pittsburgh Associates	-	-	(3,500,000)
Change in restricted cash and investments	-	-	-
Decrease in noncurrent accounts and notes receivable	-	-	-
Additions to property, plant and equipment	<u>(11,784)</u>	<u>-</u>	<u>-</u>
Net cash provided by (used by) investment activities	<u>(11,784)</u>	<u>44,745,000</u>	<u>(3,500,000)</u>

<u>Public Parking Authority</u>	<u>Totals</u>	
	<u>1996</u>	<u>1995</u>
4,209,648	21,605,934	27,503,474
3,099,366	13,237,798	10,957,563
-	(2,205)	-
-	214,631	-
-	-	(908,542)
-	3,500,000	-
-	<u>3,337,134</u>	<u>3,401,995</u>
<u>7,309,014</u>	<u>41,893,292</u>	<u>40,954,490</u>
(76,172)	(6,489,540)	(2,759,968)
-	72,370	(49,256)
15,415	(74,585)	(430,859)
(367,056)	2,785,343	(169,415)
-	26,954	138,571
-	-	(1,568,419)
(354,172)	(382,805)	(399,976)
-	-	(127,000)
-	<u>(131,000)</u>	<u>(439,000)</u>
6,527,029	37,700,029	35,149,168
1,044,040	8,466,040	5,595,193
(23,784,480)	(173,920,480)	(332,377,000)
22,052,359	209,511,359	186,466,103
-	(3,500,000)	-
9,161,490	9,161,490	(1,907,655)
-	-	(56,357)
-	<u>(11,784)</u>	<u>(3,024,704)</u>
8,473,409	49,706,625	(145,304,420)

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Discrete Component Units

Combining Statement of Cash Flows, Continued

	<u>PSFF</u>	<u>PWSA</u>	<u>Stadium Authority</u>
Cash flows from noncapital financing activities:			
Principal payment related to noncapital funds	\$ -	(1,130,000)	(55,750)
Interest payment related to noncapital funds	-	(2,234,000)	(54,093)
Grants from the primary government	-	-	-
Payment to general fund	-	-	-
Payment in lieu of taxes	-	-	-
Meter and wharf receipts, net	-	-	-
Other, net	-	-	-
Grants from the Allegheny Regional Asset District	<u>-</u>	<u>-</u>	<u>10,250,000</u>
Net cash provided by (used by) noncapital financing activities	-	(3,364,000)	10,140,157
Cash flows from capital and related financing activities:			
Payment received on notes receivable	-	-	-
Grants from the primary government	-	-	-
Principal payment related to capital funds	-	(6,850,000)	(2,546,550)
Interest payment related to capital funds	-	(24,668,000)	(3,242,764)
Additions to Stadium complex	-	-	(2,515,066)
Acquisition and construction of capital assets	-	(16,673,000)	-
Proceeds from sale of assets	12,000	-	-
Bond issue cost related to capital funds	-	-	-
Principal paid on capital lease obligation	-	(38,350,000)	-
Proceeds from issuance of revenue bonds related to capital funds	-	-	-
Capital contribution for addition to Stadium complex	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by (used by) capital and related financing activities	<u>12,000</u>	<u>(86,541,000)</u>	<u>(8,304,380)</u>
Net increase (decrease) in cash and cash equivalents	137,855	(16,483,000)	694,138
Cash and cash equivalents at beginning of year	<u>72,528</u>	<u>30,490,000</u>	<u>2,948,447</u>
Cash and cash equivalents at end of year	\$ <u>210,383</u>	<u>14,007,000</u>	<u>3,642,585</u>
Supplemental information:			
Cash and cash equivalents	210,383	11,620,000	3,401,830
Trusteed and restricted funds	-	136,876,000	300,755
Long-term restricted investments	-	(130,622,000)	-
Restricted funds which are not cash or investments	<u>-</u>	<u>(3,867,000)</u>	<u>(60,000)</u>
Total cash and cash equivalents at the end of the year	\$ <u>210,383</u>	<u>14,007,000</u>	<u>3,642,585</u>

Public Parking Authority	Totals	
	<u>1996</u>	<u>1995</u>
(2,094,384)	(3,280,134)	(2,987,269)
-	(2,288,093)	(5,850,529)
-	-	587,203
-	-	(4,090,000)
(1,357,319)	(1,357,319)	(2,100,000)
77,324	77,324	97,742
(220,952)	(220,952)	(37,956)
<u>-</u>	<u>10,250,000</u>	<u>2,500,000</u>
(3,595,331)	3,180,826	(11,880,809)
102,588	102,588	-
-	-	1,656,861
-	(9,396,550)	(6,358,250)
(3,111,400)	(31,022,164)	(15,275,949)
-	(2,515,066)	(847,852)
(1,104,901)	(17,777,901)	(14,098,000)
55,283	67,283	-
-	-	(3,077,000)
-	(38,350,000)	(35,000,000)
2,000,000	2,000,000	190,920,000
<u>-</u>	<u>-</u>	<u>192,781</u>
<u>(2,058,430)</u>	<u>(96,891,810)</u>	<u>118,112,591</u>
9,346,677	(6,304,330)	(3,923,470)
<u>6,711,719</u>	<u>40,222,694</u>	<u>44,073,636</u>
<u>16,058,396</u>	<u>33,918,364</u>	<u>40,150,166</u>
2,492,644	17,724,857	12,270,196
16,088,751	153,265,506	208,429,338
(2,522,999)	(133,144,999)	(177,897,368)
<u>-</u>	<u>(3,927,000)</u>	<u>(2,652,000)</u>
<u>16,058,396</u>	<u>33,918,364</u>	<u>40,150,166</u>

STATISTICAL SECTION

Table 1

CITY OF PITTSBURGH, PENNSYLVANIA

General Governmental Revenues (1)

Last Ten Years
(GAAP Basis)

(Amounts in Thousands)

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993 (3)</u>	<u>1992</u>
Taxes (2)	\$ 269,213	253,528	248,829	239,500	239,325
Payment in lieu of taxes	3,583	4,981	4,644	4,646	5,128
Interest earnings	8,819	5,263	3,673	3,722	3,758
Fines and forfeits	6,861	5,782	6,471	5,234	4,696
Licenses and fees	8,381	7,447	9,511	8,155	10,321
Pittsburgh Zoo receipts	-	-	-	-	1,945
Intergovernmental	56,495	52,478	46,663	45,666	44,408
Charges for user services	18,457	17,922	17,071	17,706	11,903
Miscellaneous	<u>544</u>	<u>2,095</u>	<u>2,379</u>	<u>3,713</u>	<u>4,888</u>
Total	\$ <u>372,353</u>	<u>349,496</u>	<u>339,241</u>	<u>328,342</u>	<u>326,372</u>

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Includes penalty and interest.

(3) Restated for GASB No. 22 implementation.

<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
234,205	235,257	220,733	225,303	212,491
3,873	-	-	-	-
6,645	9,531	10,265	8,754	10,081
5,179	5,412	4,393	4,667	4,970
12,766	13,046	11,562	10,610	8,741
1,958	1,470	1,479	1,156	1,167
49,454	43,977	54,741	50,461	43,341
2,581	2,430	2,131	1,968	6,527
<u>3,780</u>	<u>1,941</u>	<u>1,284</u>	<u>2,010</u>	<u>2,565</u>
<u>320,441</u>	<u>313,064</u>	<u>306,588</u>	<u>304,929</u>	<u>289,883</u>

Table 1A

CITY OF PITTSBURGH, PENNSYLVANIA

General Fund Tax Revenues by Source

Last Ten Fiscal Years

(Amounts in Thousands)

	<u>1996 (1)</u>	<u>1995 (1)</u>	<u>1994 (1)</u>	<u>1993 (1,4)</u>	<u>1992 (1)</u>
Real estate tax	\$ 120,136	112,752	113,306	113,675	115,421
Mercantile tax	6,966	6,489	6,580	6,739	6,457
Amusement tax	6,415	5,789	8,692	11,085	11,052
Personal property tax	-	8	4,079	3,737	3,125
Earned income tax	39,146	34,793	39,675	37,151	37,337
Deed transfer tax	6,711	7,281	5,756	5,932	25,280
Sewage charges (3)	1,474	1,441	1,486	1,267	1,023
Parking tax	22,757	21,937	21,261	20,448	19,683
Occupation privilege tax	2,890	3,145	3,289	3,090	3,097
Business privilege tax	36,210	35,337	33,252	31,325	31,156
Institution/service tax	909	822	696	455	642
Penalties and interest	3,730	4,078	4,299	4,123	4,532
Public service privilege	399	450	400	473	520
Reimb. cable indirect cost	343	-	-	-	-
RAD	<u>21,127</u>	<u>19,206</u>	<u>6,058</u>	<u>-</u>	<u>-</u>
Total tax revenues	\$ <u>269,213</u>	<u>253,528</u>	<u>248,829</u>	<u>239,500</u>	<u>259,325</u>

(1) Presented on a GAAP basis; all other years are displayed on a cash 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>1991 (1)</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
113,795	118,494	96,130	95,532	92,774
6,826	6,694	6,502	6,096	5,960
10,987	8,982	7,564	7,656	5,663
2,737	2,627	2,340	2,151	2,285
36,675	40,113	54,067	63,660	58,685
4,716	5,857	6,272	6,173	5,309
1,201	1,500	964	-	-
17,696	17,325	14,210	14,857	14,640
3,346	3,196	3,072	3,007	2,885
31,115	28,206	25,285	23,615	21,576
656	341	216	273	184
4,148	4,412	3,549	3,171	3,063
307	220	214	204	213
-	364	352	232	-
-	1,685	1,101	-	-
-	-	-	-	-
<u>234,205</u>	<u>240,016</u>	<u>221,838</u>	<u>226,627</u>	<u>213,237</u>

Table 2

CITY OF PITTSBURGH, PENNSYLVANIA

General Governmental Expenditures (1)

Last Ten Fiscal Years

(Amounts in Thousands)

	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993 (2)</u>	<u>1992</u>
General government	\$ 45,937	29,880	27,603	25,296	25,132
Public safety	134,624	131,838	129,879	127,607	118,159
Public works	33,585	39,558	38,246	40,024	36,850
Sanitation	9,330	12,035	11,966	15,366	15,453
Community, recreational and cultural	7,295	8,147	14,657	18,434	22,687
Employee benefits, etc.	87,081	52,109	60,129	51,920	49,902
Claims and judgments	4,336	2,519	1,165	1,778	1,291
Miscellaneous	4,935	2,581	3,076	2,719	2,885
Intergovernmental programs	20,903	22,652	17,899	18,173	16,666
Capital projects	46,117	39,108	37,029	39,905	42,295
Bond issue costs	1,934	1,138	376	492	1,127
Debt service/authorities	<u>52,218</u>	<u>66,392</u>	<u>59,806</u>	<u>59,188</u>	<u>57,833</u>
Total	\$ <u>448,295</u>	<u>407,957</u>	<u>401,831</u>	<u>400,902</u>	<u>390,280</u>

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Restated for GASB No. 16 implementation.

<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>
31,666	25,619	23,431	36,832	24,517
115,647	109,198	102,271	99,467	93,193
36,196	35,941	34,565	39,663	33,231
15,421	15,070	14,187	12,663	12,716
23,533	24,848	22,281	20,982	19,828
49,932	45,003	42,567	47,203	38,626
1,004	656	647	391	788
2,854	2,991	2,378	828	750
12,546	14,572	20,025	13,000	14,829
52,710	41,541	58,461	48,753	34,093
778	-	1,496	-	-
<u>54,441</u>	<u>56,299</u>	<u>43,339</u>	<u>46,806</u>	<u>51,993</u>
<u>396,728</u>	<u>371,738</u>	<u>365,648</u>	<u>366,588</u>	<u>324,564</u>

Table 3

CITY OF PITTSBURGH, PENNSYLVANIA

Assessed Value, Tax Rate, Levy and Collections

Last Ten Fiscal Years

(Amounts in Thousands)

<u>Fiscal year</u>	<u>Assessed valuation of land and buildings</u>	<u>Land millage</u>	<u>Building millage</u>	<u>Original net levy</u>	<u>Adjusted net levy (1)</u>	<u>Budget</u>
1987	\$ 1,842,643	151.5	27.00	\$ 94,524	\$ 93,453	\$ 88,813
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	2,036,489	184.5	32.00	121,976	117,959	112,117
1996	2,037,609	184.5	32.00	118,952	117,566	109,720

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

	<u>Year of original levy</u>			<u>Delinquent taxes</u>			
	<u>Receipts</u>	Percent of original net levy collected	Percent of adjusted net levy collected	Percent of budget collected	<u>Collection</u>		Percent of budget collected
					<u>Budget</u>	<u>Receipts</u>	
\$ 88,254	% 93.4	% 94.4	% 99.4	\$ 3,500	\$ 4,534	% 129.6	
91,089	94.0	94.0	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	93.8	100.5	8,773	12,130	138.3	

Table 4

CITY OF PITTSBURGH, PENNSYLVANIA
Assessed and Estimated Actual Value of Property
Last Ten Fiscal Years
(Amounts in Thousands)

Fiscal <u>year</u>	<u>Real property</u>		<u>Personal property</u>		<u>Total</u>		Ratio of total assessed value to total estimated <u>actual value</u>
	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	<u>Assessed value</u>	<u>Estimated actual value</u>	
1987	\$ 1,842,643	\$ 7,370,571	\$ 632,073	\$ 632,073	\$ 2,474,716	\$ 8,002,644	% 30.92
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	8,145,956	(1)	(1)	2,036,489	8,145,956	25.00
1996	2,037,609	8,150,436	(1)	(1)	2,037,609	8,150,436	25.00

(1) 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 Fiscal Years

Fiscal year	<u>City of Pittsburgh</u>			School district millage	County millage	Total millage
	<u>Land millage</u>	<u>Building millage</u>	<u>Average*</u>			
1987	151.500	27.000	51.298	46.000	31.250	128.548
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

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

Table 6

CITY OF PITTSBURGH, PENNSYLVANIA

Principal Real Estate Taxpayers

December 31, 1996

(Amounts in Thousands)

<u>Taxpayer</u>	<u>Principal type of business</u>	<u>1996 assessed valuation</u>	<u>Percentage of total tax levied</u>
500 Grant Street Associates (One Mellon Bank Center)	Real estate	\$ 52,000	2.55
Market View Incorporated (Subsidiary of PPG Industries)	Real estate	46,250	2.27
Pittsburgh National Bank	Commercial banking	43,250	2.12
Oxford Development	Real estate	33,643	1.65
Gateway Trizec, Inc. (previously known as Equitable Life Assurance Society of the United States)	Real estate	26,005	1.27
Mellon Bank, N.A.	Commercial banking	20,282	.99
Grant Liberty Development Group Company	Real estate	18,750	.92
Penn Liberty Holding Co.	Commercial banking	17,813	.87
Urban Redevelopment Authority	Redevelopment	17,086	.83
Harrah's Forest City Associates		13,589	.66

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 tax levy (in thousands) \$2,037,609.

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, 1996

	Nonelectoral <u>debt</u>	Lease rental <u>debt (2)</u>
Gross debt (1):		
Principal amount of bonds issued and outstanding:		
General obligation	\$ 579,210,100	-
Equipment Leasing Authority	-	2,670,000
Auditorium Authority:		
Serviced by the City	-	14,982,500
Serviced by others	-	4,485,000
Stadium Authority	-	46,641,213
Urban Redevelopment Authority	<u>-</u>	<u>77,289,395</u>
Total gross debt	579,210,100	146,068,108
Items deductible from gross debt:		
Cash and legal investments held in sinking fund for payment of bonds and notes	21,495,815	1,397,396
Cash in bond fund applicable to debt	25,423,449	-
Delinquent real estate taxes and sewage collections	-	-
Self-liquidating and subsidized debt:		
Auditorium Authority		
Serviced by the City	-	4,722,500
Serviced by others	-	2,194,500
Urban Redevelopment Authority	<u>-</u>	<u>2,017,405</u>
Total deductions	<u>46,919,264</u>	<u>10,331,801</u>
Net debt	\$ <u>532,290,836</u>	<u>135,736,307</u>

(1) Direct obligations of the Pittsburgh Water and Sewer Authority in the amount of \$431,994,000 are not considered debt of the City for purpose of this calculation.

(2) Capitalized leases with principal balances of \$907,473 are not considered debt of the City for purposes of this calculation.

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	\$ 532,290,836
Net lease rental debt	<u>135,736,307</u>
Net nonelectoral and lease rental debt	\$ <u>668,027,143</u>

Debt Incurring Margin

	<u>1994</u>	<u>1995</u>	<u>1996</u>
Total net revenue of the City	336,116,213	316,596,545	327,151,967
Borrowing base (arithmetic average of total net revenue for said three fiscal years)			\$ <u>326,621,575</u>
		Net nonelectoral debt (borrowing base x 250%)	Net nonelectoral and lease rental debt (borrowing base x 350%)
Debt limitations	\$ 816,553,938		1,143,175,513
Less existing net debt	(532,290,836)		<u>(668,027,143)</u>
Remaining debt incurring margin	\$ <u>284,263,102</u>		<u>475,148,370</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 Fiscal Years

(Amounts in Thousands)

<u>Fiscal year</u>	<u>Population</u>	<u>Assessed value</u>	<u>Gross bonded debt</u>	<u>Less debt service funds</u>
1987	424	\$ 1,842,643	\$ 354,740	\$ 4,133
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
1993	370	2,055,751	485,591	530
1994	370	2,070,364	472,642	635
1995	370	2,036,489	548,004	7,311
1996	370	2,047,177	579,210	21,747

Net general bonded <u>debt</u>	Ratio of net general bonded debt to assessed <u>value</u>	Net general bonded debt per <u>capita</u>
\$ 350,607	% 19.02	\$ 827
342,025	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	26.55	1,461
557,463	27.23	1,507

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 Fiscal Years

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest (2)</u>	<u>Total debt service</u>	<u>Total general governmental expenditures (3)</u>	<u>Ratio of debt to general governmental expenditures</u>
1987	\$ 22,775	\$ 24,106	\$ 46,881	\$ 324,564	% 14.44
1988	6,670	24,336	41,006	366,588	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	399,787	12.88
1994	24,103	30,385	54,488	402,731	13.49
1995	25,040	29,947	54,987	407,957	13.48
1996	17,021	24,286	41,307	442,136	9.34

(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, 1996

(Amounts in Thousands)

<u>Jurisdiction</u>	<u>Net debt outstanding</u>	<u>Percentage applicable to City</u>	<u>Amount applicable to City</u>
Direct debt:			
City of Pittsburgh:			
General obligation	\$ 557,463	% 100	\$ 557,463
Equipment Leasing Authority	1,272	100	1,272
Stadium Authority	46,641	100	46,641
Auditorium Authority	<u>29,965</u>	50	<u>14,982</u>
Total direct debt	635,341		620,358
Overlapping debt:			
Auditorium Authority	8,970	50	4,485
Pittsburgh Water and Sewer Authority	431,994	-	-
The School District of Pittsburgh	157,803	100	157,803
Allegheny County	<u>611,515</u>	28	<u>171,224</u>
Total overlapping debt	<u>1,210,282</u>		<u>333,512</u>
Total direct and overlapping debt	\$ <u>1,845,623</u>		\$ <u>953,870</u>

Table 11

CITY OF PITTSBURGH, PENNSYLVANIA

Revenue Bond Coverage -
Pittsburgh Water and Sewer Authority

Last Ten Fiscal Years

(Amounts in Thousands)

Fiscal year	Gross revenues	(1) operating expenses	Net revenue available for debt service	Debt service requirements			Coverage
				Principal	Interest	Total	
1987	\$ 31,617	\$ 25,880	\$ 5,737	\$ 1,700	\$ 63,693	\$ 65,393	% 0.09
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

(1) Total operating expenses exclusive of depreciation and amortization

Table 11A

CITY OF PITTSBURGH, PENNSYLVANIA

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

Last Ten Fiscal Years

(Amounts in Thousands)

Fiscal year	Gross revenues (2)	Operating expenses (3)	Net revenue available for debt service	Debt service requirements (4)			Coverage (5)
				Principal	Interest	Total	
1987	\$ 5,638	\$ 3,913	\$ 1,725	\$ 230	\$ 2,710	\$ 2,940	% 0.58
1988	5,966	4,153	1,813	1,545	4,282	5,827	0.31
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
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

(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 Fiscal Years

<u>Fiscal year</u>	(1) <u>Population</u>	(2) <u>Per capita income</u>	(2) <u>Median age</u>	(3) <u>School enrollment</u>	(4) <u>Unemployment rate</u>
1987	423,938	\$ 15,358	35.85	39,672	6.7
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

Data Sources

(1) Census Bureau

(2) Woods & Poole Economics - 1985-1990 U.S. Commerce Department Data, 1991-1995 estimated (PMSA) and 1996 for City of Pittsburgh only (Penn State University)

(3) School District of Pittsburgh

(4) Pennsylvania Department of Labor, Bureau of Research & Statistics (PMSA) - 1996 Penn State University

* Change in method of calculations

Table 13

CITY OF PITTSBURGH, PENNSYLVANIA

Property Value, Construction and Bank Deposits

Last Ten Fiscal Years

(Amounts in Thousands)

<u>Fiscal year</u>	<u>Property value (1)</u>	<u>Construction (2)</u>		<u>Bank deposits (3)</u>
		<u>Number of permits issued</u>	<u>Dollar value</u>	
1987	\$ 1,842,643	3,253	\$ 154,215	\$ 4,476,983
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	2,037,609	2,793	250,315	72,833,745

(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, 1996

Date of incorporation	1816
Form of government	Mayor/Council
Number of employees (excluding police and fire)	2,304
Area in square miles	55.5
Name of government facilities and services:	
Miles of streets	1,035
Number of bridges	117
Number of street lighting units	43,000
Culture and recreation:	
Recreation centers	27
Senior centers	19
Parks	36
Parklets	71
Park acreage	2,581
Swimming pools	32
Tennis court sites	124
Ballfields	126
Basketball courts	150
Play areas	154
Ice rinks	1
Zoo	1
Fire protection:	
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:	
Number of stations	6
Number of police officers	1,179
Number of law violations:	
Physical arrests	18,369
Traffic violations	32,000
Emergency medical protection:	
Number of units	17
Number of personnel	189
Number of calls answered	64,500
Facilities and services not included in the reporting entity:	
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:	
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	7
Hospitals:	
Number of hospitals	10
Number of patient beds	6,218

Table 15

CITY OF PITTSBURGH, PENNSYLVANIA

City Employment

Last Ten Fiscal Years

<u>Fiscal year</u>	<u>Regular budgeted positions</u>	<u>Actual January payroll</u>
1987	5,456	\$ 4,886
1988	5,221	4,849
1989	5,257	4,896
1990	5,225	4,933
1991	5,094	4,886
1992	4,960	4,734
1993	5,019	4,698
1994	4,984	4,961
1995	4,451	4,430
1996	4,319	4,217

**OTHER
INFORMATION**

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Insurance in Force

For the Year Ended December 31, 1996

<u>Type of insurance/ name of company</u>	<u>Coverage</u>	<u>Policy period</u>	<u>Liability limits</u>	<u>Annual premium</u>
Boiler insurance - Kemper Group Insurance Company	General services blanket	01/01/96 - 12/31/96	\$5,000,000 per accident \$50,000 business interruption per occurrence	\$ 19,217
Errors and omissions insurance - Fireman's Fund Insurance Company	Public safety E.M.S.	07/01/96 - 06/30/97	\$500,000 per endorsement \$2,500 deductible	23,380
Property insurance - Fireman's Fund Insurance Company	General services blanket	01/01/96 - 12/31/96	All risk and extended coverage \$25,000 deductible	84,771
Point Park police - Lloyds of London	Public safety police	09/17/96 - 09/16/97	\$500,000 each \$1,000,000 aggregate \$2,500 deductible each claim	3,664
Crime, general - Kemper Group	General services blanket	01/01/96 - 12/31/96	Various	11,333
General liability - Rockwell Casualty Insurance Company	General services blanket	01/01/96 - 12/31/96	\$500,000 per occurrence \$500,000 aggregate	10,000

CITY OF PITTSBURGH, PENNSYLVANIA

Salaries and Surety Bonds of Principal Officials

For the Year Ended December 31, 1996

<u>Official</u>	<u>Annual salary</u>	<u>Amount of surety bond</u>
Mayor	\$ 78,856	\$ 10,000
Director of Finance	77,289	200,000
Controller	49,805	10,000
Members of City Council (9)	44,963 each	-

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable

December 31, 1996

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
General obligation bonds, 1986, Series B	10/15/86	\$ 190,000,000	\$ 3,405,000
General obligation bonds, 1991 Series	10/01/91	45,000,000	41,065,000

Carried forward

44,470,000

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$3,405,000 in 1997	% -	\$ 114,919	\$ 3,405,000
\$1,110,000 in 1997	5.50	2,535,435	1,110,000
\$1,175,000 in 1998	5.70		
\$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		
		<u>2,650,354</u>	<u>4,515,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 44,470,000
General obligation bonds, 1992, Series A (zero coupon bonds)	06/01/92	\$ 29,894,645	28,057,813
General obligation bonds, 1992 Series B	10/15/92	26,695,000	11,450,000
General obligation bonds, 1992, Series C (zero coupon bonds)	10/15/92	4,440,559	5,700,100
Carried forward			<u>89,677,913</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 2,650,354	\$ 4,515,000
\$3,270,000 in 1997	% 5.40	745,955	2,524,045
\$3,260,000 in 1998	5.60		
\$3,265,000 in 1999	5.80		
\$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		
(\$12,452,187) Unamortized bond discount			
\$4,110,000 in 1997	4.75	569,640	4,110,000
\$3,150,000 in 1998	5.00		
\$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		
(\$2,509,900) Unamortized bond discount			
		<u>3,965,949</u>	<u>11,149,045</u>

(Continued)

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 3,965,949	\$ 11,149,045
\$ 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		
\$2,115,000 in 1997	4.00	2,999,501	2,115,000
\$2,200,000 in 1998	4.20		
\$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		
		<u>9,672,356</u>	<u>13,264,045</u>

(Continued)

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 9,672,356	\$ 13,264,045
\$1,205,000 in 1997	% 4.25	1,907,459	1,205,000
\$1,260,000 in 1998	4.50		
\$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	3,891,860	-
\$ 375,000 in 2000	4.20		
\$ 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		
		<u>15,471,675</u>	<u>14,469,045</u>

(Continued)

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 15,471,675	\$ 14,469,045
\$ 5,000 in 1997	% 4.00	5,097,409	5,000
\$ 5,000 in 1998	4.00		
\$ 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	5,710,233	-
\$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		
		<u>26,279,317</u>	<u>14,474,045</u>

(Continued)

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

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 569,557,913
General obligation bonds, 1996, Series B	12/15/96	37,710,000	37,710,000
			<u>607,267,913</u>
Less bonds funded by Stadium Authority			<u>(28,057,813)</u>
Total general obligation bonds payable			<u>579,210,100</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 26,279,317	\$ 14,474,045
\$ 525,000 in 1998	% 5.65	1,719,872	-
\$ 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		
		<u>27,999,189</u>	<u>14,474,045</u>
		<u>(745,955)</u>	<u>(2,524,045)</u>
		<u>27,253,234</u>	<u>11,950,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
<u>Equipment Leasing Authority Revenue Bonds</u>			
City of Pittsburgh Equipment Leasing Authority Equipment Revenue Bonds, Series 1991	05/01/91	\$ 14,000,000	2,670,000
			<u>2,670,000</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$2,670,000 in 1997	% 6.05	\$ 121,756	\$ 2,670,000
		<u>121,756</u>	<u>2,670,000</u>

(Continued)

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

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
<u>Public Auditorium Authority Revenue Bonds</u>			
<u>(City share)</u>			
Auditorium Bonds (Refunding), 1991, Series A	10/01/91	\$ 7,960,000	5,522,500
Auditorium Bonds (Civic Arena Improvements), 1991, Series B	10/01/91	3,122,500	3,122,500
Carried forward			<u>8,645,000</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$782,500 in 1997	% 5.50	\$ 659,990	\$ 782,500
\$827,500 in 1998	5.70		
\$875,000 in 1999	5.80		
\$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		
\$315,000 in 2000	5.90	391,315	-
\$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		
		<u>1,051,305</u>	<u>782,500</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 8,645,000
Auditorium Bonds, 1994, Series A	09/15/94	\$ 1,685,000	1,615,000
Carried forward			<u>10,260,000</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 1,051,305	\$ 782,500
\$ 47,500 in 1997	% 4.40	92,351	47,500
\$ 50,000 in 1998	4.75		
\$ 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		
		<u>1,143,656</u>	<u>830,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 10,260,000
Auditorium Bonds (Taxable), 1994, Series B	09/15/94	\$ 5,125,000	4,722,500
Total Public Auditorium Authority Revenue Bonds			<u>14,982,500</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 1,143,656	\$ 830,000
\$207,500 in 1997	% 6.90	384,708	207,500
\$207,500 in 1998	7.20		
\$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		
		<u>1,528,364</u>	<u>1,037,500</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
<u>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	2,017,405
Urban Redevelopment Authority of Pittsburgh Taxable Revenue Bonds 1994 Series B	06/15/94	8,245,000	7,020,000
Carried forward			<u>9,037,405</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$ 71,915 in 1997	% 5.00	\$ 134,182	71,915
\$ 73,808 in 1998	5.35		
\$ 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		
\$ 675,000 in 1997	6.95	539,852	675,000
\$ 720,000 in 1998	7.20		
\$ 770,000 in 1999	7.40		
\$ 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		
\$1,125,000 in 2004	8.00		
		<u>674,034</u>	<u>746,915</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 9,037,405
Urban Redevelopment Authority of Pittsburgh Special Tax Development Bonds, 1995 Series A	02/01/95	\$ 61,390,000	60,580,000
Urban Redevelopment Authority of Pittsburgh Redevelopment Bonds 1995 Series B	12/01/95	2,855,787	2,855,787
Carried forward			<u>72,473,192</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 674,034	\$ 746,915
\$ 875,000 in 1997	% 7.91	5,356,318	875,000
\$ 950,000 in 1998	8.17		
\$ 1,030,000 in 1999	8.24		
\$ 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		
\$ 54,883 in 1997	5.13	165,062	54,883
\$ 121,120 in 1998	5.13		
\$ 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		
		<u>6,195,414</u>	<u>1,676,798</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 72,473,192
Urban Redevelopment Authority of Pittsburgh Redevelopment Bonds, 1995 Series C	12/01/95	\$ 1,637,016	1,637,016
Urban Redevelopment Authority of Pittsburgh, Taxable Redevelopment Bonds, 1996 Series	05/15/96	3,179,187	3,179,187
Total Urban Redevelopment Authority Bonds			<u>77,289,395</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 6,195,414	\$ 1,676,798
\$ 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	242,438	-
\$ 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		
		<u>6,537,923</u>	<u>1,676,798</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
<u>Stadium Authority Revenue Bonds</u>			
Guaranteed Funding Bonds, Series 1986	04/01/86	\$ 21,000,000	1,045,000
Guaranteed Refunding Bonds, Series 1993	08/15/93	15,945,000	15,805,000
Note payable (Scoreboard), 1994 Series	01/19/94	4,373,000	<u>3,485,700</u>
Subtotal			20,335,700
Plus General Obligation Bonds funded by Stadium Authority			<u>24,000,000</u>
Net Stadium Authority Bonds and Notes Payable			<u>44,335,700</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$1,045,000 in 1996	% 7.10	\$ 1,098,783	1,045,000
\$ 320,000 in 1996	3.60	702,483	320,000
\$1,450,000 in 1997	3.85		
\$1,505,000 in 1998	4.05		
\$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 through 2004	Variable based on prime rate	-	387,300
		<u>1,801,266</u>	<u>1,752,300</u>
		<u>588,669</u>	<u>2,681,331</u>
		<u>2,389,935</u>	<u>4,433,631</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
<u>Public Parking Authority of Pittsburgh</u>			
Parking Systems Revenue Bonds' Series 1992A	08/15/92	\$ 60,960,000	53,930,155
Registered Notes (neighborhood business districts)	Various	Unknown	2,236
Kaufmann's Note	1986	1,600,000	795,658
Union National Bank Secured Note	1992	435,000	105,000
Urban Redevelopment Authority of Pittsburgh Note	1994	128,293	73,401
Carried forward			<u>54,906,450</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$ 2,070,000 in 1997	% 4.60	\$ 3,063,179	2,070,000
\$ 2,165,000 in 1998	4.80		
\$ 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		
\$(1,279,845) unamortized bond discount			
\$ 2,236 after 2000	No interest	-	-
\$ 80,000 annually through 2005	No interest	-	80,000
\$ 75,658 in 2006			
\$ 90,000 in 1997	65% of prime rate	5,631	90,000
\$ 15,000 in 1998			
\$ 19,374 annually through 1999	No interest	-	19,374
\$ 15,279 in 2000			
		<u>3,068,810</u>	<u>2,259,374</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 54,906,450
PNC Bank Secured Note	1996	\$ 2,000,000	2,000,000
Total Public Parking Authority Bonds and Notes Payable			<hr/> 56,906,450

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 3,068,810	\$ 2,259,374
\$ 53,862 in 1997	% 6.00	159,693	53,862
\$ 168,186 in 1998	6.00		
\$ 178,560 in 1999	6.00		
\$ 189,575 in 2000	6.00		
\$ 184,030 in 2001	6.00		
\$1,225,787 in 2002	6.00	_____	_____
		<u>3,228,503</u>	<u>2,313,236</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
<u>Pittsburgh Water and Sewer Authority Bonds</u>			
Revenue Refunding Bonds, 1993 Series A	10/15/93	\$ 278,970,000	260,175,000
Revenue Bonds, 1993 Series B	10/15/93	10,785,000	10,785,000
Carried forward			<u>270,960,000</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
\$ 6,865,000 in 1997	% 3.75	\$ 13,080,216	6,865,000
\$ 8,550,000 in 1998	3.90		
\$ 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		
		<u>13,552,060</u>	<u>6,865,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 270,960,000
First Lien Revenue Bonds, 1995 Series A	07/15/95	\$ 89,850,000	89,850,000

Carried forward

360,810,000

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 13,552,060	\$ 6,865,000
\$1,555,000 in 1998	% 4.00	4,794,205	-
\$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		
		<u>18,346,265</u>	<u>6,865,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Brought forward			\$ 360,810,000
Subordinate Revenue Bonds, 1995 Series B	07/15/95	\$ 103,020,000	100,985,000
			<hr/>
Gross Pittsburgh Water and Sewer Authority Revenue Bonds			<u>461,795,000</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 18,346,265	\$ 6,865,000
\$ 2,575,000 in 1997	% 4.00	5,310,915	2,575,000
\$ 2,505,000 in 1998	4.00		
\$ 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		
\$ 2,808,000 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		
		<u>23,657,180</u>	<u>9,440,000</u>

(Continued)

CITY OF PITTSBURGH, PENNSYLVANIA

Schedule of Bonds and Notes Payable, Continued

<u>Serial bonds</u>	<u>Date of issue</u>	<u>Amount sold</u>	<u>Amount outstanding</u>
Gross Pittsburgh Water and Sewer Authority Revenue Bonds (carried forward)			\$ 461,795,000
Plus net bond discount			(1,862,000)
Less deferred Series 1991 refunding loss			<u>(27,939,000)</u>
Net Pittsburgh Water and Sewer Authority Revenue Bonds			<u>431,994,000</u>
Total Bonds and Notes Payable			\$ <u>1,207,388,145</u>

<u>Maturity information</u>	<u>Coupon or ceiling rate of interest</u>	<u>1997 Maximum debt service requirements</u>	
		<u>Interest</u>	<u>Principal</u>
		\$ 23,657,180	9,440,000
		_____ -	_____ -
		<u>23,657,180</u>	<u>9,440,000</u>
		\$ <u>64,716,895</u>	<u>33,521,165</u>