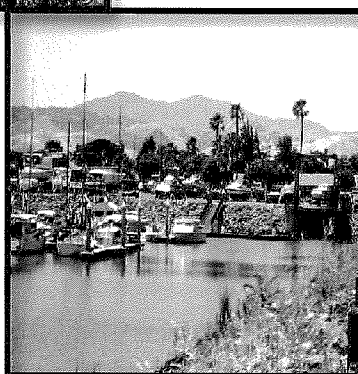
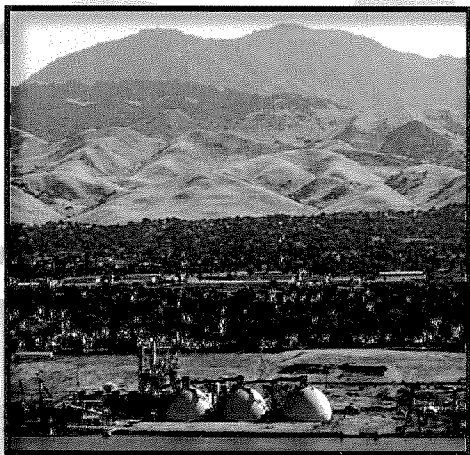


CITY OF

PITTSBURG



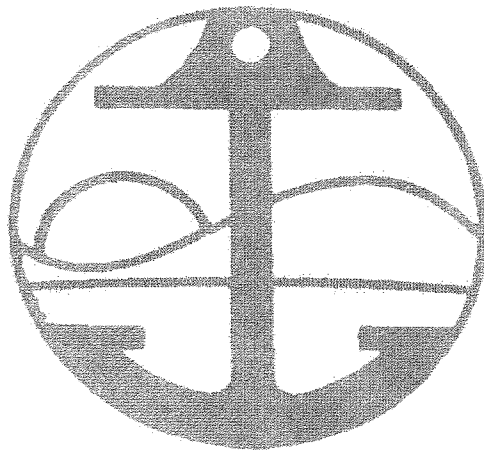
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2006



CITY OF PITTSBURG, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2006



PREPARED BY

THE FINANCE DEPARTMENT

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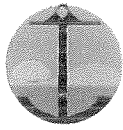
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City of Pittsburg
65 Civic Avenue
Pittsburg, California 94565-3814

January 25, 2007

Honorable Mayor
Members of the City Council
And Citizens of Pittsburg

Comprehensive Annual Financial Report

Presented herein is the Comprehensive Annual Financial Report for the City of Pittsburg (the City) for the Fiscal Year ended June 30, 2006. This report presents fairly, in all material respects, the financial position and changes in financial position of the City as of and for the Fiscal Year ended June 30, 2006. City management is responsible for the accuracy of the data, the fairness and completeness of the presentation, and the inclusion of all disclosures that are necessary to enable the reader to understand the City's operations. This Comprehensive Annual Financial Report (CAFR) has been prepared in accordance with "generally accepted accounting principles" (GAAP) in the United States of America.

Major Changes in Reporting

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which revised the City's financial reporting requirements. Governments comparable in size to the City of Pittsburg were required to implement GASB Statement No. 34 for the Fiscal Year ended June 30, 2003 and this is the fourth fiscal year the City of Pittsburg complies with the GASB requirements. The major changes that resulted from GASB 34 include:

- Government-wide financial statements that are designed to provide readers with a broad overview of the City in a manner similar to a private-sector business. The statements cover all of the City's activities (except fiduciary activities) and include the Statement of Net Assets and the Statement of Activities. The Statement of Net Assets reports what the City owns (assets), what it owes (liabilities) and what is left over after assets have been used to satisfy liabilities (net assets). The Statement of Activities reports the City's expenses and revenues, as well as other changes in its net assets during the year.
- Fund financial statements report the finances of fund groups within the City's reporting entity - its governmental, proprietary and fiduciary funds. Reconciliation that describes the adjustments necessary to reconcile the governmental funds financial statements with the governmental activities column of the government-wide financial statements are included because the two types of statements measure the City's finances differently.

