

Issue Date: January 25, 2012

Due Date: February 17, 2012 at 5 PM EST



REQUEST FOR EXPRESSIONS OF INTEREST Questions and Answers

CITY OF PHILADELPHIA, PENNSYLVANIA

**DIRECT PAY LETTERS OF CREDIT AND
ALTERNATIVE VARIABLE RATE FINANCINGS**

**AIRPORT REVENUE BONDS
Commercial Paper Program and
Sinking Fund Reserve**

and

**PHILADELPHIA GAS WORKS
Revenue Notes, CP Series G**

*****Updated/Changed Information*****

1. **Please note change in due date.** Proposals are now due on February 17th, at 5pm EST in the manner described in the REI.
2. After the REI was released, the Airport announced an agreement with Alaska Airlines for a new daily service at PHL. Please see **Appendix A** for more information.

1. (Airport) What is the amount of CP anticipated to be issued in each of the first three years?

2012: \$150 million
2013: \$135 million
2014: \$190 million

Airport Management cautions that these estimates are preliminary and subject to further refinement and change. The issuance of CP Notes in these years may be markedly different from these preliminary estimates.

2. Based on the above amounts, when is the City (Airport) likely to issue bonds to refinance the outstanding Commercial Paper Notes?

At this time, we anticipate taking out the CP in CY2014. The timing of any takeout of the CP is only an estimate, and is subject to change.

3. Has the Airport hired a Program Management Office (PMO)? If so, have they started to conduct a detailed review of the CEP and can any details be shared at this time?

PHL selected Global Program Partners (GPP) and has begun the process of contract negotiations. Once contract negotiations are completed, we expect GPP to begin their detailed review of the CEP. The contract negotiation and start-up process is expected to take a few months to complete.

4. When does the City expect to renew the Use and Lease Agreements with the major airlines (US Airways and Southwest) and what are the major hurdles that remain?

PHL is participating in monthly Use and Lease Agreement negotiation sessions and working group meetings with the airlines. Several provisions of the Agreement are under discussion, including insurance, environmental, common use technology, space management and Airline/Airport consortiums. Additionally, we continue to work through the details of the CEP implementation. We expect to have the new Use and Lease Agreement in place prior to the current Agreement's expiration date of June 30, 2013.

5. Will Fiscal Year 2011 financial results for the Airport be available before the due date of this REI?

No, they will be available shortly thereafter.

6. Would it be possible to send out the draft financial statements as of FYE 6/30/11 for the City as well as for the Airport?

Attached please find the Airport's FY 2011 Trustee Statements (*Appendix B*) and the City's FY11 unaudited results (*Appendix C*).

7. Would you send us a copy of the Airport's debt service coverage ratio calculation per ordinance based on 6/30/11 numbers?

PHL's debt service coverage ratio calculation is found on page 4 of the Trustee Statements.

8. *Would you provide a copy of the current years' budget for both the City and the Airport?*

Below is the link to Mayor's Operating Budget Detail for FY 2012. PHL is listed under the Department of Commerce in Section 19.

http://www.phila.gov/investor/pdfs/MOBudgetBrief_FY_201.pdf

9. *We would like to see the current debt structure for both the City and the Airport or have a summary of new debt issued since 6/30/10. We would like to know the basic information regarding debt amounts, tenors and if the rates were fixed or variable (swapped or not).*

Attached please find the Airport's (*Appendix D*) and City's (*Appendix E*) debt service schedules. Additional information regarding City debt may be found in the Official Statement for the Airport Revenue Refunding Bonds, Series 2011A & B, beginning in Appendix III, which is available from the link below:

http://www.phila.gov/investor/Official_Statements.html

10. *Is the sinking fund reserve on parity with bonds or subordinate?*

Under the provisions of the General Ordinance, any deficiencies in the Sinking Fund Reserve Account, including any repayment of the LOC for the Sinking Fund Reserve, are subordinate to the parity debt service. Please see Page 10 of the Series 2011 Official Statement for the flow of funds (attached). The LOC for the Sinking Fund Reserve that the City is looking to replace acts as a backup to a surety policy that was deposited in the Sinking Fund Reserve Account, and as provided in the Reimbursement Agreement attached to the REI, the surety policy would be drawn on prior to the LOC in the event of a deficiency.

11. *Will PFC revenue be pledged to the repayment of the CP notes?*

It is not anticipated that PFCs would be pledged to repay CP notes. However, a portion of the CP may be refinanced with PFC-backed bonds.

12. *Could we get a copy of the most recent 5-year cash flow projection for the Airport?*

Please see Appendix II (Report of the Airport Consultant) from the Series 2010 Official Statement, which is available from the link below:

http://www.phila.gov/investor/Official_Statements.html

13. *Do the Airport's cash flow projections reflect the impact of Virgin America commencing flights in April of this year? If not, what information is available on the potential increase in traffic and revenue related to this event?*

Virgin America is initially offering five daily flights at PHL using A320 aircraft that have a potential seating capacity of 149. Virgin begins 3 daily nonstop flights to LAX on 4/4/12 and 2 daily nonstop flights to SFO on 4/10/12. Our current cash flow projections do not reflect the impact of the entrance of Virgin America at PHL.

14. *Could we receive the most recent capital improvement plan of the Airport?*

As recently discussed in the Series 2011 Official Statement, below please find an extract (pps. 24-26) regarding PHL's capital improvement program:

Recently Completed and In Progress Capital Improvement Projects

Following are the major capital projects that are expected to enhance the economic viability of the Airport System that have been or are expected to be completed in Fiscal Year 2009 through approximately Fiscal Year 2013:

Terminal F Expansion. This project will provide additional capacity for passenger and baggage processing and airline operations. The project reconfigures the terminal and adds approximately 80,000 square feet to the existing 205,000 square feet of the terminal. The expansion includes a new baggage claim building on the arrivals roadway providing two claim devices; enlarged passenger holdrooms and concession areas; enlarged club room; crew lounges; and other airline operations facilities for US Airways; an enlarged "Central Hub" to accommodate additional concession space and improve passenger flow; a corridor linking Terminals F and E to allow passengers to move between all Airport terminals without having to leave the secure areas to be rescreened; a redesigned security checkpoint that has additional screening capacity and latest screening technology; and infrastructure improvements. The central hub is under construction with a planned completion end of 2012 and construction of the baggage claim building is scheduled to begin in early 2012. The final phases are in design at this time and the total estimated cost of the Terminal F expansion project is \$117 million.

Expansion and Modernization of Terminals D and E. This project consists of a new 210,000 square foot multi-level connector building between Terminals D and E, a 50,000 square foot addition to the Terminal E concourse which provided three additional passenger gates, a 9,000 square foot connector building between Bag Claims D and E, and various renovations to areas within the two terminals and the adjacent Thermal Plant. The first level of the new connector building will house a new baggage make-up area that will contain Explosive Detection Devices which will be operated by the Transportation Security Administration as part of an in-line baggage screening system; the second level includes a fourteen-lane passenger security screening area serving both terminals, and the third level houses Division of Aviation offices. The combined security checkpoint was opened to the public in December 2008. The baggage claim renovations and the Hammerhead Expansion were completed in early 2010. The in-line Explosive Detection System checked baggage is scheduled for completion in 2012. The total estimated cost of the D-E project is currently \$345 million.

Terminal A East Improvements. This project consists of various improvements to the terminal building and concourse of Terminal A-East to make it fully compatible with the newer adjacent international Terminal A-West. The first phase of the work, which included conversion of space formerly occupied by FIS agencies to new uses, creation of a new seven-lane security checkpoint, and upgrading the fire alarm and fire protection systems, has been completed. The second phase of work, which included concourse, ticketing and related spaces, was completed in mid-2011. The final phase, which modifies the outbound baggage handling system to provide a full in-line Explosive Detection Systems (EDS) for checked baggage, is currently under construction with an estimated completion in early 2014. The total estimated cost of the Terminal A East project is \$78 million.

CCTV Project. This project is to design, install and operate a complete closed circuit television system that will provide greater surveillance at PHL, including TSA controlled areas. The first phase of installation is 95% complete. The design phase of the upgrade to the CCTV system is currently underway with the upgrade scheduled for completion in the fall 2012. The total estimated cost for this project is \$5 million.

Restroom Renovations. This project is the renovation of several restrooms each year. The first phase, four sets of restrooms in concourse B/C, has been designed and construction is scheduled to start in

January 2012 and is estimated to be completed October 2012. The total estimated cost for this project is \$45 million. Phase 2 is planned to address facilities in Terminals D and E.

Other Terminal Building Improvements. Recently completed projects include major upgrading of the Security Controlled Access System, major improvements to the fire suppression systems at various locations in the terminal complex, and the first phase of the installation of a new Flight Information Display System ("FIDS"). The total cost of these projects was \$19 million. The second phase of the FIDS project was completed in 2009. The cost of this project was \$8 million.

Extension of Runway 17-35. The north-south runway was extended from 5,460 feet to 6,500 feet to accommodate larger aircraft. The project included new airfield lighting, extension of adjacent taxiways and substantial modifications of nearby roadways and parking facilities. Construction work was completed early 2009. The approximate cost of the runway extension was \$70 million.

Other Airfield Area Improvements. Various projects have been in progress to renovate and upgrade existing airfield facilities. The aircraft parking aprons in the vicinity of Terminals D and E and in the Cargo City area are being replaced through multi-year construction programs. The work in those two areas is estimated to have a total cost of \$60 million. Design work has been completed to extend the 9R safety area and construction will be completed in 2012 at an estimated total cost of \$4.1 million. Also, work is underway to reconstruct 9L/27R runway along with adjacent and connecting taxiways and will include new paving and lighting system modifications. This construction is expected to start early 2012 and be completed in 2012 at a cost of \$41.1 million. In addition, design work is underway for the extension of Taxiway K and high speed exit with design scheduled to be complete by January 2012 and construction is scheduled to be complete by the end of 2013 at an estimated cost of \$20 million.

Residential Sound Insulation Program ("RSIP"). Through a Part 150 Noise Study completed in 2003, it has been determined that approximately 600 properties in Tinicum Township are located within the 65 DNL contour and are eligible for improvements to lessen the impacts of aircraft noise. A pilot program that involved 27 properties was completed in 2006. Construction for insulation improvements in 137 additional properties was completed in 2009. During 2011, 117 of the 246 properties were insulated with the remaining properties scheduled to be insulated by January 2012. In addition, design of the next 110 is currently underway and is expected to be completed by the end of 2012. The Airport plans to continue the program until noise abatement of all the affected properties has been addressed. The schedule for the future construction work will be dependent on the amount of federal grants-in-aid that can be provided each year. The total cost for the RSIP is expected to be between \$40 and \$50 million.

Northeast Philadelphia Airport. The taxiways are currently being rehabilitated. Reconstruction of Taxiways A and L was completed in 2010 at a cost of \$2.6 million; reconstruction of Taxiways F, G, H & J was completed in 2011 at a cost of \$1.3 million; design for 6-24 runway repairs was completed 2011 and reconstruction is scheduled to be completed in December 2012 at an estimated cost of \$500,000.

Future Airport System Capital Improvement Projects

Over the next several years, the City expects to undertake additional Airport capital improvements and to finance such improvements in part with proceeds of additional bonds. The Airport recently culminated a 10-year planning and environmental review process in January 2011 with the Federal Aviation Administration (the "FAA") issuing a Record of Decision approving the Airport's Capacity Enhancement Program (the "CEP") and in September 2011 awarding a \$466.5 million letter of intent to provide funding for certain elements of the CEP. The CEP provides for a new runway, which will allow independent simultaneous aircraft operations in poor weather conditions, to significantly reduce delays; two runway extensions; enlarging and reconfiguring the existing terminal complex; relocating several off-airport facilities; developing a centralized ground transportation center; developing

additional parking facilities; and constructing an automated people mover for transport of passengers between terminals that will interface with the existing SEPTA rail line. The cost of the CEP is estimated to be \$6.4 billion in 2010 and the total period for the phased construction is anticipated to be approximately 13 calendar years in duration, lasting from 2013 through 2025. The funding of this longer-term capital program will require the issuance of additional airport revenue bonds.

In the near term, the City expects to undertake the following projects set forth below:

- (a) Terminal B-C In-Line Baggage Handling System
- (b) International Gate Expansion
- (c) Property Acquisitions identified for the CEP
- (d) Security System Improvements
- (e) Terminal B-C Expanded Security Checkpoint and Ticketing Area Improvements

The implementation of CEP or other near term projects and the issuance of additional bonds for their financing are subject to, among other requirements, obtaining MII approval from the Signatory Airlines and meeting the additional bonds test requirements of the General Ordinance.

Such future capital improvement projects will be initiated only in response to identified requirements or demand and as economically justified. The City has not committed to issuing any additional bonds to finance the capital program.

**Appendix A – Information Regarding the Airport and Alaska
Airlines**

For Immediate Release: February 7, 2012

Contact: Victoria Lupica
215.937.5424
victoria.lupica@phl.org

On Approach... Alaska Airlines Arrives at Philadelphia International Airport!
New daily service to Seattle begins in June

PHILADELPHIA – Alaska Airlines, ranked highest in airline customer satisfaction among traditional carriers in North America by J.D. Power and Associates in four consecutive years, is bringing its industry acclaimed service to Philadelphia International Airport (PHL) starting June 11th with a daily nonstop flight to its main hub in Seattle. The airline with the signature smiling Eskimo logo and low fares is the second new carrier in the last month to announce its arrival at PHL. Philadelphia becomes the 62nd city in the Alaska network, which includes destinations in Canada and Mexico. The Seattle-based airline, which utilizes a fleet of Boeing 737 aircraft, has a heavy market presence on the West Coast and averages 123 daily departures out of Seattle.

“Philadelphia International Airport has again delivered with the start of service by a new airline,” said Mayor Michael A. Nutter. “We welcome Alaska Airlines to Philadelphia, and I am proud that we can offer even more choices for travelers. This new West Coast service is great for our economy and shows that Philadelphia is the place to do business.”

Alaska Airlines, the first airline in North America to sell tickets online and the first in the world to allow customers to check in and print boarding passes via the Internet, has earned numerous awards and recognition in addition to the prestigious J.D. Power and Associates Awards in that company’s annual North America Airline Satisfaction Study.

In 2010 and 2011, it captured Flightstats Major North American Airline One-Time Performance Award for delivering the highest percentage of its flights (87.79%) to their arrival gates within 15 minutes of the scheduled arrival time.

Air Transport World, the global aviation industry’s monthly magazine, bestowed its 2011 Airline Technology Leadership Award to Alaska for the airline’s track record of innovation, flight safety and airport operations, ticket distribution, and marketing and customer technology. Last month, *Air Transport World* named Alaska the recipient of the 2012 Joseph S. Murphy Industry Service Award in recognition of the airline’s numerous environmental and corporate giving initiatives. Alaska was the only North American carrier the publication honored in 2012 and the first U.S. carrier to win the magazine’s industry service award.

-More-

On Approach... Alaska Airlines Arrives at PHL/ 2

In addition, Alaska received *Executive Travel's* 2011 Leading Edge Award for Best Domestic Frequent Flier Program and has earned the Federal Aviation Administration's Diamond Award for maintenance training excellence every year since 2001.

"Philadelphia welcomes Alaska Airlines to the Airport family, and I thank them for choosing us for their great new service to Seattle," said Rina Cutler, Deputy Mayor, Transportation and Utilities. "It is a tribute to the hard work and dedication of our Airport team to bring new business to Philadelphia."

Airport CEO Mark Gale added: "We are very excited to bring to Philadelphia an airline that has distinguished itself among travelers and industry experts. Our customers are going to be very happy with Alaska Airline's award-winning service, and it's a pleasure to welcome this highly regarded carrier to our Airport."

In concert with the Airport's commitment to bring affordable, traveler-friendly service to Philadelphia, PHL has welcomed two new airlines already this year. Alaska is the second airline in a month to announce it will begin serving PHL. Virgin America announced in January that it will be bringing its low-fare, award-winning service to Philadelphia starting in April with daily flights to Los Angeles and San Francisco.

In coming to Philadelphia, Alaska Airlines bolsters an airport that served 30.8 million passengers in 2010. Currently, 28 airlines offer nearly 600 daily departures to over 120 cities including more than 55 nonstop flights to 36 international cities.



Philadelphia International Airport is owned and operated by the City of Philadelphia. The Airport is a self-sustaining entity that operates without the use of local tax dollars. It is one of the largest economic engines in Pennsylvania, generating an estimated \$14.4 billion in spending to the regional economy and accounting for more than 141,000 jobs.

Appendix B – Airport FY11 Trustee Statements

RECEIVED from the Director of Finance and the Director of Commerce for the Airport System, the Financial Report on the Airport System of the City of Philadelphia, for Fiscal Year 2011, pursuant to the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282)



for U.S. Bank, N.A.,
Fiscal Agent

RALPH E. JONES

Date: _____

10/26/11



CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE
1401 John F. Kennedy Blvd.
Room 1330, Municipal Services Bldg.
Philadelphia, PA 19102-1693
(215) 686-6140
FAX (215) 568-1947

ROB DUBOW
Director of Finance

October 26, 2011

U.S. Bank, N.A., Fiscal Agent
Corporate Trust Administration
Two Liberty Place
Suite 2000
50 South 16th Street
Philadelphia, PA 19102-1199

Attention: Mr. Ralph E. Jones; Vice President

Subject: **FINANCIAL REPORT ON THE AIRPORT SYSTEM OF THE CITY OF
PHILADELPHIA PURSUANT TO THE AMENDED AND RESTATED
GENERAL AIRPORT REVENUE BOND ORDINANCE (BILL NO. 1099
OF 1995)**

Dear Mr. Jones:

Pursuant to Section 5.05 of the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282), I transmit and file with your bank as Fiscal Agent of the Airport Revenue Bonds issued thereunder, a report on the operation of the Airport System of the City for the Fiscal Year ended June 30, 2011, complying with the requirements of that section of the ordinance. The report is accompanied by a certificate of the Director of Commerce and the Acting Director of Aviation that the Airport System of the City is in good operating condition.

I hereby certify that as of the date of this report, the City has complied with all of the covenants in said ordinance and in all ordinances supplemental thereto.

Sincerely,

A handwritten signature in black ink, appearing to be 'Rob Dubow', written over a horizontal line.

Rob Dubow
Finance Director

Enclosures



October 25, 2011

MARK E. GALE, A.A.E.
CHIEF EXECUTIVE OFFICER

Mr. Rob Dubow
Director of Finance
1401 John F. Kennedy Boulevard
Room 1330 Municipal Services Building
Philadelphia, PA 19102-1693

Subject: Financial Report on the Airport System of
the City of Philadelphia for the Fiscal Year
Ended June 30, 2011

Dear Mr. Dubow:

Pursuant to Section 5.05 of the Amended and Restated General Airport Revenue Bond Ordinance (Bill No. 950282), we are forwarding to you for transmittal to the Fiscal Agent a report on the operation of the Airport System of the City for the Fiscal Year ended June 30, 2011, including a Statement of Revenue, Expense, and Net Revenue. The report statements have been prepared on an accrual basis in accordance with Section 5.05 of Bill No. 950282.

With respect to compliance with the Rate Covenant (Section 5.01 of Bill No. 950282), we direct your attention to the calculations of Rate Covenant Compliance which demonstrate compliance with the Rate Covenant for Fiscal Year 2011.

Lastly, pursuant to Section 5.05 of Bill No. 950282, we hereby certify that the City's Airport System is in good operating condition.


Mark Gale


Alan Greenberger
Deputy Mayor for Economic
Development and Planning
and Director of Commerce

Concur: 
Rina Cutler
Deputy Mayor for Transportation and Utilities

Enclosure

CITY OF PHILADELPHIA
AIRPORT SYSTEM
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

CITY OF PHILADELPHIA
AIRPORT SYSTEM
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

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CITY OF PHILADELPHIA
AIRPORT SYSTEM
BASIS OF PRESENTATION

(UNAUDITED)

1. The accompanying statements, presented for the purpose of demonstrating compliance with the Amended and Restated General Airport Revenue Bond Ordinance (Bill #950282), are prepared on the accrual basis of accounting adjusted to meet the particular requirements of the Amended and Restated General Airport Revenue Bond Ordinance. On this basis of accounting, revenues are recorded as they are earned. Equipment purchases and other capital outlays funded from operations are charged to expense in the year of acquisition. Principal payments on debt are recorded as an element of expense in lieu of depreciation.

The accompanying statements are reconcilable to the Aviation Fund statements presented in the annual report of the City of Philadelphia which are prepared in conformity with generally accepted accounting principles for an enterprise fund.

2. Section 5.01 of the Amended and Restated General Airport Revenue Bond Ordinance specifies that rate covenant compliance be calculated by measuring the sufficiency of pledged Amounts Available for Debt Service, including Project Revenues, Passenger Facility Charge (PFC) Revenues Available for Debt Service and that portion of the Aviation Operating Fund balance attributable to Amounts Available for Debt Service.

CITY OF PHILADELPHIA
 AIRPORT SYSTEM
 STATEMENT OF REVENUE, EXPENSE, AND NET REVENUE
 FISCAL YEAR ENDED JUNE 30, 2011
 (UNAUDITED)

Revenue	Total Airport System
Airline Revenues	
Revenue deferred from FY 2010 (Note 1)	\$ 19,983,261
Airline Revenue Allocation	1,980,697
Current revenue	
Space rentals	85,812,324
Landing fees	60,151,589
Ramp Area rentals	1,232,495
International Common Use Fees	17,565,552
Revenue deferred to FY 2012 (Note 2)	<u>(33,737,171)</u>
	\$ 152,988,747
Other operating revenue	
Concession fees	\$ 48,290,850
Parking	28,008,554
Other	<u>31,345,353</u>
	\$ 107,644,757
Interest income	151,507
PFC revenues available for debt service	<u>32,352,816</u>
 Total Revenue	 \$ 293,137,827
 Expense	
Operating Expenses (Note 3)	
Net Operating expenses	\$ 98,133,522
Interdepartmental charges	<u>88,638,745</u>
	\$ 186,772,267
Required Renewal Fund deposit (Note 4)	250,000
Debt Service	
Revenue Bonds	\$ 102,447,646
Interest income offset	-
General Obligation Bonds	<u>-</u>
	\$ 102,447,646
Fund Requirements (Note 5)	
Bond Redemption and Improvement Requirement	\$ -
O&M Requirement	<u>(5,000,000)</u>
	<u>\$ (5,000,000)</u>
 Total Expense	 <u>\$ 284,469,913</u>
 Net revenue (deficit)	 <u>\$ 8,667,914</u>

CITY OF PHILADELPHIA
AIRPORT SYSTEM
COST CENTER SUMMARY OF OPERATIONS
FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Revenue	Total Airport System	Terminal Area	Airfield Area	Other Buildings and Areas	Northeast Philadelphia Airport	Ramp Area	Outside Terminal Area	Airport Services
Airline Revenues								
Airline Revenues deferred from FY 2010	\$ 19,983,261	\$ 22,156,970	\$ (2,439,992)	\$ -	\$ -	\$ 266,283	\$ -	\$ -
Airline Revenues Allocation	1,980,697	-	1,980,697	-	-	-	-	-
Current revenues	85,812,324	85,812,324	-	-	-	-	-	-
Space rentals	60,151,589	-	60,151,589	-	-	-	-	-
Landing fees	1,232,495	-	-	-	-	1,232,495	-	-
Ramp Area rentals	17,565,552	17,565,552	-	-	-	-	-	-
International common use fees	(33,737,171)	(34,051,366)	2,445,193	-	-	(463,085)	(1,667,913)	-
Revenue deferred to FY 2012								
	\$ 152,988,747	\$ 91,483,480	\$ 62,137,487	\$ -	\$ -	\$ 1,035,693	\$ (1,667,913)	\$ -
Other operating revenue								
Concession fees	48,290,850	40,340,516	1,880,246	-	-	-	6,070,088	-
Parking	28,008,554	-	-	-	-	-	28,008,554	-
Other	31,345,353	15,690,946	2,308,719	7,455,512	2,326,263	5,681	3,524,409	33,823
	\$ 107,644,757	\$ 56,031,462	\$ 4,188,965	\$ 7,455,512	\$ 2,326,263	\$ 5,681	\$ 37,603,051	\$ 33,823
Interest income	151,507	82,903	18,730	10,406	3,338	-	36,130	-
PFC revenues available for debt service	32,352,816	32,352,816	-	-	-	-	-	-
Reallocation of OTA net revenue	-	10,000,000	(10,000,000)	-	-	-	-	-
	\$ 293,137,827	\$ 189,950,661	\$ 56,345,182	\$ 7,465,918	\$ 2,329,601	\$ 1,041,374	\$ 35,971,268	\$ 33,823
Expense								
Operating expenses								
Net Operating expenses	\$ 98,133,522	\$ 61,534,653	\$ 16,161,827	\$ 4,929,005	\$ 1,688,558	\$ 334,935	\$ 13,484,544	\$ -
Interdepartmental charges	88,638,745	45,065,728	19,671,907	7,816,392	2,498,623	401,468	13,150,804	33,823
	\$ 186,772,267	\$ 106,600,381	\$ 35,833,734	\$ 12,745,397	\$ 4,187,181	\$ 736,403	\$ 26,635,348	\$ 33,823
Required Renewal Fund deposit	250,000	-	250,000	-	-	-	-	-
Debt service								
Revenue bonds	\$ 102,447,646	\$ 82,536,892	\$ 17,439,823	\$ 1,206,110	\$ 179,603	\$ 544,701	\$ 540,517	\$ -
Interest income offset	-	-	-	-	-	-	-	-
General Obligation bonds	-	-	-	-	-	-	-	-
	\$ 102,447,646	\$ 82,536,892	\$ 17,439,823	\$ 1,206,110	\$ 179,603	\$ 544,701	\$ 540,517	\$ -
Fund Requirements								
Bond Redemption and Improvement Requirement	\$ (5,000,000)	\$ 573,658	(5,791,676)	\$ -	\$ -	\$ -	\$ -	\$ -
O&M Requirement	(5,000,000)	573,658	(5,791,676)	68,080	22,449	-	127,489	-
	\$ (10,000,000)	\$ 573,658	(5,791,676)	\$ 68,080	\$ 22,449	\$ -	\$ 127,489	\$ -
Total expenses	\$ 284,469,913	\$ 189,710,931	\$ 47,731,881	\$ 14,019,587	\$ 4,389,233	\$ 1,281,104	\$ 27,303,354	\$ 33,823
Net revenue (deficit)	\$ 8,667,914	\$ 239,730	\$ 8,613,301	\$ (6,553,669)	\$ (2,059,632)	\$ (239,730)	\$ 8,667,914	\$ -

CITY OF PHILADELPHIA
AIRPORT SYSTEM
SCHEDULE OF RATE COVENANT COMPLIANCE
FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Test 1 (a)

Amounts Available for Debt Service (AADS)	
Project Revenues	\$ 260,785,011
Other amounts available for Debt Service	
PFC revenues available for debt service	32,352,816
Operating Fund Balance attributable to AADS (Note 1)	<u>77,635,096</u>
	<u>\$ 370,772,923</u>
Less:	
Net Operating Expenses	\$ 98,133,522
Required Sinking Fund Reserve deposit	-
Required Renewal Fund deposit	<u>250,000</u>
	<u>\$ 98,383,522</u>
Fund available for Revenue Bond debt service coverage	\$ 272,389,401
Revenue Bond debt service	\$ 102,447,646
Less: Interest income offset	<u>-</u>
Net Revenue Bond debt service	\$ 102,447,646
Revenue Bond debt service coverage	2.66
Coverage requirement	1.50

Test 2 (b)

Amounts Available for Debt Service (AADS)	
Project Revenues	\$ 260,785,011
Other amounts available for Debt Service	
PFC revenues available for debt service	32,352,816
Operating Fund Balance attributable to AADS (Note 1)	<u>77,635,096</u>
	<u>\$ 370,772,923</u>
Less:	
Operating Expenses	\$ 186,772,267
Required Sinking Fund Reserve deposit	-
Required Renewal Fund deposit	<u>250,000</u>
	<u>\$ 187,022,267</u>
Funds available for debt service coverage	\$ 183,750,656
Total debt service	\$ 102,447,646
Less: Interest income offset	<u>-</u>
Net debt service	\$ 102,447,646
Total debt service coverage	1.79
Coverage requirement	1.00

- a. Pursuant to Section 5.01 (a) (1) of the Amended and Restated General Airport Revenue Bond Ordinance.
b. Pursuant to Section 5.01 (a) (2) of the Amended and Restated General Airport Revenue Bond Ordinance.

CITY OF PHILADELPHIA
AIRPORT SYSTEM
REPORT NOTES
FISCAL YEAR ENDED JUNE 30, 2011
(UNAUDITED)

Notes to Page 2:

1. Revenue deferred from FY 2010 represents amounts billed to the Airlines in FY 2010 in excess of FY 2010 requirements, pursuant to the rate-setting provisions of Airline – Airport Use and Lease Agreement, July 1, 2007 – June 30, 2011 (the Airline Agreement).
2. Revenue deferred to FY 2012 represents amounts billed to the Airlines in FY 2011 in excess of FY 2011 requirements pursuant to the rate-setting provisions of the Airline Agreement.
3. Operating Expenses, as defined in Section 2.01 of the Amended and Restated General Airport Revenue Bond Ordinance, exclude debt service (interest and principal payments) and depreciation expense as a period cost.
4. As defined in Section 4.13 of the Amended and Restated General Airport Revenue Bond Ordinance, withdrawals from the Renewal Fund shall be reimbursed from Project Revenues in an amount not to exceed \$500,000 in any fiscal year.
5. The Bond Redemption and Improvement Account and the O&M (Operations and Maintenance) Account were established pursuant to provisions of the Airline Agreement.

Note to Page 4:

1. Operating Fund Balance Attributable to Amounts Available for Debt Service consists of the Bond Redemption and Improvement Account, the O&M Account and other Aviation funds as of July 1, 2010.

Appendix C – City FY11 Annual Financial Report (Unaudited)

City of Philadelphia

Since 1682

Annual Financial Report

**Fiscal Year Ended
June 30, 2011**



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CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE

1401 John F. Kennedy Blvd.
Suite 1340, Municipal Services Building
Philadelphia, Pennsylvania 19102-1693

ROB DUBOW

Director of Finance

October 28, 2011

To the Honorable Mayor and Members of City Council of the City of Philadelphia:

The Annual Financial Report of the Director of Finance for the fiscal year ended June 30, 2011 is hereby submitted.

This report was issued in compliance with the Philadelphia Home Rule Charter (Charter), which requires that the Director of Finance *"Issue within one hundred and twenty days after the close of each fiscal year a statement as of the end of that year showing the balances in all funds of the City, the amounts of the City's known liabilities, and such other information as is necessary to furnish a true picture of the City's financial condition"*. This report is intended to meet these requirements and is not audited. The Comprehensive Annual Financial Report will be published at a latter date.

The report contains financial statements for all City governmental funds and blended component units presented on the modified accrual basis. The proprietary and fiduciary funds are presented on the full accrual basis. It also contains budgetary comparison schedules for those funds that are subject to an annual budget. The financial statements of the City's discretely presented component units that were available as of the date of this report are also presented.

GENERAL GOVERNMENT FUNCTIONS

GENERAL FUND

At June 30, 2011 an unreserved fund balance surplus of \$.1 million was reported on the budgetary basis while an unreserved fund balance deficit of \$149.5 million was reported on the modified accrual basis. The difference of \$149.6 million represents Business Privilege Tax receipts received in advance of being earned on the modified accrual basis.

The following schedules present a summary of General Fund revenues and expenditures on the modified accrual basis and the amount and percentages of increases and decreases in relation to the prior year

Amounts in Millions in USD

<u>Revenues</u>	<u>FY2011</u>	<u>Percent of Total</u>	<u>FY2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	2,447.0	69.6%	2,316.3	130.7	5.6%
Locally Generated Non-Tax Revenue	280.4	8.0%	229.6	50.8	22.1%
Revenue from Other Governments	772.7	22.0%	775.6	(2.9)	-0.4%
Other Revenue	15.2	0.4%	16.4	(1.2)	-7.3%
Total	3,515.3	100.0%	3,337.9	177.4	5.3%

Amounts in Millions of USD

<u>Expenditures</u>	<u>FY2011</u>	<u>Percent of Total</u>	<u>FY2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	35.3	1.0%	93.4	(58.1)	-62.2%
Streets & Highways	55.7	1.5%	62.0	(6.3)	-10.2%
Mass Transit	66.7	1.9%	65.0	1.7	2.6%
Police	932.3	25.9%	869.7	62.6	7.2%
Prisons	310.5	8.6%	313.7	(3.2)	-1.0%
Courts	239.6	6.7%	236.9	2.7	1.1%
EMS	49.3	1.4%	44.0	5.3	12.0%
Health Services	143.4	4.0%	151.1	(7.7)	-5.1%
Housing	1.8	0.1%	2.9	(1.1)	-37.9%
Recreation and Parks	74.2	2.1%	71.1	3.1	4.4%
Libraries and Museums	57.9	1.6%	58.3	(0.4)	-0.7%
Social Services	625.9	17.4%	645.2	(19.3)	-3.0%
Education	64.0	1.8%	65.0	(1.0)	-1.5%
Inspections and Demolitions	24.0	0.7%	27.3	(3.3)	-12.1%
Sanitation	129.8	3.6%	127.1	2.7	2.1%
Fire	254.2	7.1%	237.2	17.0	7.2%
General Management	532.1	14.8%	511.9	20.2	3.9%
Total	3,596.7	100.0%	3,581.8	14.9	0.4%

The following schedules present a summary of General Fund revenues and expenditures on the budgetary basis and the amount and percentages of increases and decreases in relation to the prior year:

Amounts in Millions in USD

<u>Revenues</u>	<u>FY2011</u>	<u>Percent of Total</u>	<u>FY2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	2,459	63.7%	2,316.6	142.5	6.2%
Locally Generated Non-Tax Revenue	280	7.3%	229.4	50.6	22.1%
Revenue from Other Governments	1,067	27.6%	1,076.4	(9.9)	-0.9%
Revenue from Other Funds	55	1.4%	31.9	22.7	71.2%
<u>Total</u>	<u>3,860.2</u>	<u>100.0%</u>	<u>3,654.3</u>	<u>205.9</u>	<u>5.6%</u>

Amounts in Millions in USD

<u>Obligations</u>	<u>FY2011</u>	<u>Percent of Total</u>	<u>FY2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Personal Services	1,360.4	35.9%	1,358.5	1.9	0.1%
Pension Contributions	485.2	12.8%	346.7	138.5	39.9%
Other Employee Benefits	481.9	12.7%	484.7	(2.8)	-0.6%
Purchase of Services	1,127.9	29.8%	1,111.4	16.5	1.5%
Materials and Supplies	65.8	1.7%	59.9	5.9	9.8%
Equipment	12.4	0.3%	8.8	3.6	40.9%
Contributions, Indemnities and Taxes	111.1	2.9%	128.0	(16.9)	-13.2%
Debt Service	110.4	2.9%	105.6	4.8	4.5%
Payments to Other Funds	30.3	0.8%	26.0	4.3	16.5%
Advances, Subsidies, Miscellaneous	-	0.0%	24.1	(24.1)	-100.0%
<u>Total</u>	<u>3,785.4</u>	<u>100.0%</u>	<u>3,653.7</u>	<u>131.7</u>	<u>3.6%</u>

A more detailed comparison of budgetary basis revenue and expenditures can be found in Exhibit 16.

SPECIAL REVENUE FUNDS

Special Revenue Funds consist of the County Liquid Fuels Tax Fund, the Special Gasoline Tax Fund, the HealthChoices Behavioral Health Fund, the Hotel Room Rental Tax Fund, the Grants Revenue Fund, the Community Development Fund, the Car Rental Tax Fund, the Housing Trust Fund, the Acute Care Hospital Assessment Fund, the Riverview Residents Fund, the Philadelphia Prisons Fund, the Arbitration Appeals Fund, the Departmental Fund, the Philadelphia Municipal Authority Administrative Fund and the PICA Administrative Fund.

The following schedules present a summary of the Special Revenue Funds' revenues and expenditures for the fiscal year using the modified accrual basis:

Amounts in Millions of USD

<u>Revenues</u>	<u>FY2011</u>	<u>Percent of Total</u>	<u>FY2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	547.9	23.4%	496.0	51.9	10.5%
Locally Generated Non-Tax Revenue	85.3	3.6%	108.4	(23.1)	-21.3%
Revenue from Other Governments	1,696.4	72.5%	1,488.3	208.1	14.0%
Other Revenue	10.6	0.5%	-	10.6	0.0%
Total	2,340.2	100.0%	2,092.7	247.5	11.8%

Amounts in Millions in USD

<u>Expenditures</u>	<u>FY2011</u>	<u>Percent of Total</u>	<u>FY2010</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	47.3	2.6%	41.7	5.6	13.4%
Streets & Highways	30.9	1.7%	29.2	1.7	5.8%
Mass Transit	0.4	0.0%	0.2	0.2	-
Police	11.0	0.6%	13.2	(2.2)	-16.7%
Prisons	2.6	0.1%	1.4	1.2	85.7%
Courts	52.5	2.9%	51.1	1.4	2.7%
EMS	1.0	0.1%	1.0	-	0.0%
Health Services	1,370.6	76.1%	1,285.3	85.3	6.6%
Housing	124.3	6.9%	128.3	(4.0)	-3.1%
Recreation and Parks	13.6	0.8%	12.0	1.6	13.3%
Libraries and Museums	10.1	0.6%	10.4	(0.3)	-2.9%
Social Services	60.2	3.3%	54.5	5.7	10.5%
Inspections and Demolitions	10.5	0.6%	-	10.5	0.0%
Sanitation	2.8	0.2%	3.5	(0.7)	-20.0%
Fire	0.5	0.0%	0.5	-	0.0%
General Management	63.8	3.5%	60.9	2.9	4.8%
	1,802.1	100.0%	1,693.2	108.9	6.4%

ENTERPRISE OPERATIONS

The City's Enterprise Operations are comprised of three separate and distinct activities and are accounted for in the following funds: Water Fund, Aviation Fund and Industrial and Commercial Development Fund. The Water Fund provides water, sewer and storm water services on a user charge basis. The Aviation Fund covers airport operations under a long-term lease agreement with the

individual user airlines that became effective July 1, 2007. The Industrial and Commercial Development Fund accounts for acquisition and disposition of land for industrial and commercial purposes. The following summary reflects actual revenues, expenses and results of operations for the individual Enterprise Funds:

Amounts in Millions of USD

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
Operating Revenues	558.4	254.8	0.5	813.7
Operating Expenses	399.2	285.1	1.9	686.2
Operating Income (Loss)	159.2	(30.3)	(1.4)	127.5
Non-Operating Revenues(Expenses)	(95.7)	21.4	-	(74.3)
Transfers (To) From Other Funds	(24.9)	39.6	-	14.7
Capital Contributions	2.0	-	-	2.0
Change in Net Assets	40.6	30.7	(1.4)	69.9
Net Assets-July 1, 2010	755.2	805.1	18.1	1,578.4
Net Assets-June 30, 2011	795.8	835.8	16.7	1,648.3

CASH MANAGEMENT

Cash temporarily idle during the year is invested mainly in U.S. Treasury and agency obligations, certificates of deposit, commercial paper, highly rated corporate bonds, money market mutual funds, and repurchase agreements. The goals of the City's cash management are preservation of principal, maintenance of liquidity and maximization of return.

The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. Accordingly, deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held either by the City, its agent, the Federal Reserve Bank, or a financial institution's trust department in the City's name. The Pension Trust Fund's investment portfolio also includes stocks, corporate bonds, real estate and other items.

RISK MANAGEMENT

The City and several of its component units are primarily self-insured for fire damage, casualty losses, public liability, Worker's Compensation, and Unemployment Compensation. Liabilities arising in these areas are liquidated with available resources of the respective operating funds. The Airports, the Philadelphia Gas Works and the remaining component units are principally insured through insurance carriers.

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The Charter mandates that the City maintain an actuarially sound pension and retirement system. To satisfy that mandate, the City's Board of Pensions and Retirement maintains the single-employer Municipal Pension Plan (the Plan). The Plan covers all officers and employees of the City and officers and employees of five other governmental and quasi-governmental organizations. By authority of two Ordinances and related amendments passed by City Council, the Plan provides retirement benefits as

well as death and disability benefits. Benefits vary by the class of employee. The plan has two major classes of members - those covered under the 1967 Plan and those covered under the 1987 Plan. Both of these plans has multiple divisions and are defined benefit plans. A third plan was recently enacted that features a defined benefit component and a defined contribution component.

DEBT ADMINISTRATION

At fiscal year end, the City's (excluding component units) bond ratings were as follows:

Bond Type	Moody's Investor Service	Standard & Poor's Corporation	Fitch IBCA
General Obligation Bonds	A2	BBB	A-
Water Revenue Bonds	A1	A	A+
Aviation Revenue Bonds	A2	A+	A

Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation. At June 30, 2011 the City's (excluding component units) net general obligation authorized debt of \$1,474.6 million was \$97.3million below the legal limit of \$1571.9 million.

AWARDS AND ACKNOWLEDGEMENTS

The preparation of the Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Office of the Director of Finance as well as various City departments and component units. Each has my sincere appreciation for their valuable contributions.

Respectfully submitted,



ROB DUBOW
Director of Finance



City of Philadelphia
Balance Sheet
Governmental Funds
June 30, 2011

Exhibit 1

Amounts in thousands of USD

	General	Special Revenue											Departmental	Municipal Authority Administrative	
		County Liquid Fuels Tax	Special Gasoline Tax	Health Choices Behavioral Health	Hotel Room Rental Tax	Grants Revenue	Community Development	Car Rental Tax	Housing Trust	Acute Care Hospital Assessment	Riverview Residents	Philadelphia Prisons			Arbitration Appeals
Assets															
Cash on Deposit and on Hand	10,066	-	-	-	-	98	-	-	-	-	-	-	-	4,869	361
Equity in Treasurer's Account	148,682	2,577	22,464	333,786	6,685	142,285	-	5,779	11,296	27,737	38	4,140	-	1,136	-
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	1,053	100
Due from Other Funds	11,866	-	-	-	-	-	-	-	-	-	-	-	-	478	-
Due from Component Units	15,257	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amounts Held by Fiscal Agent	21,784	-	-	-	-	47,984	-	-	-	711	-	-	-	-	-
Notes Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Taxes Receivable	552,312	-	-	-	5,079	-	-	494	-	-	-	-	-	-	-
Accounts Receivable	430,988	-	-	-	-	978	3,176	-	-	-	-	-	-	-	2,648
Due from Other Governmental Units	317,942	-	-	144,662	-	80,809	8,827	-	-	-	-	-	-	-	-
Allowance for Doubtful Accounts	(764,209)	-	-	-	(721)	-	-	(14)	-	-	-	-	-	-	-
Interest and Dividends Receivable	406	-	-	1,270	-	-	-	5	-	-	-	-	-	-	1
Inventories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	525	-
Total Assets	745,094	2,577	22,464	479,718	11,043	272,154	12,003	6,264	11,296	28,448	38	4,140	-	8,061	3,110
Liabilities and Fund Balances															
Liabilities:															
Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vouchers Payable	51,771	21	194	32,379	-	13,646	3,947	-	443	18,744	-	98	-	248	-
Accounts Payable	68,417	408	6,142	9,449	4,405	60,592	3,442	-	396	87	-	-	-	644	2,862
Salaries and Wages Payable	89,452	-	-	-	-	2,963	238	-	-	136	-	-	-	-	-
Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	846	-	-	-	-	-	4,377	-	-	-	-	-	-	-	-
Due to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Component Units	-	-	-	43,111	-	-	-	-	-	-	-	-	-	324	-
Funds Held in Escrow	11,900	-	-	-	-	-	-	-	-	-	-	448	-	689	-
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	438,609	-	-	-	76	131,043	4,044	1	-	711	-	-	-	-	-
General Obligation Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized Loss - Refunded Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unamortized Discount on Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations Under Capital Leases	108,325	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	769,320	429	6,336	84,939	4,481	208,244	16,048	1	839	19,678	-	566	-	1,905	2,862
Fund Balances:															
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-	200	-
Restricted	21,785	2,148	16,128	394,779	-	98,180	-	6,263	-	8,770	-	-	-	5,799	-
Committed	103,488	-	-	-	6,562	-	-	-	10,457	-	38	3,574	-	492	-
Assigned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	248
Unassigned	(149,499)	-	-	-	-	(34,270)	(4,045)	-	-	-	-	-	-	(335)	-
Total Fund Balances	(24,226)	2,148	16,128	394,779	6,562	63,910	(4,045)	6,263	10,457	8,770	38	3,574	-	6,156	248
Total Liabilities and Fund Balances	745,094	2,577	22,464	479,718	11,043	272,154	12,003	6,264	11,296	28,448	38	4,140	-	8,061	3,110

City of Philadelphia
Balance Sheet
Governmental Funds(Continued)
June 30, 2011

Exhibit 1

Amounts in thousands of USD

			Debt Service				Capital Improvement			Permanent	Total
	PICA Administrative	Total Special Revenue	City	Municipal Authority	PICA	Total	City	Municipal Authority	Total	Libraries & Parks	Governmental Funds
Assets											
Cash on Deposit and on Hand	41,041	46,369	-	-	31,804	31,804	-	-	-	95	88,334
Equity in Treasurer's Account	-	557,923	2,521	-	-	2,521	208,732	-	208,732	-	917,858
Investments	9,453	10,606	-	11	48,464	48,475	-	86,582	86,582	5,565	151,228
Due from Other Funds	-	478	-	-	-	-	-	-	-	-	12,344
Due from Component Units	-	-	-	-	-	-	-	-	-	-	15,257
Amounts Held by Fiscal Agent	-	48,695	-	-	-	-	-	-	-	-	70,479
Notes Receivable	-	-	-	-	-	-	-	-	-	-	-
Taxes Receivable	2,507	8,080	-	-	-	-	-	-	-	-	560,392
Accounts Receivable	-	6,802	-	-	-	-	-	-	-	1	437,791
Due from Other Governmental Units	-	234,298	-	-	-	-	20,362	-	20,362	-	572,602
Allowance for Doubtful Accounts	-	(735)	-	-	-	-	-	-	-	-	(764,944)
Interest and Dividends Receivable	16	1,292	-	-	4	4	20	74	94	-	1,796
Inventories	-	-	-	-	-	-	-	-	-	-	-
Other Assets	37	562	-	-	-	-	-	-	-	-	562
Total Assets	53,054	914,370	2,521	11	80,272	82,804	229,114	86,656	315,770	5,661	2,063,699
Liabilities and Fund Balances											
Liabilities:											
Notes Payable	-	-	-	-	-	-	-	-	-	-	-
Vouchers Payable	-	69,720	-	-	-	-	5,162	-	5,162	-	126,653
Accounts Payable	71	88,498	-	-	-	-	20,662	4,385	25,047	13	181,975
Salaries and Wages Payable	121	3,458	-	-	-	-	74	-	74	-	92,984
Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	7,489	11,886	-	-	-	-	-	-	-	154	12,886
Due to Primary Government	-	-	-	-	-	-	-	-	-	-	-
Due to Component Units	-	43,435	-	-	-	-	-	-	-	-	43,435
Funds Held in Escrow	-	1,137	-	-	-	-	15	-	15	-	13,052
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	-	-
Deferred Revenue	-	135,875	-	-	-	-	17,753	-	17,753	-	592,237
General Obligation Bonds	-	-	-	-	-	-	-	-	-	-	-
Revenue Bonds	-	-	-	-	-	-	-	-	-	-	-
Unamortized Loss - Refunded Deb	-	-	-	-	-	-	-	-	-	-	-
Unamortized Discount on Revenue	-	-	-	-	-	-	-	-	-	-	-
Obligations Under Capital Leases	-	-	-	-	-	-	-	-	-	-	108,325
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	7,681	354,009	-	-	-	-	43,666	4,385	48,051	167	1,171,547
Fund Balances:											
Nonspendable	-	200	-	-	-	-	-	-	-	2,404	2,604
Restricted	45,373	577,440	2,521	11	80,272	82,804	185,448	82,271	267,719	3,027	952,775
Committed	-	21,123	-	-	-	-	-	-	-	63	124,674
Assigned	-	248	-	-	-	-	-	-	-	-	248
Unassigned	-	(38,650)	-	-	-	-	-	-	-	-	(188,149)
Total Fund Balances	45,373	560,361	2,521	11	80,272	82,804	185,448	82,271	267,719	5,494	892,152
Total Liabilities and Fund Balances	53,054	914,370	2,521	11	80,272	82,804	229,114	86,656	315,770	5,661	2,063,699

City of Philadelphia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2011

Exhibit 2

Amounts in thousands of USD

	General	Special Revenue													
		County Liquid Fuels Tax	Special Gasoline Tax	Health Choices Behavioral Health	Hotel Room Rental Tax	Grants Revenue	Community Development	Car Rental Tax	Housing Trust	Acute Care Hospital Assessment	Riverview Residents	Philadelphia Prisons	Arbitration Appeals	Departmental	Municipal Authority Administrative
Revenues															
Tax Revenue	2,447,035	-	-	-	41,884	-	-	4,935	-	142,127	-	-	-	-	
Locally Generated Non-Tax Revenue	280,368	-	25	1,237	3	56,057	10,436	8	7,259	-	-	2,347	355	6,230	1,074
Revenue from Other Governments	772,657	4,845	24,343	1,025,075	-	583,554	58,593	-	-	-	-	-	-	-	-
Other Revenues	15,243	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	3,515,303	4,845	24,368	1,026,312	41,887	639,611	69,029	4,943	7,259	142,127	-	2,347	355	6,230	1,074
Expenditures															
Current Operating:															
Economic Development	35,259	-	-	-	41,859	5,474	-	-	-	-	-	-	-	-	-
Transportation:															
Streets & Highways	55,741	4,861	22,860	-	-	3,161	-	-	-	-	-	-	-	-	-
Mass Transit	66,696	-	-	-	-	397	-	-	-	-	-	-	-	-	-
Judiciary and Law Enforcement:															
Police	932,344	-	-	-	-	11,028	-	-	-	-	-	-	-	-	-
Prisons	310,489	-	-	-	-	1,402	-	-	-	-	1,207	-	-	-	-
Courts	239,552	-	-	-	-	52,511	-	-	-	-	-	-	-	-	-
Conservation of Health:															
Emergency Medical Services	49,302	-	-	-	-	974	-	-	-	-	-	-	-	-	-
Health Services	143,367	-	-	845,002	-	388,332	-	-	-	137,251	-	-	-	-	-
Housing and Neighborhood Development:															
Development	1,790	-	-	-	-	43,178	69,054	-	12,044	-	-	-	-	-	-
Cultural and Recreational:															
Recreation	73,335	-	-	-	-	8,690	-	-	-	-	-	-	-	-	-
Parks & Recreation	859	-	-	-	-	1,041	-	-	-	-	-	-	-	3,888	-
Libraries and Museums	57,870	-	-	-	-	9,964	-	-	-	-	-	-	-	124	-
Improvements to General Welfare:															
Social Services	625,930	-	-	-	-	60,189	-	-	-	-	-	-	-	-	-
Education	64,009	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inspections and Demolitions	24,005	-	-	-	-	10,516	-	-	-	-	-	-	-	-	-
Service to Property:															
Sanitation	129,819	-	-	-	-	2,761	-	-	-	-	-	-	-	-	-
Fire	254,241	-	-	-	-	517	-	-	-	-	-	-	-	-	-
General Management and Support	532,137	-	-	-	-	19,058	-	3,986	-	-	-	697	355	1,734	37,168
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service:															
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Lease Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Lease Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	3,596,745	4,861	22,860	845,002	41,859	619,193	69,054	3,986	12,044	137,251	-	1,904	355	5,746	37,168
Excess (Deficiency) of Revenues Over (Under) Expenditures	(81,442)	(16)	1,508	181,310	28	20,418	(25)	957	(4,785)	4,876	-	443	-	484	(36,094)
Other Financing Sources (Uses)															
Issuance of Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Discount	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Lease & Service Agreements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Defeasance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	333,221	-	-	-	-	471	-	-	-	-	-	-	-	1,150	36,112
Transfers Out	(145,755)	-	-	-	-	(39,392)	-	-	-	(6,900)	-	-	-	-	-
Total Other Financing Sources (Uses)	187,466	-	-	-	-	(38,921)	-	-	-	(6,900)	-	-	-	1,150	36,112
Net Change in Fund Balances	106,024	(16)	1,508	181,310	28	(18,503)	(25)	957	(4,785)	(2,024)	-	443	-	1,634	18
Fund Balance - July 1, 2010	(130,250)	2,164	14,620	213,469	6,534	82,413	(4,020)	5,306	15,242	10,794	38	3,131	-	4,522	230
Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund Balance Adjusted - July 1, 2010	(130,250)	2,164	14,620	213,469	6,534	82,413	(4,020)	5,306	15,242	10,794	38	3,131	-	4,522	230
Fund Balance - June 30, 2011	(24,226)	2,148	16,128	394,779	6,562	63,910	(4,045)	6,263	10,457	8,770	38	3,574	-	6,156	248

City of Philadelphia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds(Continued)
For the Fiscal Year Ended June 30, 2011

Exhibit 2

Amounts in thousands of USD

	Total		Debt Service				Capital Improvement			Permanent	Total
	PICA Administrative	Special Revenue	City	Municipal Authority	PICA	Total	City	Municipal Authority	Total	Libraries & Parks	Governmental Funds
Revenues											
Tax Revenue	358,997	547,943	-	-	-	-	-	-	-	-	2,994,978
Locally Generated Non-Tax Revenue	279	85,310	-	-	3,024	3,024	-	-	-	897	369,599
Revenue from Other Governments	-	1,696,410	-	-	-	-	30,301	42	30,343	-	2,499,410
Other Revenues	10,589	10,589	-	-	-	-	4	-	4	-	25,836
Total Revenues	369,865	2,340,252	-	-	3,024	3,024	30,305	42	30,347	897	5,889,823
Expenditures											
Current Operating:											
Economic Development	-	47,333	-	-	-	-	-	-	-	-	82,592
Transportation:											
Streets & Highways	-	30,882	-	-	-	-	-	-	-	-	86,623
Mass Transit	-	397	-	-	-	-	-	-	-	-	67,093
Judiciary and Law Enforcement:											
Police	-	11,028	-	-	-	-	-	-	-	-	943,372
Prisons	-	2,609	-	-	-	-	-	-	-	-	313,098
Courts	-	52,511	-	-	-	-	-	-	-	-	292,063
Conservation of Health:											
Emergency Medical Services	-	974	-	-	-	-	-	-	-	-	50,276
Health Services	-	1,370,585	-	-	-	-	-	-	-	-	1,513,952
Housing and Neighborhood Development											
Development	-	124,276	-	-	-	-	-	-	-	-	126,066
Cultural and Recreational:											
Recreation	-	8,690	-	-	-	-	-	-	-	-	82,025
Parks & Recreation	-	4,929	-	-	-	-	-	-	-	102	5,890
Libraries and Museums	-	10,088	-	-	-	-	-	-	-	-	67,958
Improvements to General Welfare:											
Social Services	-	60,189	-	-	-	-	-	-	-	-	686,119
Education	-	-	-	-	-	-	-	-	-	-	64,009
Inspections and Demolitions	-	10,516	-	-	-	-	-	-	-	-	34,521
Service to Property:											
Sanitation	-	2,761	-	-	-	-	-	-	-	-	132,580
Fire	-	517	-	-	-	-	-	-	-	-	254,758
General Management and Support	766	63,764	-	-	101	101	-	3	3	-	596,005
Capital Outlay	-	-	-	-	-	-	112,088	22,845	134,933	-	134,933
Debt Service:											
Principal	-	-	36,500	15,642	39,235	91,377	-	-	-	-	91,377
Interest	-	-	65,156	13,289	27,287	105,732	-	-	-	-	105,732
Bond Issuance Cost	-	-	892	65	-	957	1,210	-	1,210	-	2,167
Capital Lease Principal	-	-	-	-	-	-	-	-	-	-	-
Capital Lease Interest	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	766	1,802,049	102,548	28,996	66,623	198,167	113,298	22,848	136,146	102	5,733,209
Excess (Deficiency) of Revenues Over (Under) Expenditures	369,099	538,203	(102,548)	(28,996)	(63,599)	(195,143)	(82,993)	(22,806)	(105,799)	795	156,614
Other Financing Sources (Uses)											
Issuance of Debt	-	-	-	-	-	-	139,150	-	139,150	-	139,150
Issuance of Refunding Bonds	-	-	114,570	-	-	114,570	-	-	-	-	114,570
Bond Issuance Premium	-	-	5,046	-	-	5,046	-	-	-	-	5,046
Bond Issuance Discount	-	-	-	-	-	-	-	-	-	-	-
Proceeds from Lease & Service Agreements	-	-	-	65	-	65	-	28,005	28,005	-	28,070
Bond Defeasance	-	-	(117,605)	-	-	(117,605)	-	-	-	-	(117,605)
Transfers In	-	37,733	101,556	28,931	66,622	197,109	16,196	-	16,196	-	584,259
Transfers Out	(367,399)	(413,691)	-	-	(2,350)	(2,350)	-	-	-	-	(561,796)
Total Other Financing Sources (Uses)	(367,399)	(375,958)	103,567	28,996	64,272	196,835	155,346	28,005	183,351	-	191,694
Net Change in Fund Balances	1,700	162,245	1,019	-	673	1,692	72,353	5,199	77,552	795	348,308
Fund Balance - July 1, 2010	43,673	398,116	1,502	11	77,629	79,142	113,095	77,072	190,167	4,699	541,874
Adjustment	-	-	-	-	1,970	1,970	-	-	-	-	1,970
Fund Balance Adjusted - July 1, 2010	<u>43,673</u>	<u>398,116</u>	<u>1,502</u>	<u>11</u>	<u>79,599</u>	<u>81,112</u>	<u>113,095</u>	<u>77,072</u>	<u>190,167</u>	<u>4,699</u>	<u>543,844</u>
Fund Balance - June 30, 2011	<u>45,373</u>	<u>560,361</u>	<u>2,521</u>	<u>11</u>	<u>80,272</u>	<u>82,804</u>	<u>185,448</u>	<u>82,271</u>	<u>267,719</u>	<u>5,494</u>	<u>892,152</u>

City of Philadelphia
Statement of Fund Net Assets
Proprietary Funds
June 30, 2011

Exhibit 3

Amounts in thousands of USD

	Business Type Activities - Enterprise Funds			
	Water and Sewer	Aviation	Other Non-Major Industrial & Commercial Development	Total
Assets				
Current Assets:				
Cash on Deposit and on Hand	30	-	-	30
Equity in Treasurer's Account	60,964	117,679	3,361	182,004
Due from Other Governments	230	1,934	-	2,164
Accounts Receivable	226,258	14,665	1,972	242,895
Allowance for Doubtful Accounts	(94,806)	(1,020)	-	(95,826)
Inventories	13,192	3,065	11,398	27,655
Total Current Assets	205,868	136,323	16,731	358,922
Deferred Outflow - Derivative Instruments	29,227	31,594	-	60,821
Non-Current Assets:				
Restricted Assets:				
Equity in Treasurer's Account	406,402	418,426	-	824,828
Amounts Held by Fiscal Agent	-	23,885	-	23,885
Sinking Funds and Reserves	130,299	73,917	-	204,216
Grants for Capital Purposes	-	11,596	-	11,596
Receivables	952	6,835	-	7,787
Total Restricted Assets	537,653	534,659	-	1,072,312
Net Pension Asset	17,371	-	-	17,371
Capital Assets:				
Land	5,919	101,571	-	107,490
Infrastructure	2,055,254	625,432	-	2,680,686
Construction in Progress	270,769	128,004	-	398,773
Buildings and Equipment	1,514,322	2,100,557	-	3,614,879
Less: Accumulated Depreciation	(1,959,538)	(1,237,210)	-	(3,196,748)
Total Capital Assets, Net	1,886,726	1,718,354	-	3,605,080
Total Non-Current Assets	2,441,750	2,253,013	-	4,694,763
Total Assets	2,676,845	2,420,930	16,731	5,114,506
Liabilities				
Current Liabilities:				
Vouchers Payable	7,529	3,210	-	10,739
Accounts Payable	8,080	10,957	-	19,037
Salaries and Wages Payable	4,044	3,254	-	7,298
Construction Contracts Payable	23,096	24,853	-	47,949
Accrued Expenses	22,465	8,120	-	30,585
Funds Held in Escrow	1,906	-	-	1,906
Deferred Revenue	9,764	35,920	-	45,684
Bonds Payable-Current	109,942	60,810	-	170,752
Total Current Liabilities	186,826	147,124	-	333,950
Derivative Instrument Liability	29,227	31,594	-	60,821
Non-Current Liabilities:				
Bonds Payable	1,704,443	1,380,120	-	3,084,563
Unamortized Discount and Loss	(75,206)	9,906	-	(65,300)
Other Non-Current Liabilities	35,710	16,351	-	52,061
Total Non-Current Liabilities	1,664,947	1,406,377	-	3,071,324
Total Liabilities	1,881,000	1,585,095	-	3,466,095
Net Assets				
Invested in Capital Assets, Net of Related Debt	254,798	589,430	-	844,228
Restricted For:				
Capital Projects	88,011	45,012	-	133,023
Debt Service	130,298	130,208	-	260,506
Rate Stabilization	157,050	-	-	157,050
Unrestricted	165,688	71,185	16,731	253,604
Total Net Assets	795,845	835,835	16,731	1,648,411

The notes to the financial statements are an integral part of this statement.

City of Philadelphia
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2011

Exhibit 4

Amounts in thousands of USD

	Business-Type Activities - Enterprise Funds			Totals
	Water and Sewer	Aviation	Other Non-Major Industrial & Commercial Development	
Operating Revenues:				
Charges for Goods and Services	553,117	81,472	-	634,589
Rentals and Concessions	-	169,414	-	169,414
Miscellaneous Operating Revenues	5,314	3,926	531	9,771
Total Operating Revenues	558,431	254,812	531	813,774
Operating Expenses:				
Personal Services	104,323	59,258	-	163,581
Purchase of Services	70,964	78,488	1,875	151,327
Materials and Supplies	35,147	4,459	-	39,606
Employee Benefits	91,046	39,761	-	130,807
Indemnities and Taxes	10,831	2,219	-	13,050
Depreciation	86,924	100,894	-	187,818
Total Operating Expenses	399,235	285,079	1,875	686,189
Operating Income (Loss)	159,196	(30,267)	(1,344)	127,585
Non-Operating Revenues (Expenses):				
Operating Grants	2,726	2,487	-	5,213
Passenger Facility Charges	4,659	62,042	-	66,701
Interest Income	-	1,402	10	1,412
Debt Service - Interest	(95,728)	(44,570)	-	(140,298)
Other Revenue (Expenses)	(7,310)	(5)	-	(7,315)
Total Non-Operating Revenues (Expenses)	(95,653)	21,356	10	(74,287)
Income (Loss) Before Contributions & Transfers	63,543	(8,911)	(1,334)	53,298
Transfers In/(Out)	(24,930)	39,639	-	14,709
Capital Contributions	2,038	-	-	2,038
Change in Net Assets	40,651	30,728	(1,334)	70,045
Net Assets - July 1, 2010	755,194	805,107	18,065	1,578,366
Adjustment	-	-	-	-
Net Assets Adjusted - July 1, 2010	755,194	805,107	18,065	1,578,366
Net Assets - June 30, 2011	795,845	835,835	16,731	1,648,411

The notes to the financial statements are an integral part of this statement.

City of Philadelphia
Combining Statement of Fiduciary Net Assets
Pension Trust Funds
June 30, 2011

Exhibit 5

Amounts in thousands of USD

	Gas Works Retirement Reserve Fund	Municipal Pension Fund	Total
<u>Assets</u>			
Equity in Treasurer's Account	445,698	4,057,047	4,502,745
Securities Lending Collective Investment Pool	-	485,348	485,348
Allowance for Unrealized Loss	-	(1,895)	(1,895)
Accounts Receivable	-	4,430	4,430
Due from Brokers for Securities Sold	956	620,345	621,301
Interest and Dividends Receivable	1,551	14,434	15,985
Due from Other Governmental Units	-	3,613	3,613
	<u>448,205</u>	<u>5,183,322</u>	<u>5,631,527</u>
Total Assets			
<u>Liabilities</u>			
Vouchers Payable	-	107	107
Accounts Payable	567	3,626	4,193
Salaries and Wages Payable	-	189	189
Funds Held in Escrow	-	11	11
Due on Return of Securities Loaned	29,830	485,348	515,178
Due to Brokers for Securities Purchased	1,609	660,238	661,847
Accrued Expenses	-	1,158	1,158
Deferred Revenue	-	2,048	2,048
Other Liabilities	-	381	381
	<u>32,006</u>	<u>1,153,106</u>	<u>1,185,112</u>
Total Liabilities			
Net Assets Held in Trust for Pension Benefits	<u>416,199</u>	<u>4,030,216</u>	<u>4,446,415</u>

City of Philadelphia
Combining Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
For the Fiscal Year Ended June 30, 2011

Exhibit 6

Amounts in thousands of USD

	Gas Works Retirement Reserve Fund	Municipal Pension Fund	Total
<u>Additions</u>			
Contributions:			
Employer's Contributions	22,936	470,155	493,091
Employees' Contributions	-	52,706	52,706
	<u>22,936</u>	<u>522,861</u>	<u>545,797</u>
Total Contributions			
Investment Income:			
Interest and Dividends	10,402	79,544	89,946
Net Gain in Fair Value of Investments	53,981	635,569	689,550
(Less) Investments Expenses	(1,605)	(15,266)	(16,871)
Securities Lending Revenue	74	2,220	2,294
Securities Lending Unrealized Loss	-	(1,895)	(1,895)
(Less) Securities Lending Expenses	(30)	(710)	(740)
	<u>62,822</u>	<u>699,462</u>	<u>762,284</u>
Net Investment Gain			
Miscellaneous Operating Revenues	-	537	537
	<u>85,758</u>	<u>1,222,860</u>	<u>1,308,618</u>
Total Additions			
<u>Deductions</u>			
Personal Services	-	3,675	3,675
Purchase of Services	-	1,074	1,074
Materials and Supplies	-	81	81
Employee Benefits	37,883	2,385	40,268
Pension Benefits	-	681,069	681,069
Refunds of Members' Contributions	-	5,125	5,125
Indemnities	-	119	119
Transfer Out	-	718	718
	<u>37,883</u>	<u>694,246</u>	<u>732,129</u>
Total Deductions			
Change in Net Assets	47,875	528,614	576,489
Net Assets - July 1, 2010	<u>368,324</u>	<u>3,501,602</u>	<u>3,869,926</u>
Net Assets - June 30, 2011	<u>416,199</u>	<u>4,030,216</u>	<u>4,446,415</u>

City of Philadelphia
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

Exhibit 7

Amounts in thousands of USD

	<u>Escrow Fund</u>	<u>Employee Health & Welfare Fund</u>	<u>Departmental Custodial Accounts</u>	<u>Total</u>
<u>Assets</u>				
Cash on Deposit and on Hand	-	-	79,547	79,547
Equity in Treasurer's Account	30,744	14,921	-	45,665
Investments	-	-	7,822	7,822
Due from Other Funds	-	-	866	866
	<u>30,744</u>	<u>14,921</u>	<u>88,235</u>	<u>133,900</u>
Total Assets	<u>30,744</u>	<u>14,921</u>	<u>88,235</u>	<u>133,900</u>
<u>Liabilities</u>				
Vouchers Payable	2	604	-	606
Accounts Payable	-	246	-	246
Payroll Taxes Payable	-	3,234	-	3,234
Funds Held in Escrow	30,742	10,837	88,235	129,814
	<u>30,744</u>	<u>14,921</u>	<u>88,235</u>	<u>133,900</u>
Total Liabilities	<u>30,744</u>	<u>14,921</u>	<u>88,235</u>	<u>133,900</u>
Net Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

City of Philadelphia
Statement of Changes in Fiduciary Net Assets
Agency Funds
For the Fiscal Year Ended June 30, 2011

Exhibit 8

Amounts in thousands of USD

	Balance 7-1-2010	Additions	Deductions	Balance 6-30-2011
<u>Escrow Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	34,032	376,291	379,579	30,744
<u>Liabilities</u>				
Funds Held in Escrow	33,995	376,291	379,544	30,742
Vouchers Payable	37	5,055	5,090	2
Total Liabilities	34,032	381,346	384,634	30,744
<u>Employee Health and Welfare Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	14,270	853,771	853,120	14,921
<u>Liabilities</u>				
Vouchers Payable	1,190	8,518	9,104	604
Accounts Payable	-	246	-	246
Payroll Taxes Payable	3,147	751,778	751,691	3,234
Funds Held in Escrow	9,933	90,114	89,210	10,837
Total Liabilities	14,270	850,656	850,005	14,921
<u>Departmental Custodial Accounts</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	136,315	131,018	187,786	79,547
Investments	8,780	-	958	7,822
Due from Other Funds	767	99	-	866
Total Assets	145,862	131,117	188,744	88,235
<u>Liabilities</u>				
Funds Held in Escrow	145,862	131,117	188,744	88,235
<u>Totals - Agency Funds</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	136,315	131,018	187,786	79,547
Equity in Treasurer's Account	48,302	1,230,062	1,232,699	45,665
Investments	8,780	-	958	7,822
Due from Other Funds	767	99	-	866
Total Assets	194,164	1,361,179	1,421,443	133,900
<u>Liabilities</u>				
Vouchers Payable	1,227	13,573	14,194	606
Accounts Payable	-	246	-	246
Payroll Taxes Payable	3,147	751,778	751,691	3,234
Funds Held in Escrow	189,790	597,522	657,498	129,814
Total Liabilities	194,164	1,363,119	1,423,383	133,900

City of Philadelphia
Statement of Long-Term Debt
June 30, 2011

Exhibit 9

Amounts in millions of USD

Amount Available and to be Provided for Retirement of Long-Term Debt - Principal	
Bond Principal:	
Amount Available in Sinking Funds and Sinking Fund Reserve for Revenue Bonds	191.4
Amount of Principal to be Provided in Future Years	<u>4,928.4</u>
Total Bond Principal Available and to be Provided	5,119.8
Other Long-Term Obligations:	
Amount of Principal to be Provided in Future Years	<u>3,059.4</u>
<u>Total Available and to be Provided in Future Years</u>	<u><u>8,179.2</u></u>
Bonds Payable in Future Years:	
General Obligation Serial Bonds Payable	268.4
General Obligation Term Bonds Payable	270.8
General Obligation Refunding Bonds Payable	<u>831.6</u>
Total General Obligation Bonds Payable	1,370.8
Revenue Serial Bonds Payable	1,884.4
Revenue Term Bonds Payable	1,369.9
Revenue Compound Interest Bonds Payable	<u>-</u>
Total Revenue Bonds Payable	<u>3,254.3</u>
PICA Bonds Payable	<u>494.7</u>
Total Bonds Payable	5,119.8
Other Long-Term Obligations Payable	<u>3,059.4</u>
<u>Total Long-Term Debt</u>	<u><u>8,179.2</u></u>

City of Philadelphia
Analysis of Changes In Bonded Debt Outstanding
For the Fiscal Year Ended June 30, 2011

Exhibit 10

Amounts in millions of USD

	Governmental Fund Types				Enterprise Funds			All Funds Total
	General Fund	Municipal Authority Fund	PICA	Total	Water Fund	Aviation Fund	Total	
Bonded Debt Outstanding, July 1, 2010	1,270.0	254.6	533.9	2,058.5	1,658.4	1,232.7	2,891.1	4,949.6
Increases:								
Par Value of Bonds Issued:								
General Obligation	253.7	-	-	253.7	-	-	-	253.7
Revenue	-	-	-	-	258.8	624.7	883.5	883.5
<u>Total Bonds Sold</u>	<u>253.7</u>	<u>-</u>	<u>-</u>	<u>253.7</u>	<u>258.8</u>	<u>624.7</u>	<u>883.5</u>	<u>1,137.2</u>
Decreases:								
Matured Bonds:								
General Obligation	36.5	15.6	39.2	91.3	1.2	-	1.2	92.5
General Obligation Refunded	117.4	-	-	117.4	-	-	-	117.4
Revenue	-	-	-	-	101.6	46.3	147.9	147.9
Revenue Refunded	-	-	-	-	-	370.2	370.2	370.2
<u>Total Decrease</u>	<u>153.9</u>	<u>15.6</u>	<u>39.2</u>	<u>208.7</u>	<u>102.8</u>	<u>416.5</u>	<u>519.3</u>	<u>728.0</u>
Net Change:								
General Obligation	99.8	(15.6)	(39.2)	45.0	(1.2)	-	(1.2)	43.8
Revenue	-	-	-	-	157.2	208.2	365.4	365.4
<u>Total Change</u>	<u>99.8</u>	<u>(15.6)</u>	<u>(39.2)</u>	<u>45.0</u>	<u>156.0</u>	<u>208.2</u>	<u>364.2</u>	<u>409.2</u>
Bonded Debt Outstanding, June 30, 2011	<u>1,369.8</u>	<u>239.0</u>	<u>494.7</u>	<u>2,103.5</u>	<u>1,814.4</u>	<u>1,440.9</u>	<u>3,255.3</u>	<u>5,358.8</u>

City of Philadelphia
 Analysis of Changes in Other Long-Term Debt
 For the Fiscal Year Ended June 30, 2011

Exhibit 11

Amounts in thousands of USD

	General Fund	Water Fund	Aviation Fund	Other Funds	Total All Funds
<u>Balance Outstanding, July 1, 2010</u>					
Worker's Compensation	299,804	12,757	6,379	-	318,940
Pension Service Agreement	2,062,950	-	-	-	2,062,950
Termination Compensation	196,925	9,121	6,666	271	212,983
Leases	362,335	-	-	-	362,335
Indemnity Claims	47,692	3,306	1,378	-	52,376
Central Library Project	9,110	-	-	-	9,110
Arbitrage Payable	1,248	72	1,078	-	2,398
OPEB	43,301	-	-	-	43,301
Neighborhood Transformation	252,770	-	-	-	252,770
Sports Stadium	337,115	-	-	-	337,115
Cultural Corridor Bonds	126,150	-	-	-	126,150
	<u>3,739,400</u>	<u>25,256</u>	<u>15,501</u>	<u>271</u>	<u>3,780,428</u>
<u>Increases:</u>					
Worker's Compensation	28,726	8,633	-	-	37,359
Termination Compensation	22,728	1,987	1,050	25	25,790
Leases	19,858	-	-	-	19,858
Indemnity Claims	35,006	10,746	1,704	-	47,456
Arbitrage Payable	-	5	-	-	5
	<u>106,318</u>	<u>21,371</u>	<u>2,754</u>	<u>25</u>	<u>130,468</u>
<u>Decreases:</u>					
Worker's Compensation	53,250	3,630	3,419	-	60,299
Pension Service Agreement	655,647	-	-	-	655,647
Termination Compensation	18,377	1,695	889	34	20,995
Leases	54,602	-	-	-	54,602
Indemnity Claims	34,540	5,300	1,700	-	41,540
Central Library Project	455	-	-	-	455
Arbitrage Payable	1,248	-	834	-	2,082
Neighborhood Transformation	6,890	-	-	-	6,890
Sports Stadiums	5,635	-	-	-	5,635
Cultural Corridor Bonds	3,290	-	-	-	3,290
	<u>833,934</u>	<u>10,625</u>	<u>6,842</u>	<u>34</u>	<u>851,435</u>
<u>Balance Outstanding, June 30, 2011</u>					
Worker's Compensation	275,280	17,760	2,960	-	296,000
Pension Service Agreement	1,407,303	-	-	-	1,407,303
Termination Compensation	201,276	9,413	6,827	262	217,778
Leases	327,591	-	-	-	327,591
Indemnity Claims	48,158	8,752	1,382	-	58,292
Central Library Project	8,655	-	-	-	8,655
Arbitrage Payable	-	77	244	-	321
Neighborhood Transformation	245,880	-	-	-	245,880
Cultural Corridor Bonds	122,860	-	-	-	122,860
	<u>2,637,003</u>	<u>36,002</u>	<u>11,413</u>	<u>262</u>	<u>2,684,680</u>

City of Philadelphia
City Related Schedule of Debt Incurring Capacity
July 1, 2011

Exhibit 12

Amounts in millions of USD

	Issued and Outstanding	Authorized	
		Unissued	Total
General Obligation Bonded Debt:			
Tax Supported (Note 1)	1,367.9	106.7	1,474.6
Self-Sustaining	2.8	352.6	355.4
<u>Total General Obligation Bonded Debt (Note 2)</u>	<u>1,370.7</u>	<u>459.3</u>	<u>1,830.0</u>
		Applicable to Self- Sustaining	Net Deductions
Deductions Authorized by Law	<u>Total</u>		
Appropriation for Maturing Serials (Fiscal 2011)	41.6	1.1	40.5
Total Self-Sustaining Debt			<u>355.4</u>
Total Net Deductions Authorized by Law			<u>395.9</u>
Total Amount of Debt Applicable to Debt Limit			<u>1,434.1</u>
Legal Debt Limit (Note 3)			<u>1,571.9</u>
Legal Debt Margin			<u>137.8</u>

NOTES:

- (1) Included in the Issued and Outstanding Total is \$4.6 million relating to the Philadelphia Port Corporation which has ceased operations. The City is using the proceeds from the sale of the Port Corporation assets for economic stimulus projects.
- (2) This statement does not reflect \$4,482.6 million of Revenue Bonds, secured by a pledge of Water Revenues, Airport Revenues and Gas Works Revenues, respectively, as listed below:

Water and Sewer Revenue Bonds, Series 1995, dated April 15, 1995	26.3
Water and Sewer Revenue Bonds, Series 1997 B, dated November 25, 1997	73.0
Water and Sewer Revenue Bonds, Series 1998, dated December 15, 1998	135.2
Water and Sewer Revenue Bonds, Series 1999 A, dated April 22, 1999	0.6
Water and Sewer Revenue Bonds, Series 2001 A and B, dated November 15, 2001	137.9
Water and Sewer Revenue Bonds, Series 2005 A, dated May 1, 2005	230.4
Water and Sewer Revenue Bonds, Series 2005 B, dated May 1, 2005	82.9
Water and Sewer Revenue Refunding Bonds, Series 2007 A dated May 9, 2007	175.2
Water and Sewer Revenue Refunding Bonds, Series 2007 B dated May 9, 2007	152.9
Water and Sewer Revenue Refunding Bonds, Series 2009 A dated May 21, 2009	140.0
Water and Sewer Revenue Refunding Bonds, Series 2010 A dated April 15, 2010	386.8
Water and Sewer Revenue Refunding Bonds, Series 2010 C dated August 5, 2010	185.0
Water and Sewer Revenue Bonds, Series 2009C dated June 16, 2010	23.0
Water and Sewer Revenue Bonds, Series 2009D Pennvest Bonds, dated July 22, 2010	48.6
Water and Sewer Revenue Bonds, Series 2009B Pennvest Bonds, dated August 2, 2010	15.6
Airport Revenue Bonds, Series 1998 B, dated July 1, 1998	69.5
Airport Revenue Bonds, Series 2001 A and B, dated July 10, 2001	188.2
Airport Revenue Bonds, Series 2005 C, dated June 2, 2005	162.6
Airport Revenue Bonds, Series 2005 A dated August 4, 2005	117.6
Airport Revenue Bonds, Series 2007A, dated August 16, 2007	169.3
Airport Revenue Refunding Bonds, Series 2007B, dated August 16, 2007	70.1
Airport Revenue Refunding Bonds, Series 2009A, dated April 14, 2009	44.1
Airport Revenue Refunding Bonds, Series 2010A, dated November 15, 2010	273.1
Airport Revenue Refunding Bonds, Series 2010B, dated November 15, 2010	19.8
Airport Revenue Refunding Bonds, Series 2010C, dated November 15, 2010	54.7
Airport Revenue Refunding Bonds, Series 2010D, dated November 15, 2010	271.9
Gas Works Revenue Bonds, Eleventh Series C, dated January 1, 1989	14.0
Gas Works Revenue Bonds, First Series, dated June 1, 1998	81.4
Gas Works Revenue Bonds, Sixteenth Series, dated June 1, 1999	16.9
Gas Works Revenue Bonds, Second Series, dated June 1, 1999	5.7
Gas Works Revenue Bonds, Third Series, dated June 1, 2001	5.8
Gas Works Revenue Bonds, Fourth Series, dated December 30, 2002	89.9
Gas Works Revenue Bonds, Seventeenth Series, dated April 2, 2003	132.7
Gas Works Revenue Bonds, Fifth Series A-1, dated October 14, 2004	114.9
Gas Works Revenue Bonds, Fifth Series A-2, dated October 19, 2004	30.0
Gas Works Revenue Bonds, Eighteenth Series, dated October 14, 2004	39.5
Gas Works Revenue Bonds, Nineteenth Series, dated May 15, 2007	14.4
Gas Works Revenue Bonds, Seventh Series, dated May 15, 2007	221.4
Gas Works Revenue Bonds, Eighth Series A, dated August 20, 2009	56.7
Gas Works Revenue Bonds, Eighth Series B, dated August 20, 2009	105.0
Gas Works Revenue Bonds, Eighth Series C, dated August 20, 2009	50.0
Gas Works Revenue Bonds, Eighth Series D, dated August 20, 2009	50.0
Gas Works Revenue Bonds, Eighth Series E, dated August 20, 2009	50.0
Gas Works Revenue Bonds, Ninth Series dated August 26, 2010	150.0
	<u>4,482.6</u>

- (3) Refer to Purdon's Statutes 53 P.S. Sections 15721 - 727 - 728 - 761 - 763 and 781

City of Philadelphia
Statement of Net Assets
Component Units
June 30, 2011

Exhibit 13

Amounts in thousands of USD

	Philadelphia Gas Works*	Philadelphia Redevelopment Authority	Philadelphia Parking Authority*	School District of Philadelphia	Community College of Philadelphia	Community Behavioral Health*	Delaware River Waterfront Corporation	Philadelphia Authority for Industrial Development*	Total
Assets									
Cash on Deposit and on Hand	79,052	-	76,917	-	13,860	29,451	-	8,226	207,506
Investments	-	-	90,457	-	32,137	-	-	-	122,594
Due from Primary Government	-	-	-	-	-	55,462	-	-	55,462
Notes Receivable	-	-	-	-	8	-	-	-	8
Accounts Receivable-Net	92,173	-	974	-	5,571	128	-	45,076	143,922
Interest and Dividends Receivable	-	-	274	-	51	-	-	-	325
Due from Other Governments	-	-	3,306	-	2,031	-	-	43,141	48,478
Inventories	103,133	-	-	-	-	-	-	-	103,133
Other Assets	177,307	-	-	-	1,077	332	-	-	178,716
Restricted Assets:									
Cash and Cash Equivalents	-	-	-	-	-	-	-	17,851	17,851
Other Assets	284,813	-	-	-	18,320	-	-	28,061	331,194
Capital Assets:									
Land and Other Non-Depreciated Assets	51,934	-	16,569	-	62,240	-	-	22,681	153,424
Other Capital Assets (Net of Depreciation)	1,042,075	-	190,849	-	104,748	690	-	71,909	1,410,271
Total Capital Assets	<u>1,094,009</u>	<u>-</u>	<u>207,418</u>	<u>-</u>	<u>166,988</u>	<u>690</u>	<u>-</u>	<u>94,590</u>	<u>1,563,695</u>
Total Assets	<u>1,830,487</u>	<u>-</u>	<u>379,346</u>	<u>-</u>	<u>240,043</u>	<u>86,063</u>	<u>-</u>	<u>236,945</u>	<u>2,772,884</u>
Liabilities									
Notes Payable	-	-	16,884	-	97,073	-	-	-	113,957
Vouchers Payable	59,303	-	-	-	11,802	-	-	-	71,105
Accounts Payable	-	-	15,375	-	-	635	-	5,217	21,227
Salaries and Wages Payable	4,411	-	-	-	3,045	5,210	-	-	12,666
Accrued Expenses	208,851	-	807	-	1,420	65,808	-	-	276,886
Funds Held in Escrow	-	-	-	-	114	-	-	743	857
Due to Other Governments	-	-	9,912	-	1,112	-	-	26,196	37,220
Due to Primary Government	-	-	42,367	-	-	-	-	7,859	50,226
Deferred Revenue	12,639	-	2,643	-	2,553	7,900	-	67,765	93,500
Other Current Liabilities	-	-	-	-	-	6,510	-	-	6,510
Non-Current Liabilities:									
Due within one year	40,459	-	7,985	-	1,796	-	-	-	50,240
Due in more than one year	1,230,389	-	185,673	-	26,447	-	-	68,656	1,511,165
Total Liabilities	<u>1,556,052</u>	<u>-</u>	<u>281,646</u>	<u>-</u>	<u>145,362</u>	<u>86,063</u>	<u>-</u>	<u>176,436</u>	<u>2,245,559</u>
Net Assets									
Invested in Capital Assets, Net of Related Debt	(2,706)	-	58,144	-	80,137	-	-	34,873	170,448
Restricted For:									
Capital Projects	-	-	4,326	-	2,633	-	-	-	6,959
Debt Service	114,004	-	-	-	-	-	-	-	114,004
Educational Programs	-	-	-	-	5,512	-	-	-	5,512
Grant Programs	-	-	-	-	-	-	-	30,389	30,389
Unrestricted	163,137	-	35,230	-	6,399	-	-	(4,753)	200,013
Total Net Assets	<u>274,435</u>	<u>-</u>	<u>97,700</u>	<u>-</u>	<u>94,681</u>	<u>-</u>	<u>-</u>	<u>60,509</u>	<u>527,325</u>

* The Philadelphia Gas Works is presented as of the close of their fiscal year, August 31, 2010. Community Behavioral Health and the Philadelphia Authority for Industrial Development are presented as of the close of their fiscal year, December 31, 2010. The Philadelphia Parking Authority is presented as of the close of their fiscal year, March 31, 2011.

City of Philadelphia
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2011

Exhibit 14

Amounts in thousands of USD

Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Assets									Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Philadelphia Gas Works*	Philadelphia Redevelopment Authority	Philadelphia Parking Authority*	School District of Philadelphia	Community College of Philadelphia	Community Behavioral Health*	Philadelphia Convention Center Authority	Delaware River Waterfront Corporation	Philadelphia Authority for Industrial Development*	
Gas Operations														
Gas Works	733,717	751,301	13,232	-	30,816									30,816
Housing														
Redevelopment Authority	-	-	-	-										-
Parking														
Parking Authority	220,515	222,665	-	-		2,150								2,150
Education														
School District	-	-	-	-										-
Community College	157,490	29,866	66,276	-					(61,348)					(61,348)
Total	157,490	29,866	66,276	-										
Health														
Community Behavioral Health	774,336	-	774,336	-										-
Economic Development														
Convention Center Authority	-	-	-	-										-
Delaware River Waterfront Corp.	-	-	-	-										-
Authority for Ind. Development	138,922	28,519	55,749	-									(54,654)	(54,654)
Total	138,922	28,519	55,749	-										
Total Component Units	2,024,980	1,032,351	909,593	-										(83,036)
General Revenues:														
Property Taxes														
Other Taxes														
Grants & Contributions Not Restricted to Specific Programs									61,015				(310)	60,705
Unrestricted Interest & Investment Earnings									1,757					3,743
Miscellaneous									1,339					1,339
Special Item-Gain (Loss) on Sale of Capital Assets														108
Transfers														47,845
Total General Revenue, Special items and Transfers									64,111					113,740
Change in Net Assets									2,763					30,704
Net Assets - July 1, 2010														496,621
Adjustment														-
Net Assets Adjusted - July 1, 2010														496,621
Net Assets - June 30, 2011														527,325

* The Philadelphia Gas Works is presented as of the close of their fiscal year, August 31, 2010. Community Behavioral Health and the Philadelphia Authority for Industrial Development are presented as of the close of their fiscal year, December 31, 2010. The Philadelphia Parking Authority is presented as of the close of their fiscal year, March 31, 2011.

The notes to the financial statements are an integral part of this statement.

City of Philadelphia
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 15

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			<u>Final Budget to Actual Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual*</u>	
<u>Revenues</u>				
Tax Revenue	2,471,918	2,489,042	2,459,146	(29,896)
Locally Generated Non-Tax Revenue	268,276	266,086	280,027	13,941
Revenue from Other Governments	1,115,628	1,076,562	1,066,501	(10,061)
Revenue from Other Funds	<u>53,321</u>	<u>64,224</u>	<u>54,620</u>	<u>(9,604)</u>
Total Revenues	3,909,143	3,895,914	3,860,294	(35,620)
<u>Expenditures and Encumbrances</u>				
Personal Services	1,369,164	1,382,664	1,360,362	22,302
Pension Contributions	479,978	485,531	485,208	323
Other Employee Benefits	484,909	492,657	481,850	10,807
Sub-Total Employee Compensation	<u>2,334,051</u>	<u>2,360,852</u>	<u>2,327,420</u>	<u>33,432</u>
Purchase of Services	1,153,831	1,176,378	1,127,877	48,501
Materials and Supplies	66,375	69,077	65,826	3,251
Equipment	13,723	15,876	12,371	3,505
Contributions, Indemnities and Taxes	135,765	131,988	111,070	20,918
Debt Service	121,395	114,000	110,414	3,586
Payments to Other Funds	<u>27,956</u>	<u>30,292</u>	<u>30,292</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>3,853,096</u>	<u>3,898,463</u>	<u>3,785,270</u>	<u>113,193</u>
Operating Surplus (Deficit) for the Year	<u>56,047</u>	<u>(2,549)</u>	<u>75,024</u>	<u>77,573</u>
Fund Balance Available for Appropriation, July 1, 2010	(37,894)	(114,028)	(114,028)	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	24,500	24,500	39,095	14,595
Prior Period Adjustments	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Adjusted Fund Balance, July 1, 2010	<u>(13,394)</u>	<u>(89,528)</u>	<u>(74,932)</u>	<u>14,596</u>
Fund Balance Available for Appropriation, June 30, 2011	<u>42,653</u>	<u>(92,077)</u>	<u>92</u>	<u>92,169</u>

* Refer to the notes to required supplementary information.

City of Philadelphia
 Schedule of Budgetary Actual and Estimated Revenues and Obligations
 General Fund

Exhibit 16

Amounts in thousands of USD

For the Fiscal Year Ended June 30, 2011 (with comparative actual amounts for the Fiscal Year Ended June 30, 2010)

	Budgeted Amounts		FY 2011 Actual	Final Budget to Actual Positive (Negative)	FY 2010 Actual	Increase (Decrease)
	Original	Final				
Revenue						
Taxes						
Real Property Tax:						
Current	457,534	451,238	454,747	3,509	364,313	90,434
Prior Years	40,000	37,500	27,978	(9,522)	37,874	(9,896)
Total Real Property Tax	497,534	488,738	482,725	(6,013)	402,187	80,538
Wage and Earnings Taxes:						
Current	1,112,772	1,137,888	1,127,455	(10,433)	1,102,285	25,170
Prior Years	12,000	12,000	6,862	(5,138)	11,918	(5,056)
Total Wage and Earnings Taxes	1,124,772	1,149,888	1,134,317	(15,571)	1,114,203	20,114
Business Taxes:						
Business Privilege Taxes:						
Current	350,162	350,800	334,996	(15,804)	329,275	5,721
Prior Years	19,000	20,000	41,950	21,950	35,428	6,522
Total Business Privilege Tax	369,162	370,800	376,946	6,146	364,703	12,243
Net Profits Tax:						
Current	8,667	14,603	5,740	(8,863)	12,058	(6,318)
Prior Years	4,000	2,500	3,086	586	2,448	638
Total Net Profits Tax	12,667	17,103	8,826	(8,277)	14,506	(5,680)
Total Business Taxes	381,829	387,903	385,772	(2,131)	379,209	6,563
Other Taxes:						
Sales Tax	241,892	247,510	244,585	(2,925)	207,113	37,472
Amusement Tax	21,103	21,103	20,767	(336)	21,850	(1,083)
Real Property Transfer Tax	125,220	117,332	116,644	(688)	119,236	(2,592)
Parking Lot Tax	72,493	72,493	71,596	(897)	70,453	1,143
Smokeless Tobacco	4,000	1,000	286	(714)	-	286
Miscellaneous Taxes	3,075	3,075	2,454	(621)	2,390	64
Total Other Taxes	467,783	462,513	456,332	(6,181)	421,042	35,290
Total Taxes	2,471,918	2,489,042	2,459,146	(29,896)	2,316,641	142,505
Locally Generated Non-Tax Revenue						
Rentals from Leased City Properties	4,885	4,060	4,357	297	4,696	(339)
Licenses and Permits	42,487	45,727	46,295	568	43,346	2,949
Fines, Forfeits, Penalties, Confiscated Money and Property	20,997	29,872	25,790	(4,082)	17,727	8,063
Interest Income	15,776	7,376	5,300	(2,076)	8,264	(2,964)
Service Charges and Fees	136,242	121,684	124,553	2,869	113,972	10,581
Other	47,889	57,367	73,732	16,365	41,354	32,378
Total Locally Generated Non-Tax Revenue	268,276	266,086	280,027	13,941	229,359	50,668
Revenue from Other Governments						
United States Government:						
Grants and Reimbursements	166,501	165,149	170,094	4,945	140,347	29,747
Commonwealth of Pennsylvania:						
Grants and Other Payments	894,906	857,192	833,676	(23,516)	605,896	227,780
Other Governmental Units	54,221	54,221	62,731	8,510	330,138	(267,407)
Total Revenue from Other Governments	1,115,628	1,076,562	1,066,501	(10,061)	1,076,381	(9,880)
Revenue from Other Funds						
	53,321	64,224	54,620	(9,604)	31,945	22,675
Total Revenues	3,909,143	3,895,914	3,860,294	(35,620)	3,654,326	205,968

City of Philadelphia
 Schedule of Budgetary Actual and Estimated Revenues and Obligations
 General Fund

Exhibit 16

Amounts in thousands of USD

For the Fiscal Year Ended June 30, 2011 (with comparative actual amounts for the Fiscal Year Ended June 30, 2010)

	Budgeted Amounts		FY 2011 Actual	Final Budget	FY 2010 Actual	Increase (Decrease)
	Original	Final		to Actual Positive (Negative)		
Obligations						
General Government						
City Council	15,049	15,049	13,772	1,277	13,464	308
Mayor's Office:						
Mayor's Office	3,839	3,942	3,598	344	4,263	(665)
Scholarships	200	200	200	-	193	7
Mural Arts Program	1,000	1,000	961	39	973	(12)
Labor Relations	523	517	457	60	523	(66)
MDO Office of Technology	67,432	67,432	61,348	6,084	38,521	22,827
Office of Property Assessment	-	6,109	5,730	379	-	5,730
Mayor's Office of Community Services	-	-	-	-	30	(30)
Transportation	500	500	419	81	482	(63)
Law	18,665	18,817	17,114	1,703	17,965	(851)
Board of Ethics	810	810	681	129	706	(25)
Youth Commission	100	100	78	22	85	(7)
Inspector General	1,380	1,380	1,171	209	1,146	25
City Planning Commission	2,551	2,551	2,248	303	2,904	(656)
Commission on Human Relations	2,067	2,067	1,942	125	1,983	(41)
Zoning Code Commission	500	500	465	35	468	(3)
Arts & Culture	3,905	3,911	2,550	1,361	3,943	(1,393)
Board of Revision of Taxes	6,503	2,098	1,893	205	7,463	(5,570)
Total General Government	125,024	126,983	114,627	12,356	95,112	19,515
Operation of Service Departments						
Housing	2,800	2,800	2,291	509	2,800	(509)
Managing Director	17,984	18,034	15,954	2,080	16,576	(622)
Police	538,403	553,637	551,449	2,188	541,606	9,843
Streets	113,190	132,800	131,004	1,796	134,903	(3,899)
Fire	188,762	198,042	198,042	-	190,051	7,991
Public Health	113,962	114,037	108,923	5,114	111,198	(2,275)
Office-Behavioral Health/Mental Retardation	14,272	14,272	14,272	-	14,239	33
Parks and Recreation	49,829	51,373	47,084	4,289	33,699	13,385
Atwater Kent Museum	249	269	267	2	298	(31)
Public Property	164,879	171,157	171,142	15	164,793	6,349
Department of Human Services	576,365	577,071	551,445	25,626	562,731	(11,286)
Philadelphia Prisons	234,140	235,195	232,219	2,976	240,571	(8,352)
Office of Supportive Housing	38,474	38,474	36,393	2,081	38,387	(1,994)
Office of Fleet Management	51,437	53,015	52,173	842	47,331	4,842
Licenses and Inspections	23,069	23,351	18,381	4,970	23,069	(4,688)
Board of L & I Review	156	156	136	20	127	9
Board of Building Standards	72	72	61	11	61	-
Zoning Board of Adjustment	378	378	330	48	311	19
Records	4,009	4,009	3,982	27	5,195	(1,213)
Philadelphia Historical Commission	404	404	377	27	387	(10)
Art Museum	2,300	2,350	2,350	-	2,343	7
Philadelphia Free Library	32,968	33,012	32,549	463	32,752	(203)
Total Operations of Service Departments	2,168,102	2,223,908	2,170,824	53,084	2,176,779	(5,955)
Financial Management						
Office of Director of Finance	7,800	9,500	8,827	673	11,176	(2,349)
Department of Revenue	15,050	15,543	14,160	1,383	16,420	(2,260)
Sinking Fund Commission	211,036	203,641	197,919	5,722	185,464	12,455
Procurement	4,238	4,581	4,581	-	4,397	184
City Treasurer	905	905	761	144	648	113
Audit of City Operations	7,292	8,004	7,840	164	7,408	432
Total Financial Management	246,321	242,174	234,088	8,086	225,513	8,575

City of Philadelphia
 Schedule of Budgetary Actual and Estimated Revenues and Obligations
 General Fund

Exhibit 16

Amounts in thousands of USD

For the Fiscal Year Ended June 30, 2011 (with comparative actual amounts for the Fiscal Year Ended June 30, 2010)

	Budgeted Amounts		FY 2011 Actual	Final Budget to Actual Positive (Negative)	FY 2010 Actual	Increase (Decrease)
	Original	Final				
Obligations (Continued)						
City-Wide Appropriations Under the Director of Finance						
Fringe Benefits	966,020	982,801	963,982	18,819	831,698	132,284
PGW Rental Reimbursement	18,000	17,500	1,700	15,800	18,000	(16,300)
Community College of Philadelphia	26,468	26,468	25,409	1,059	26,468	(1,059)
Legal Services	35,941	36,616	36,616	-	35,941	675
Hero Award	25	37	35	2	43	(8)
Refunds	250	126	-	126	1	(1)
Indemnities	42,000	1,716	-	1,716	1	(1)
Office of Risk Management	3,239	3,175	2,926	249	2,891	35
Witness Fees	172	172	84	88	104	(20)
Contribution to School District	38,600	38,600	38,600	-	38,540	60
Total City-Wide Under Director of Finance	1,130,715	1,107,211	1,069,352	37,859	953,687	115,665
Promotion and Public Relations						
City Representative	946	946	904	42	906	(2)
Commerce	18,642	18,642	18,323	319	27,321	(8,998)
	19,588	19,588	19,227	361	28,227	(9,000)
Personnel						
Civic Service Commission	170	170	168	2	154	14
Personnel Director	5,186	5,189	4,592	597	4,052	540
Total Personnel	5,356	5,359	4,760	599	4,206	554
Administration of Justice						
Clerk of Quarter Sessions	4,549	-	-	-	4,510	(4,510)
Register of Wills	3,399	3,399	3,239	160	3,209	30
District Attorney	29,062	30,557	30,524	33	30,153	371
Sheriff	13,089	14,466	14,230	236	15,785	(1,555)
First Judicial District	97,755	113,955	115,412	(1,457)	105,746	9,666
Total Administration of Justice	147,854	162,377	163,405	(1,028)	159,403	4,002
City-Wide Appropriations Under the First Judicial District						
Juror Fees	1,342	1,459	-	1,459	1,599	(1,599)
Conduct of Elections						
City Commissioners	8,794	9,404	8,987	417	9,200	(213)
Total Obligations	3,853,096	3,898,463	3,785,270	113,193	3,653,726	131,544
Operating Surplus (Deficit) for the Year	56,047	(2,549)	75,024	77,573	600	74,424

City of Philadelphia
 Budgetary Comparison Schedule
 Water Operating Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 17

Amounts in thousands of USD

	Budgeted Amounts		Actual	Final Budget to Actual Positive (Negative)
	Original	Final		
Revenues				
Locally Generated Non-Tax Revenue	542,885	540,127	537,463	(2,664)
Revenue from Other Governments	3,300	3,300	2,869	(431)
Revenue from Other Funds	64,726	49,044	27,138	(21,906)
Total Revenues	610,911	592,471	567,470	(25,001)
Expenditures and Encumbrances				
Personal Services	112,175	111,725	100,839	10,886
Pension Contributions	40,300	38,487	42,169	(3,682)
Other Employee Benefits	40,480	42,293	42,279	14
Sub-Total Employee Compensation	192,955	192,505	185,287	7,218
Purchase of Services	128,864	128,864	116,625	12,239
Materials and Supplies	47,415	47,898	39,731	8,167
Equipment	5,693	5,660	2,862	2,798
Contributions, Indemnities and Taxes	6,603	6,603	5,384	1,219
Debt Service	195,044	195,044	185,543	9,501
Payments to Other Funds	51,337	51,337	54,263	(2,926)
Total Expenditures and Encumbrances	627,911	627,911	589,695	38,216
Operating Surplus (Deficit) for the Year	(17,000)	(35,440)	(22,225)	13,215
Fund Balance Available for Appropriation, July 1, 2010	-	-	-	-
Operations in Respect to Prior Fiscal Years				
Commitments Cancelled - Net	17,000	17,000	22,225	5,225
Adjusted Fund Balance, July 1, 2010	17,000	17,000	22,225	5,225
Fund Balance Available for Appropriation, June 30, 2011	-	(18,440)	-	18,440

City of Philadelphia
 Schedule of Budgetary Actual and Estimated Revenues and Obligations
 Water Operating Fund

Exhibit 18

Amounts in thousands of USD

For the Fiscal Year Ended June 30, 2011 (with comparative actual amounts for the Fiscal Year Ended June 30, 2010)

	Budgeted Amounts		FY 2011 Actual	Final Budget to Actual Positive (Negative)	FY 2010 Actual	Increase (Decrease)
	Original	Final				
<u>Revenue</u>						
<u>Locally Generated Non-Tax Revenue</u>						
Sales and Charges - Current	444,619	447,637	462,404	14,767	429,760	32,644
Sales and Charges - Prior Years	40,326	40,326	26,883	(13,443)	31,431	(4,548)
Fire Service Connections	1,009	1,743	1,846	103	1,593	253
Surcharges	5,169	5,297	5,481	184	4,576	905
Fines and Penalties	1,024	834	769	(65)	1,206	(437)
Miscellaneous Charges	1,026	1,113	1,101	(12)	1,645	(544)
Charges to Other Municipalities	34,200	34,000	32,020	(1,980)	37,357	(5,337)
Licenses and Permits	2,061	2,185	2,232	47	2,226	6
Interest Income	7,050	850	1,530	680	851	679
Fleet Management - Sale of Vehicles & Equipment	195	205	92	(113)	287	(195)
Contributions from Sinking Fund Reserve	2,927	2,740	-	(2,740)	2,648	(2,648)
Reimbursement of Expenditures	218	198	88	(110)	59	29
Repair Loan Program	2,340	2,278	2,237	(41)	2,116	121
Other	721	721	780	59	623	157
Total Locally Generated Non-Tax Revenue	542,885	540,127	537,463	(2,664)	516,378	21,085
<u>Revenue from Other Governments</u>						
State	500	500	27	(473)	726	(699)
Federal	2,800	2,800	2,842	42	1,905	937
Total Revenue from Other Governments	3,300	3,300	2,869	(431)	2,631	238
<u>Revenue from Other Funds</u>						
	64,726	49,044	27,138	(21,906)	27,734	(596)
Total Revenues	610,911	592,471	567,470	(25,001)	546,743	20,727
<u>Obligations</u>						
Mayor's Office of Information Services	16,855	16,855	10,910	5,945	1,907	9,003
Public Property	2,500	2,500	2,500	-	3,614	(1,114)
Office of Fleet Management	-	-	-	-	7,211	(7,211)
Water Department	8,510	8,510	8,255	255	271,671	(263,416)
Office of the Director of Finance	299,257	300,959	281,214	19,745	-	281,214
City-Wide Appropriation Under the Director of Finance:						
Pension Contributions	40,300	42,169	42,169	-	27,494	14,675
Other Employee Benefits	40,480	42,293	42,279	14	39,974	2,305
Contributions, Indemnities and Taxes	6,500	1,116	-	1,116	-	-
Department of Revenue	15,144	15,144	13,579	1,565	17,678	(4,099)
Sinking Fund Commission	195,045	195,045	185,543	9,502	196,717	(11,174)
Procurement Department	69	69	69	-	69	-
Law	3,251	3,251	3,177	74	3,115	62
Total Obligations	627,911	627,911	589,695	38,216	569,450	20,245
Operating Surplus (Deficit) for the Year	(17,000)	(35,440)	(22,225)	13,215	(22,707)	482

City of Philadelphia
Budgetary Comparison Schedule
Water Residual Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 19

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Final Budget to Actual Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	500	-	178	178
Revenue from Other Funds	<u>22,927</u>	<u>21,234</u>	<u>8,752</u>	<u>(12,482)</u>
Total Revenues	23,427	21,234	8,930	(12,304)
<u>Expenditures and Encumbrances</u>				
Payments to Other Funds	<u>22,927</u>	<u>22,927</u>	<u>4,906</u>	<u>18,021</u>
Total Expenditures and Encumbrances	<u>22,927</u>	<u>22,927</u>	<u>4,906</u>	<u>18,021</u>
Operating Surplus (Deficit) for the Year	<u>500</u>	<u>(1,693)</u>	<u>4,024</u>	<u>5,717</u>
Fund Balance Available for Appropriation, July 1, 2010	20,084	20,889	20,889	-
Fund Balance Available for Appropriation, June 30, 2011	<u>20,584</u>	<u>19,196</u>	<u>24,913</u>	<u>5,717</u>

City of Philadelphia
 Budgetary Comparison Schedule
 County Liquid Fuels Tax Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 20

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	3	-	-	-
Revenue from Other Governments	4,715	4,950	4,845	(105)
Total Revenues	4,718	4,950	4,845	(105)
<u>Expenditures and Encumbrances</u>				
Personal Services	3,734	3,734	3,734	-
Purchase of Services	861	856	856	-
Materials and Supplies	260	345	344	1
Equipment	80	-	-	-
Payments to Other Funds	15	15	15	-
Total Expenditures and Encumbrances	4,950	4,950	4,949	1
Operating Surplus (Deficit) for the Year	(232)	-	(104)	(104)
Fund Balance Available for Appropriation, July 1, 2010	1,234	1,988	1,988	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	50	25	151	126
Adjusted Fund Balance, July 1, 2010	1,284	2,013	2,139	126
Fund Balance Available for Appropriation, June 30, 2011	1,052	2,013	2,035	22

City of Philadelphia
 Budgetary Comparison Schedule
 Special Gasoline Tax Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 21

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	15	32	25	(7)
Revenue from Other Governments	<u>23,701</u>	<u>23,673</u>	<u>24,343</u>	<u>670</u>
Total Revenues	23,716	23,705	24,368	663
<u>Expenditures and Encumbrances</u>				
Personal Services	3,000	3,000	3,000	-
Pension Contributions	500	500	500	-
Other Employee Benefits	<u>500</u>	<u>500</u>	<u>500</u>	<u>-</u>
Sub-Total Employee Compensation	4,000	4,000	4,000	-
Purchase of Services	15,659	15,447	15,046	401
Materials and Supplies	3,601	4,301	3,942	359
Equipment	589	101	86	15
Payments to Other Funds	<u>15</u>	<u>15</u>	<u>15</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>23,864</u>	<u>23,864</u>	<u>23,089</u>	<u>775</u>
Operating Surplus (Deficit) for the Year	<u>(148)</u>	<u>(159)</u>	<u>1,279</u>	<u>1,438</u>
Fund Balance Available for Appropriation, July 1, 2010	12,479	14,083	14,083	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>120</u>	<u>150</u>	<u>213</u>	<u>63</u>
Adjusted Fund Balance, July 1, 2010	<u>12,599</u>	<u>14,233</u>	<u>14,296</u>	<u>63</u>
Fund Balance Available for Appropriation, June 30, 2011	<u><u>12,451</u></u>	<u><u>14,074</u></u>	<u><u>15,575</u></u>	<u><u>1,501</u></u>

City of Philadelphia
Required Supplementary Information
Budgetary Comparison Schedule
HealthChoices Behavioral Health Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 22

Amounts in thousands of USD

	Budgeted Amounts		Actual*	Final Budget to Actual Positive (Negative)
	Original	Final		
Revenues				
Locally Generated Non-Tax Revenue	7,500	3,500	1,237	(2,263)
Revenue from Other Governments	828,503	823,932	1,025,075	201,143
Total Revenues	836,003	827,432	1,026,312	198,880
Other Sources				
Increase in Unreimbursed Commitments	-	-	14,003	14,003
Increase in Financed Reserves	-	-	(32,870)	(32,870)
Total Revenues and Other Sources	836,003	827,432	1,007,445	180,013
Expenditures and Encumbrances				
Purchase of Services	-	-	864,554	(864,554)
Payments to Other Funds	-	-	809	(809)
Total Expenditures and Encumbrances	-	-	865,363	(865,363)
Operating Surplus (Deficit) for the Year	836,003	827,432	142,082	(685,350)
Fund Balance Available for Appropriation, July 1, 2010	-	42,474	42,474	-
Operations in Respect to Prior Fiscal Years				
Commitments Cancelled - Net	-	-	6,358	6,358
Prior Period Adjustments	-	(42,474)	-	42,474
Other Adjustments	49,000	25,000	-	(25,000)
Adjusted Fund Balance, July 1, 2010	49,000	25,000	48,832	23,832
Fund Balance Available for Appropriation, June 30, 2011	885,003	852,432	190,914	(661,518)

* Refer to the notes to required supplementary information.

City of Philadelphia
 Budgetary Comparison Schedule
 Hotel Room Rental Tax Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 23

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	41,718	41,718	41,884	166
Locally Generated Non-Tax Revenue	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Total Revenues	41,720	41,720	41,886	166
<u>Expenditures and Encumbrances</u>				
Contributions, Indemnities and Taxes	<u>41,720</u>	<u>41,720</u>	<u>41,859</u>	<u>(139)</u>
Total Expenditures and Encumbrances	<u>41,720</u>	<u>41,720</u>	<u>41,859</u>	<u>(139)</u>
Operating Surplus (Deficit) for the Year	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>
Fund Balance Available for Appropriation, July 1, 2010	-	5,218	5,218	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>-</u>	<u>-</u>	<u>1,315</u>	<u>1,315</u>
Adjusted Fund Balance, July 1, 2010	<u>-</u>	<u>5,218</u>	<u>6,533</u>	<u>1,315</u>
Fund Balance Available for Appropriation, June 30, 2011	<u>-</u>	<u>5,218</u>	<u>6,560</u>	<u>1,342</u>

City of Philadelphia
Required Supplementary Information
Budgetary Comparison Schedule
Grants Revenue Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 24

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual*</u>	<u>Final Budget to Actual Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	81,939	66,951	56,020	(10,931)
Revenue from Other Governments	1,109,678	766,751	522,141	(244,610)
Revenue from Other Funds	-	-	471	471
Total Revenues	1,191,617	833,702	578,632	(255,070)
<u>Other Sources</u>				
Increase in Unreimbursed Commitments	-	-	8,636	8,636
Decrease in Financed Reserves	-	-	23,243	23,243
Total Revenues and Other Sources	1,191,617	833,702	610,511	(223,191)
<u>Expenditures and Encumbrances</u>				
Personal Services	118,366	126,680	87,152	39,528
Pension Contributions	12,502	15,113	11,540	3,573
Other Employee Benefits	20,771	21,196	14,380	6,816
Sub-Total Employee Compensation	151,639	162,989	113,072	49,917
Purchase of Services	666,025	697,593	469,725	227,868
Materials and Supplies	20,201	21,581	13,437	8,144
Equipment	14,100	15,706	5,375	10,331
Payments to Other Funds	39,652	49,702	46,719	2,983
Advances, Subsidies, Miscellaneous	300,000	196,181	-	196,181
Total Expenditures and Encumbrances	1,191,617	1,143,752	648,328	495,424
Operating Surplus (Deficit) for the Year	-	(310,050)	(37,817)	272,233
Fund Balance Available for Appropriation, July 1, 2010	-	(39,010)	(39,010)	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	45,974	45,974
Revenue Adjustments - Net	-	-	(3,417)	(3,417)
Prior Period Adjustments	-	39,010	-	(39,010)
Adjusted Fund Balance, July 1, 2010	-	-	3,547	3,547
Fund Balance Available for Appropriation, June 30, 2011	-	(310,050)	(34,270)	275,780

* Refer to the notes to required supplementary information.

City of Philadelphia
 Budgetary Comparison Schedule
 Aviation Operating Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 25

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	363,170	292,570	302,719	10,149
Revenue from Other Governments	5,000	2,602	1,435	(1,167)
Revenue from Other Funds	2,000	1,000	653	(347)
Total Revenues	370,170	296,172	304,807	8,635
<u>Expenditures and Encumbrances</u>				
Personal Services	64,366	64,366	57,035	7,331
Pension Contributions	20,900	21,684	21,683	1
Other Employee Benefits	19,264	18,480	17,979	501
Sub-Total Employee Compensation	104,530	104,530	96,697	7,833
Purchase of Services	109,863	109,863	83,883	25,980
Materials and Supplies	8,550	8,820	8,357	463
Equipment	12,585	12,315	1,599	10,716
Contributions, Indemnities and Taxes	6,062	6,062	2,219	3,843
Debt Service	121,218	121,218	102,448	18,770
Payments to Other Funds	22,673	22,673	11,849	10,824
Total Expenditures and Encumbrances	385,481	385,481	307,052	78,429
Operating Surplus (Deficit) for the Year	(15,311)	(89,309)	(2,245)	87,064
Fund Balance Available for Appropriation, July 1, 2010	29,879	73,622	73,622	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	12,000	12,000	8,763	(3,237)
Adjusted Fund Balance, July 1, 2010	41,879	85,622	82,385	(3,237)
Fund Balance Available for Appropriation, June 30, 2011	26,568	(3,687)	80,140	83,827

City of Philadelphia
 Schedule of Budgetary Actual and Estimated Revenues and Obligations

Exhibit 26

Aviation Operating Fund

Amounts in thousands of USD

For the Fiscal Year Ended June 30, 2011 (with comparative actual amounts for the Fiscal Year Ended June 30, 2010)

	Budgeted Amounts		FY 2011 Actual	Final Budget	FY 2010 Actual	Increase (Decrease)
	Original	Final		to Actual Positive (Negative)		
<u>Revenue</u>						
<u>Locally Generated Non-Tax Revenue</u>						
Concessions	22,000	20,000	32,010	12,010	27,442	4,568
Space Rentals	133,000	102,500	104,585	2,085	103,250	1,335
Landing Fees	75,000	53,000	60,421	7,421	50,218	10,203
Parking	28,000	26,000	28,009	2,009	23,733	4,276
Car Rentals	20,000	18,000	17,862	(138)	16,743	1,119
Interest Earnings	2,000	1,000	352	(648)	326	26
Sale of Utilities	5,000	4,000	3,365	(635)	3,850	(485)
Passenger Facility Charge	33,000	33,000	32,353	(647)	33,133	(780)
Overseas Terminal Facility Charges	-	-	8	8	10	(2)
International Terminal Charge	28,000	20,000	17,700	(2,300)	19,755	(2,055)
Other	17,170	15,070	6,054	(9,016)	6,557	(503)
Total Locally Generated Non-Tax Revenue	363,170	292,570	302,719	10,149	285,017	17,702
<u>Revenue from Other Governments</u>						
State	-	102	102	-	194	(92)
Federal	5,000	2,500	1,333	(1,167)	2,896	(1,563)
Total Revenue from Other Governments	5,000	2,602	1,435	(1,167)	3,090	(1,655)
<u>Revenue from Other Funds</u>						
	2,000	1,000	653	(347)	2,063	(1,410)
Total Revenue	370,170	296,172	304,807	8,635	290,170	14,637
<u>Obligations</u>						
Mayor's Office of Information Services	6,295	6,295	5,987	308	393	5,594
Police	13,533	13,533	13,218	315	13,029	189
Fire	6,203	6,203	5,437	766	5,109	328
Public Property	26,900	26,900	18,400	8,500	13,900	4,500
Office of Fleet Management	8,108	8,108	3,532	4,576	5,287	(1,755)
Director of Finance						
City-Wide Appropriation Under						
the Director of Finance:						
Pension Contributions	20,900	21,684	21,683	1	14,946	6,737
Other Employee Benefits	19,264	18,480	17,979	501	17,993	(14)
Purchase of Services	4,146	4,146	2,469	1,677	2,732	(263)
Contributions, Indemnities and Taxes	2,512	827	-	827	-	-
Sinking Fund Commission	121,218	121,218	102,448	18,770	95,343	7,105
Commerce	154,524	156,209	114,241	41,968	113,665	576
Law	1,878	1,878	1,658	220	1,560	98
Total Obligations	385,481	385,481	307,052	78,429	283,957	23,095
Operating Surplus (Deficit) for the Year	(15,311)	(89,309)	(2,245)	87,064	6,213	(8,458)

City of Philadelphia
 Budgetary Comparison Schedule
 Community Development Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 27

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	150	150	10,436	10,286
Revenue from Other Governments	117,006	97,006	53,530	(43,476)
Total Revenues	117,156	97,156	63,966	(33,190)
<u>Other Sources</u>				
Decrease in Financed Reserves	-	-	4,336	4,336
Total Revenues and Other Sources	117,156	97,156	68,302	(28,854)
<u>Expenditures and Encumbrances</u>				
Personal Services	7,767	7,767	5,237	2,530
Pension Contributions	2,729	2,819	1,793	1,026
Other Employee Benefits	2,392	2,302	838	1,460
Sub-Total Employee Compensation	12,888	12,888	7,868	5,016
Purchase of Services	83,427	83,393	69,251	14,142
Materials and Supplies	319	339	173	166
Equipment	492	506	84	422
Payments to Other Funds	30	30	-	30
Advances, Subsidies, Miscellaneous	20,000	20,000	-	20,000
Total Expenditures and Encumbrances	117,156	117,156	77,376	39,776
Operating Surplus (Deficit) for the Year	-	(20,000)	(9,074)	10,922
Fund Balance Available for Appropriation, July 1, 2010	-	(4,020)	(4,020)	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	9,049	9,049
Prior Period Adjustments	-	4,020	-	(4,020)
Adjusted Fund Balance, July 1, 2010	-	-	5,029	5,029
Fund Balance Available for Appropriation, June 30, 2011	-	(20,000)	(4,045)	15,951

City of Philadelphia
Budgetary Comparison Schedule
Car Rental Tax Fund
For the Fiscal Year Ended June 30, 2011

Exhibit 28

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Taxes	5,000	4,900	4,935	35
Locally Generated Non-Tax Revenue	<u>25</u>	<u>5</u>	<u>8</u>	<u>3</u>
Total Revenues	5,025	4,905	4,943	38
<u>Expenditures and Encumbrances</u>				
Purchase of Services	<u>5,000</u>	<u>5,000</u>	<u>3,986</u>	<u>1,014</u>
Total Expenditures and Encumbrances	5,000	5,000	3,986	1,014
Operating Surplus (Deficit) for the Year	<u>25</u>	<u>(95)</u>	<u>957</u>	<u>1,052</u>
Fund Balance Available for Appropriation, July 1, 2010	<u>5,352</u>	<u>5,306</u>	<u>5,306</u>	<u>-</u>
Fund Balance Available for Appropriation, June 30, 2011	<u><u>5,377</u></u>	<u><u>5,211</u></u>	<u><u>6,263</u></u>	<u><u>1,052</u></u>

City of Philadelphia
 Budgetary Comparison Schedule
 Housing Trust Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 29

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	<u>9,300</u>	<u>7,530</u>	<u>7,259</u>	<u>(271)</u>
Total Revenues	<u>9,300</u>	<u>7,530</u>	<u>7,259</u>	<u>(271)</u>
<u>Expenditures and Encumbrances</u>				
Personal Services	<u>600</u>	<u>600</u>	<u>413</u>	<u>187</u>
Purchase of Services	<u>11,400</u>	<u>11,400</u>	<u>6,713</u>	<u>4,687</u>
Total Expenditures and Encumbrances	<u>12,000</u>	<u>12,000</u>	<u>7,126</u>	<u>4,874</u>
Operating Surplus (Deficit) for the Year	<u>(2,700)</u>	<u>(4,470)</u>	<u>133</u>	<u>4,603</u>
Fund Balance Available for Appropriation, July 1, 2010	<u>2,844</u>	<u>2,719</u>	<u>2,719</u>	<u>-</u>
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>3,500</u>	<u>6,000</u>	<u>4,247</u>	<u>(1,753)</u>
Adjusted Fund Balance, July 1, 2010	<u>6,344</u>	<u>8,719</u>	<u>6,966</u>	<u>(1,753)</u>
Fund Balance Available for Appropriation, June 30, 2011	<u><u>3,644</u></u>	<u><u>4,249</u></u>	<u><u>7,099</u></u>	<u><u>2,850</u></u>

City of Philadelphia
 Budgetary Comparison Schedule
 General Capital Improvement Funds
 For the Fiscal Year Ended June 30, 2011

Exhibit 30

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	396,348	396,348	5	(396,343)
Revenue from Other Governments	227,500	227,500	36,400	(191,100)
Revenue from Other Funds	-	-	10,097	10,097
Total Revenues	623,848	623,848	46,502	(577,346)
<u>Other Sources (Uses)</u>				
Increase in Unreimbursed Commitments	-	-	28,168	28,168
Proceeds from Bond Sales	-	-	139,150	139,150
Total Revenues and Other Sources	623,848	623,848	213,820	(410,028)
<u>Expenditures and Encumbrances</u>				
Capital Outlay	623,848	623,848	166,178	457,670
Operating Surplus (Deficit) for the Year	-	-	47,642	47,642
Fund Balance Available for Appropriation, July 1, 2010	-	-	75,164	75,164
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	5,174	5,174
Revenue Adjustments - Net	-	-	646	646
Adjusted Fund Balance, July 1, 2010	-	-	80,984	80,984
Fund Balance Available for Appropriation, June 30, 2011	-	-	128,626	128,626

City of Philadelphia
 Budgetary Comparison Schedule
 Acute Care Hospital Assessment Fund
 For the Fiscal Year Ended June 30, 2011

Exhibit 31

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			<u>Final Budget to Actual Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Tax Revenue	<u>142,000</u>	<u>143,000</u>	<u>142,127</u>	<u>(873)</u>
Total Revenues	<u>142,000</u>	<u>143,000</u>	<u>142,127</u>	<u>(873)</u>
<u>Other Sources</u>				
Increase in Unreimbursed Commitments	<u>-</u>	<u>-</u>	<u>173</u>	<u>173</u>
Total Revenues and Other Sources	<u>142,000</u>	<u>143,000</u>	<u>142,300</u>	<u>(700)</u>
<u>Expenditures and Encumbrances</u>				
Personal Services	<u>4,796</u>	<u>3,850</u>	<u>-</u>	<u>3,850</u>
Pension Contributions	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Other Employee Benefits	<u>134</u>	<u>134</u>	<u>-</u>	<u>134</u>
Sub-Total Employee Compensation	<u>5,030</u>	<u>4,084</u>	<u>-</u>	<u>4,084</u>
Purchase of Services	<u>134,634</u>	<u>137,360</u>	<u>144,497</u>	<u>(7,137)</u>
Materials and Supplies	<u>15</u>	<u>15</u>	<u>-</u>	<u>15</u>
Payments to Other Funds	<u>6,900</u>	<u>6,900</u>	<u>-</u>	<u>6,900</u>
Total Expenditures and Encumbrances	<u>146,579</u>	<u>148,359</u>	<u>144,497</u>	<u>3,862</u>
Operating Surplus (Deficit) for the Year	<u>(4,579)</u>	<u>(5,359)</u>	<u>(2,197)</u>	<u>3,162</u>
Fund Balance Available for Appropriation, July 1, 2010	<u>10,764</u>	<u>10,794</u>	<u>10,794</u>	<u>-</u>
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>-</u>	<u>-</u>	<u>173</u>	<u>173</u>
Adjusted Fund Balance, July 1, 2010	<u>10,764</u>	<u>10,794</u>	<u>10,967</u>	<u>173</u>
Fund Balance Available for Appropriation, June 30, 2011	<u>6,185</u>	<u>5,435</u>	<u>8,770</u>	<u>3,335</u>

1. REPORTING ENTITY

The City of Philadelphia was founded in 1682 and was merged with the county in 1854. Since 1951 the City has been governed largely under the Philadelphia Home Rule Charter. However, in some matters, including the issuance of short-term and long-term debt, the City is governed by the laws of the Commonwealth of Pennsylvania.

As required by GAAP, the financial statements of the City of Philadelphia include those of the primary government and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The financial statements of these component units have been included in the City's reporting entity either as blended component units or as discretely presented component units. Based on the criteria established by Governmental Accounting Standards Board Statement (GASBS) #14 as amended by GASBS #39 and GASBS #61, certain other organizations also did meet the criteria for inclusion, however they are not included in the City's financial statements because they are not significant to a fair representation of the City's reporting entity. **Individual financial statements can be obtained directly from their administrative offices by writing to the addresses provided.**

As used both on the face of the financial statements and in the footnotes, the term "Primary Government" includes both City funds and Blended Component Units while the term "Component Units" includes only Discretely Presented Component Units.

A. BLENDED COMPONENT UNITS

Pennsylvania Intergovernmental Cooperation Authority (PICA) – 1500 Walnut St., Philadelphia, PA 19102

PICA was established by act of the Commonwealth of Pennsylvania to provide financial assistance to cities of the first class and is governed by a five member board appointed by the Commonwealth. Currently, the City of Philadelphia is the only city of the first class. The activities of PICA are reflected in two of the governmental fund types (Special Revenue and Debt Service).

Philadelphia Municipal Authority (PMA) – 1515 Arch St., Philadelphia, PA 19102

PMA is governed by a five member board appointed by the City and was established to issue tax exempt bonds for the acquisition and use of certain equipment and facilities for the City. The activities of PMA are reflected in three of the governmental fund types (Special Revenue, Debt Service and Capital Improvement).

B. DISCRETELY PRESENTED COMPONENT UNITS

The component unit columns in the applicable combined financial statements include the combined financial data for the organizations discussed below. They are reported in a separate column to emphasize that they are legally separate from the City. However, in order to retain their identity, applicable combining statements have been included as part of this report.

From time to time the status of the City's component units is re-evaluated to determine if an organization continues to meet the requirements for inclusion as a component unit. The Philadelphia Housing Authority (PHA) has been included as a discretely presented component unit in the past. However, after reviewing the City's relationship with PHA, it has been determined that PHA should be considered a related organization. Although City officials appoint a voting majority of PHA's board of directors, it has been determined that the City cannot impose its will on PHA and PHA is not fiscally dependent on the City. Also, effective fiscal year 2011, the Pennsylvania Convention Center Authority's (PCCA) financial statements are no longer included in the city's statements. The agreement to expand the Convention Center effectively made PCCA a component unit of the Commonwealth of Pennsylvania.

Community College of Philadelphia (CCP) – 1700 Spring Garden St., Philadelphia, PA 19130

CCP was established by the City to provide two year post-secondary education programs for its residents. It is governed by a Board appointed by the City, receives substantial subsidies from the City, and its budgets must be submitted to the City for review and approval.

Delaware River Waterfront Corp. (DRWC) – 121 N. Columbus Blvd., Philadelphia, PA 19106

In January 2009, the board of the Penn's Landing Corporation was dissolved and replaced with the DRWC. The new 16 member board, is headed by the Mayors' Deputy Director for Economic Development and Planning, and is comprised of appointed City officials and private sector experts in design, finance, and real estate development. The new group will focus on the development of the seven-mile stretch of water front property between Allegheny and Oregon Avenues.

Philadelphia Parking Authority (PPA) – 3101 Market St., Philadelphia, PA 19104

PPA was established by the City to coordinate a system of parking facilities and on-street parking on behalf of the City. Its fiscal year ends on March 31. The City has guaranteed debt payments for PPA. A voting majority of PPA's governing board is not appointed by the City however, the significance of the City's relationship with PPA is such that exclusion from the City's financial report would be misleading.

Redevelopment Authority of the City of Philadelphia (RDA) – 1234 Market St., Philadelphia, PA 19107

RDA was established to rehabilitate blighted sections of the City. It is governed by a five-member board appointed by the City and must submit its budgets to the City for review and approval.

School District of Philadelphia (SDP) – 440 N. Broad St., Philadelphia, PA 19130

SDP was established by the Educational Supplement to the Philadelphia Home Rule Charter to provide free public education for the City's residents. A voting majority of the SDP governing board is not appointed by the City, however, the significance of the City's relationship with SDP is such that exclusion from the City's financial report would be misleading.

Community Behavioral Health (CBH) – 801 Market St., Philadelphia, PA 19107

CBH is a not-for-profit organization established by the City's Department of Public Health to provide for and administer all behavioral health services required by the Commonwealth of Pennsylvania. Its board is made up of City officials and City appointees. Any change in funding would present a financial burden to the City.

Philadelphia Authority for Industrial Development (PAID) – 2600 Centre Sq. West, Philadelphia, PA 19102

PAID was formed under the Industrial Development Authority Law to issue debt to finance eligible industrial and commercial development projects. PAID is the delegate agency responsible for administration of certain state grants and acts in the City's behalf on major development projects in the City. The City appoints a voting majority of PAID's board and is responsible for funding PAID's debt service.

Philadelphia Gas Works (PGW) – 800 W. Montgomery Ave., Philadelphia, PA 19122

PGW was established by the City to provide gas service to residential and commercial customers within the City of Philadelphia. The City appoints a voting majority of PGW's board and has the ability to modify or approve their budget.

2. BASIS OF ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENTS

A. PRIMARY GOVERNMENT

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting. Debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. However, those expenditures may be accrued if they are to be liquidated with available resources.

Imposed non-exchange revenues such as real estate taxes are recognized when the enforceable legal claim arises and the resources are available. Derived tax revenues, such as wage, business privilege, net profits and earnings taxes, are recognized when the underlying exchange transaction has occurred and the resources are available. Grant revenues are recognized when all the applicable eligibility requirements have been met and the resources are available. All other revenue items are considered to be measurable and available only when cash is received by the City.

Additionally, the City reports on Permanent funds, which are used to account for resources legally held in trust for use by the park and library systems of the City. There are legal restrictions on the resources of the funds that hold that the principal remain intact and only the earnings are allowed to be used for the program.

The City reports on the following fiduciary funds:

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

- The Municipal Pension Fund accumulates resources to provide pension benefit payments to qualified employees of the City and certain other quasi-governmental organizations.
- The Philadelphia Gas Works Retirement Reserve Fund accumulates resources to provide pension benefit payments to qualified employees of the Philadelphia Gas Works.
- The Escrow Fund accounts for funds held in escrow for various purposes.
- The Employees Health & Welfare Fund accounts for funds deducted from employees' salaries for payment to various organizations.
- The Departmental Custodial Accounts account for funds held in custody by various City Departments.

The City reports the following major proprietary funds:

- The Water Fund accounts for the activities related to the operation of the City's water delivery and sewage systems.
- The Aviation Fund accounts for the activities of the City's airports.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government wide and the proprietary fund financial statements to the extent that they do not conflict or contradict guidance of the GASB. Governments also have the option of following subsequent private sector guidance for their business type activities and enterprise funds. The City has elected not to follow subsequent private sector guidelines.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Water Fund are charges for water and sewer service. The principal operating revenue of the Aviation fund is charges for the use of the airport. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

3. DEPOSITS AND INVESTMENTS

The City utilizes a pooled Cash and Investments Account to provide efficient management of the cash of most City funds. In addition, separate cash accounts are maintained by various funds due to either legal requirements or operational needs. For Proprietary and Permanent Funds, all highly liquid investments (except for Repurchase Agreements) with a maturity of three months or less when purchased are considered to be cash equivalents.

The City reports investments at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price. The fair value of real estate investments is based on independent appraisals. Investments which do not have an established market are reported at estimated fair value.

Statutes authorize the City to invest in obligations of the Treasury, agencies, and instruments of the United States, repurchase agreements, collateralized certificates of deposit, bank acceptance or mortgage obligations, certain corporate bonds, and money market funds. The Pension Trust Fund is also authorized to invest in corporate bonds rated AA or better by Moody's Bond Ratings, common stocks and real estate.

From February to early June, deposits of the City significantly exceeded the amounts reported at year end. This was due to cyclical tax collections (billings for taxes are mailed in January and payable in March).

4. INVENTORIES

A. PRIMARY GOVERNMENT

Supplies of governmental funds are recorded as expenditures when purchased rather than capitalized as inventory. Accordingly, inventories for governmental funds are shown on the Statement of Net Assets but not on the Governmental Funds Balance Sheet. Inventories of proprietary funds are valued at moving average cost except for the following:

- **Industrial and Commercial Development Fund** inventory represents real estate held for resale and is valued at cost.

B. COMPONENT UNITS

All inventories are valued at moving average cost except for the following:

- **PGW** inventory consists primarily of fuel stock and gases which are stated at average cost.

5. BONDS AND RELATED PREMIUMS, DISCOUNTS & ISSUANCE COSTS

In *governmental fund* financial statements, bond premiums, discounts and issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt issuance expenditures.

6. INSURANCE

The City, except for the Airport and certain other properties, is self-insured for most fire and casualty losses to its structures and equipment and provides statutory worker's compensation, unemployment benefits, and health and welfare to its employees through a self-insured plan.

7. RECEIVABLE AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The real estate tax receivable allowance is equal to 43.3% of outstanding real estate taxes at June 30. Property taxes are levied on a calendar year basis. The City's property taxes, levied on assessed valuation as of January 1, are due and payable on or before March 31. Taxes levied are intended to finance the fiscal year in which they become due. Current real estate rates are \$9.082 on each \$100 assessment; \$4.959 for the SDP and \$4.123 for the City. Delinquent charges are assessed at 1.5% per month on all unpaid balances as of April 1. Real estate tax delinquents are subject to lien as of the following January 1. The City has established real estate improvement programs that abate, for limited periods, tax increases that result from higher assessments for improved properties. Certain incremental tax assessments are earmarked to repay loans from the City to developers who improve properties under Tax Increment Financing agreements.

8. DEFERRED REVENUES

A. PRIMARY GOVERNMENT

Deferred revenues as reported in the *fund* financial statements represent receivables which will be collected and included in revenues of future fiscal years or funds received in advance of being earned. In the General Fund, deferred revenues relate to property tax levies and self-assessed taxes receivable which are not available to pay liabilities of the current period and grants receivable for which the eligibility criteria has been met, but the resources are not available. Also included are business-privilege taxes which were received in advance of being earned. The deferred revenue in the Special Revenue and Capital Improvement Funds is primarily related to grants receivable and funds received in advance of being earned. In the Water and Aviation Funds, deferred revenues relate to overpayments from water/sewer customers and airlines, respectively.

B. COMPONENT UNITS

Community College of Philadelphia student tuition and fees received prior to June 30 which are applicable to the Summer II and Fall terms have been deferred and will be included in revenue in the subsequent year.

9. COMPENSATED ABSENCES

It is the City's policy to allow employees to accumulate earned but unused vacation benefits. Vacation pay is accrued when earned in the *government-wide* financial statements and in the proprietary and fiduciary-*fund* financial statements. Sick leave balances are not accrued in the financial statements because sick leave rights are non-vesting.

10. CLAIMS AND JUDGMENTS

Pending claims and judgments are recorded as expenses in the *government wide* financial statements and in the proprietary and fiduciary fund financial statements when the City solicitor has deemed that a probable loss to the City has occurred. Claims and judgments are recorded as expenditures in the government fund financial statements when paid or when judgments have been rendered against the City.

11. BUDGETARY INFORMATION

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP). In accordance with the Philadelphia Home Rule Charter, the City has formally established budgetary accounting control for its operating and capital improvement funds.

The operating funds of the City, consisting of the General Fund, ten Special Revenue Funds (County Liquid Fuels Tax, Special Gasoline Tax, HealthChoices Behavioral Health, Hotel Room Rental Tax, Grants Revenue, Community Development, Car Rental Tax, Housing Trust, Wage Tax Reduction and Acute Care Hospital Assessment funds) and two Enterprise Funds (Water and Aviation Funds), are subject to annual operating budgets adopted by City Council. Included with the Water Fund is the Water Residual Fund. These budgets appropriate funds for all City departments, boards and commissions by major class of expenditure within each department. Major classes are defined as: personal services; purchase of services; materials and supplies; equipment; contributions, indemnities and taxes; debt service; payments to other funds; and advances and other miscellaneous payments. The appropriation amounts for each fund are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. All transfers between major classes (except for materials and supplies and equipment, which are appropriated together) must have council approval. Appropriations that are not expended or encumbered at year end are lapsed. Comparisons of budget to actual activity at the legal level of compliance are located in the City's *Supplemental Report of Revenues and Obligations*, a separately published report.

The City Capital Improvement Fund budget is adopted annually by the City Council. The Capital Improvement budget is appropriated by project for each department. All transfers between projects exceeding twenty percent of each project's original appropriation must be approved by City Council. Any funds that are not committed or expended at year end are lapsed. Comparisons of departmental project actual activity to budget are located in the City's *Supplemental Report of Revenues and Obligations*.

The budgetary comparison schedules presented differ from the modified accrual basis of accounting. These schedules differ from the GAAP basis statements in that both expenditures and encumbrances are applied against the current budget, adjustments affecting activity budgeted in prior years are accounted for through fund balance or as reduction of expenditures and certain interfund transfers and reimbursements are budgeted as revenues and expenditures.

During the year, classification adjustments and supplementary appropriations were necessary for City funds. Therefore, budgeted appropriation amounts presented are as originally passed and as amended by the City Council. As part of the amendment process, budget estimates of City related revenues are adjusted and submitted to City Council for review. Changes in revenue estimates do not need City Council approval, but are submitted in support of testimony with regard to the appropriation adjustments. Revenue estimates are presented as originally passed and as amended.

12. SECURITIES LENDING

The Board of Directors of the Municipal Pension Fund (Pension Fund) and the Sinking Fund Commission (on behalf of the Philadelphia Gas Works Retirement Reserve Fund (PGWRR)) have each authorized management of the respective funds to participate in securities lending transactions. Each fund has entered into a Securities Lending Agreement with its custodian bank to lend its securities to broker-dealers.

- **The Pension Fund** lends US Government and US Government Agency securities, domestic and international equity securities and international fixed income securities and receives cash and securities issued or guaranteed by the federal government as collateral for these loans. Securities received as collateral can not be pledged or sold except in the case of a borrower default. The market value of collateral must be at least 102% (in some cases 105%) of the underlying value of loaned securities. The Pension fund has no restriction on the amount of securities that can be lent. The Pension Fund's custodian bank indemnifies the Fund by agreeing to purchase replacement securities or return cash collateral if a borrower fails to return securities or pay distributions thereon. The maturity of investments made with cash collateral generally did not match the maturity of securities loaned during the year or at year-end. The Pension Fund experienced \$1.9 million in unrealized losses from securities transactions during the year and had no credit risk exposure at June 30.
- The **PGWRR** lends US Treasury, federal agency, and DTC-eligible corporate debt and equity securities and receives cash, US Treasury and federal agency securities and letters of credit as collateral for these loans. Securities received as collateral can not be pledged or sold except in the case of a borrower default. The market value of collateral must be 102% of the total of the market value of loaned securities plus any accrued interest. The **PGWRR** placed no restrictions on the amount of securities that could be lent. The **PGWRR's** custodian bank does not indemnify the **PGWRR** in the event of a borrower default except in cases involving gross negligence or willful misconduct on the custodian's part. Maturity of investments made with cash collateral is generally matched with maturity of loans. The **PGWRR** experienced no losses and had no credit risk exposure at June 30.

13. AMOUNTS HELD BY FISCAL AGENT

Two of the City's component units (**PAID** and **RDA**) have issued debt that, in accordance with GASB Interpretation #2, is considered conduit debt. Therefore, no asset related to the bond proceeds or liability related to the bonds is shown on their respective financial statements. However, since the City, through various agreements is responsible for the debt, the proceeds of the issuance are shown as assets of the City.

A. GOVERNMENTAL FUNDS

General Fund - Consists of cash and investment balances related to the net proceeds of PAID's Sports Stadium Financing Lease Revenue Bonds Series A & B of 2007, PAID's Central Library Project Financing Lease Revenue Bonds Series 2005 and PAID's Cultural and Commercial Corridor Lease Revenue Bonds Series 2006.

Grants Revenue Fund - Consists of cash and investment balances related to the net proceeds of the **RDA's** City of Philadelphia Neighborhood Transformation Initiative Bonds.

B. PROPRIETARY FUNDS

Aviation Fund - cash and investment balances related to the net proceeds of PAID's Airport Revenue Bonds, Series 1998A and 2001A. The proceeds are held by a fiscal agent and disbursed at the City's direction to pay for airport related capital improvements.

14. INTERFUND RECEIVABLES AND PAYABLES

A. PRIMARY GOVERNMENT

Interfund receivable and payable balances among Primary Government funds at year-end are the result of the time lag between the dates that interfund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. All balances are expected to be settled during the subsequent year.

B. COMPONENT UNITS

Interfund receivables and payables between the Primary Government and its Component Units at year-end are the result of the time lag between the dates that interfund goods and services are provided, the date the transactions are recorded in the accounting system and the date payments between funds are made. All interfund balances are expected to be settled during the subsequent year.

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

15. NOTES PAYABLE

PGW, pursuant to the provisions of certain ordinances and Resolutions, may sell short-term notes in a principal amount which, together with the interest thereon, will not exceed \$150 million outstanding at any one time. These notes are intended to provide additional working capital. They are supported by an irrevocable letter of credit and a subordinated security interest in the PGW's revenues. There were no notes outstanding at year-end (August 31, 2010).

16. DEBT PAYABLE

A. PRIMARY GOVERNMENT LONG-TERM DEBT PAYABLE

(1) Governmental Debt Payable

The City is subject to a statutory limitation established by the Commonwealth of Pennsylvania for bonded indebtedness (General Obligation Bonds) payable principally from property taxes. As of June 30, 2011 the statutory limit for the City is \$1.6 billion, the General Obligation Debt net of deductions authorized by law is \$1.5 billion, leaving a legal debt borrowing capacity of \$97.3 million. Termination Compensation costs and Worker's Compensation claims are paid by whichever governmental fund incurs them. Indemnity claims are typically paid by the General Fund. The following schedule reflects the changes in long-term liabilities for the fiscal year:

	(Amounts In Millions of USD)				
Governmental Activity	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable					
Term Bonds	786.1	97.3	(39.2)	844.2	41.8
Refunding Bonds	819.3	114.6	(102.3)	831.6	20.4
Serial Bonds	453.1	61.7	(67.3)	447.5	37.4
Less Deferred Amounts					
Unamortized Bond Premium	104.6	5.0	(8.8)	100.8	-
Unamortized Issuance Expenses	(41.2)	(17.5)	3.5	(55.2)	-
Unamortized Discount and Loss	(50.9)	(0.1)	3.8	(47.2)	-
Total Bonds Payable	2,071.0	261.0	(210.3)	2,121.7	99.6
Obligations Under Lease & Service Agreements					
Pension Service Agreement	1,428.3	59.2	(80.2)	1,407.3	39.4
Neighborhood Transformation	252.8	-	(6.8)	246.0	7.2
One Parkway	46.7	-	(1.6)	45.1	1.6
Sports Stadia	337.1	-	(5.6)	331.5	5.9
Library	9.1	-	(0.5)	8.6	0.5
Cultural Corridor Bonds	126.1	-	(3.3)	122.8	3.4
Arbitrage	1.2	-	(1.2)	-	-
Indemnity Claims	47.7	35.0	(34.6)	48.1	16.0
Worker's Compensation Claims	299.8	28.7	(53.2)	275.3	34.5
Termination Compensation Payable	196.9	22.7	(18.4)	201.2	18.4
OPEB Obligation	43.3	-	-	43.3	14.4
Leases	31.1	-	(7.4)	23.7	7.7
Governmental Activity Long-term Liabilities	4,891.1	406.6	(423.1)	4,874.6	248.6

In addition, both blended component units have debt that is classified on their respective balance sheets as General Obligation debt payable. The following schedule summarizes the General Obligation Bonds outstanding for the City, the PMA and PICA:

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

(Amounts In Millions of USD)

Governmental Funds:	Interest		Principal	Due Dates
	Rates			
City	2.00 %	to 7.125 %	1,369.8	Fiscal 2012 to 2046
PMA	2.00 %	to 7.50 %	254.6	Fiscal 2012 to 2039
PICA	3.00 %	to 5.00 %	494.7	Fiscal 2012 to 2023
			<u>2,119.1</u>	

- In April 2011, the City issued \$253.7 million of general obligation bonds series 2011. There were serial bonds issued in the amount of \$156.4 million with interest rates ranging from 2.0% to 5.375% maturing in 2026. Term bonds were issued in amounts of \$23.2 million, \$31.3 million, \$42.8 million respectively. The term bonds have interest rates ranging from 5.875% to 6.5% maturing in 2041. The bonds were issued for the purpose of refunding the 1998 and 2001 Refunded Bonds and financing capital projects.
- As of June 30, 2011, PMA's Statement of Net Assets disclosed \$19.9 million of accretion to its bond principle payments for fiscal years 2012 through 2015.

The City has General Obligation Bonds authorized and un-issued at year-end of \$155.7 million for Governmental Funds. The debt service through maturity for the Governmental GO Debt is as follows:

(Amounts In Millions of USD)

Fiscal Year	City Fund		Blended Component Units			
	General Fund		PMA		PICA	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	40.8	67.4	15.6	19.3	41.8	24.6
2013	48.5	68.4	17.1	18.7	43.6	22.5
2014	50.7	66.2	18.0	18.4	45.6	20.4
2015	53.5	63.5	19.2	17.2	47.7	18.1
2016	52.0	60.9	20.1	16.3	49.9	15.8
2017-2021	288.8	261.8	82.6	35.2	209.7	43.2
2022-2026	312.3	185.5	13.3	24.8	56.4	3.9
2027-2031	298.2	105.3	18.0	20.1	-	-
2032-2036	139.9	43.9	24.6	13.4	-	-
2037-2041	75.4	13.9	26.1	4.4	-	-
2032-2046	9.7	0.3	-	-	-	-
Totals	<u>1,369.8</u>	<u>937.1</u>	<u>254.6</u>	<u>187.8</u>	<u>494.7</u>	<u>148.5</u>

The debt service through maturity for Lease and Service Agreements is as follows:

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

(Amounts In Millions of USD)

Lease & Service Agreements												
Fiscal Year	Pension Service Agreement		Neighborhood Transformation		One Parkway		Sports Stadium		Central Library		Cultural Corridors	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	85.6	34.1	7.2	12.7	1.6	2.1	5.9	13.4	0.5	0.4	3.4	5.8
2013	84.8	40.0	7.6	12.3	2.1	2.0	11.5	13.0	0.5	0.3	3.6	5.6
2014	80.5	45.5	8.0	11.9	2.1	2.0	12.0	12.4	0.5	0.3	3.8	5.4
2015	79.3	51.7	8.4	11.5	2.3	1.8	12.4	11.8	0.5	0.3	3.9	5.3
2016	76.9	57.8	8.9	11.0	2.4	1.7	13.0	11.2	0.6	0.3	4.2	5.1
2017-2021	316.9	356.7	52.0	47.7	13.6	6.9	73.8	47.9	3.1	1.0	24.2	21.9
2022-2026	237.3	436.3	67.4	32.4	17.1	3.4	90.9	31.5	3.0	0.3	31.1	15.1
2027-2031	446.0	58.1	86.4	13.4	3.9	0.2	112.0	11.5	-	-	39.6	6.6
2032-2036	-	-	-	-	-	-	-	-	-	-	9.0	0.2
Totals	<u>1,407.3</u>	<u>1,080.2</u>	<u>245.9</u>	<u>152.9</u>	<u>45.1</u>	<u>20.1</u>	<u>331.5</u>	<u>152.7</u>	<u>8.7</u>	<u>2.9</u>	<u>122.8</u>	<u>71.0</u>

(2) Business Type Debt Payable

The following schedule reflects changes in long-term liabilities for Business-Type Activities for the fiscal year:

(Amounts In Millions of USD)

Business-Type Activity	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable					
General Obligation Bonds	2.2	-	(1.2)	1.0	1.0
Revenue Bonds	2,888.9	883.5	(518.1)	3,254.3	169.7
Less Deferred Amounts					
Unamortized Discounts and Loss	(100.1)	-	15.0	(85.1)	-
Total Bonds Payable	<u>2,791.0</u>	<u>883.5</u>	<u>(504.3)</u>	<u>3,170.2</u>	<u>170.7</u>
Indemnity Claims	4.7	12.5	(7.0)	10.2	-
Worker's Compensation Claims	19.1	8.6	(7.0)	20.7	-
Termination Compensation Payable	15.1	3.6	(2.5)	16.2	-
Net Pension Obligation	1.6	-	(1.6)	-	-
Arbitrage	1.1	-	(0.8)	0.3	-
Business-type Activity Long-term Liabilities	<u>2,832.6</u>	<u>908.2</u>	<u>(523.2)</u>	<u>3,217.6</u>	<u>170.7</u>

In addition, the Enterprise Funds have debt that is classified on their respective balance sheets as General Obligation debt payable which is summarized in the following schedule:

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

(Amounts In Millions of USD)

	<u>Interest Rates</u>	<u>Principal</u>	<u>Due Dates</u>
Enterprise Funds			
Water Fund	1.00 %	1.0	Fiscal 2012
		<u>1.0</u>	

Also, the City has General Obligation Bonds authorized and un-issued at year end of \$303.6 million for the Enterprise Funds.

The debt service through maturity for Business-type General Obligation Debt is as follows:

(Amounts In Millions of USD)

<u>Fiscal Year</u>	<u>Water Fund</u>	
	<u>Principal</u>	<u>Interest</u>
2012	1.0	-
Totals	<u>1.0</u>	<u>-</u>

Several of the City's Enterprise Funds have issued debt payable from the revenues of the particular entity. The following schedule summarizes the Revenue Bonds outstanding at year end:

(Amounts In Millions of USD)

	<u>Interest Rates</u>	<u>Principal</u>	<u>Due Dates</u>
Water Fund	0.11 % to 7.00 %	1,813.4	Fiscal 2012 to 2041
Aviation Fund	2.00 % to 5.50 %	<u>1,440.9</u>	Fiscal 2012 to 2040
Total Revenue Debt Payable		<u>3,254.3</u>	

- In October 2010, the City issued Airport Revenue Bond Series 2010 in the amount of \$624.7 million. The Series 2010 A bonds (Non-AMT) were issued as serial and term bonds. Insured serial bonds were issued in the amount of \$16.5 million with interest rates ranging from 3% to 4.5% and mature in 2035 and uninsured serial bonds were issued in the amount of \$113.0 million, with interest rates ranging from 2% to 5.250% and mature in 2030. Insured term bonds were issued in the amounts of \$25 million, and \$48 million with an interest rate of 5% and mature in 2035 and 2040 respectively. Uninsured term bonds were issued in amounts of \$37.8 million and 32.8 million with an interest rate of 5% and mature in 2035 and 2040 respectively. Series 2010B (Non-AMT) for \$24.4 million and 2010C (AMT) for \$54.7 million were uninsured and issued as serial bonds and will mature in 2015 and 2018 respectively. The series 2010B and 2010C bonds have interest rates ranging from 2% to 5%. The insured 2010D (AMT) serial bonds were issued in the amount of \$1.9 million with interest rates ranging from 4% to 4.5% and mature in 2024. The uninsured 2010D serial bonds were issued in the amount of \$270.7 million with interest rates ranging from 2% to 5.25% and mature in 2028. The proceeds from the bonds together with other available funds will be used to (1) pay or reimburse for the costs of the 2010 Project, (2) provide for capitalized interest on the 2010A bonds during con-

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

struction of the 2010 Project, (3) currently refund all of the City's outstanding Airport Revenue Refunding Bonds, Series 1997A; (4) currently refund a portion of the City's outstanding Airport Revenue Refunding Bonds, Series 1998A; (5) currently refund a portion of the City's outstanding Airport Revenue Bonds Series 1998B; (6) fund a deposit to the Parity Sinking Fund Reserve Account; and (7) pay the costs of issuance of the 2010 bonds. Any prepayment of the 1998B bond shall be in an amount that is sufficient and used to pay a like amount of the Philadelphia Authority for Industrial Development (PAID) Airport Revenue Bonds, Series 1998A and together with the 1998B bond sometimes hereinafter referred to, collectively as the International Terminal Bonds.

- In July 2010, the City issued Water & Wastewater Revenue Bonds Series 2010 C in the amount of \$185.0 million. Serial bonds were issued in the amount of \$116.8 million with interest rates ranging from 3.0% to 5.0%, and have a maturity date of 2030. Term bonds were issued in the following amounts (1) \$5.2 million with an interest rate of 4.750% and mature in 2035; (2) \$24.6 million with an interest rate of 5.0% and mature in 2035; (3) \$38.4 million with an interest rate of 5.0% and mature in 2040. The proceeds of the bonds together with other available funds of the water department will be used to fund capital improvements to the City's water & wastewater system, fund payments to terminate a portion of the 2007 swap agreement (\$15 million), fund the required deposit into the Debt Reserve account of the Sinking Fund and pay various bond issuance costs.
- In July 2010, the City of Philadelphia Water Department received approval from the Pennsylvania State Infrastructure Financing Authority ("PENNVEST") for the Green Infrastructure Project (Series 2010B), bringing the total financing from PENNVEST to \$214.9 million. During fiscal year 2011, PENNVEST's drawdowns totaled \$73.8 million, which represents an increase in bond issuances. The funding is through low interest loans of 1.193% during the construction period and for the first five years of amortization (interest only payment are due during the construction period up to three years) and 2.107% for the remaining fifteen years. Individual loan information is as follows:

<u>Date</u>	<u>Series</u>	<u>Maximun Loan Amount</u>	<u>Estimated Project Costs</u>	<u>Amt Requested thru 6/30/2011</u>	<u>Amt Rec'd Yes/No</u>	<u>Purpose</u>
Oct. 2009	2009B	42,886,030	42,339,199	16,530,733	No	water plant improvements
Oct. 2009	2009C	57,268,193	56,264,382	35,666,542	No	water main replacements
Mar. 2010	2009D	84,759,263	84,404,754	48,583,956	Yes	sewer projects
Jul. 2010	2010B	30,000,000	31,376,846	0	No	sewer projects
Totals:		<u>214,913,486</u>	<u>214,385,181</u>	<u>100,781,231</u>		

City of Philadelphia
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2011

The debt service through maturity for the Revenue Debt Payable is as follows:

(Amounts In Millions of USD)

Fiscal Year	Water Fund		Aviation Fund	
	Principal	Interest	Principal	Interest
2012	108.9	80.4	60.8	72.3
2013	117.3	75.2	51.0	69.3
2014	127.1	69.3	58.9	66.6
2015	133.5	63.2	62.0	63.5
2016	139.1	58.0	59.9	60.0
2017-2021	397.1	212.1	318.1	250.3
2022-2026	250.7	151.6	341.3	167.4
2027-2031	301.1	94.7	266.8	85.7
2032-2036	200.2	31.8	144.7	40.8
2037-2041	38.4	5.0	77.4	9.0
Totals	<u>1,813.4</u>	<u>841.3</u>	<u>1,440.9</u>	<u>884.9</u>

(3) Defeased Debt

As of the current fiscal year-end, the City had defeased certain bonds by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements.

(4) Short -Term Borrowings

The City has statutory authorizations to negotiate temporary loans for periods not to extend beyond the fiscal year. The City borrows funds to pay debt service and required pension contributions due before the receipt of the real estate taxes. The City borrowed and repaid \$285.0 million in Tax Revenue Anticipation Notes by June 2011 plus interest. In accordance with statute, there are no temporary loans outstanding at year-end.

(5) Arbitrage Liability

The City has several series of General Obligation and Revenue Bonds subject to federal arbitrage requirements. Federal tax legislation requires that the accumulated net excess of interest income on the proceeds of these issues over interest expense paid on the bonds be paid to the federal government at the end of a five-year period. At June 30, 2011, the Aviation Fund and the Water Fund had recorded liabilities of \$0.2 million and \$0.1 million, respectively.

(6) Pension Service Agreement

In Fiscal 1999, the Philadelphia Authority for Industrial Development issued \$1.3 billion in Pension Funding Bonds. These bonds were issued pursuant to the provisions of the Pennsylvania Economic Development Financing Law and the Municipal Pension Plan Funding Standard and Recovery Act (Act 205). The bonds are special and limited obligations of PAID. The City entered into a Service Agreement with PAID agreeing to make yearly payments equal to the debt service on the bonds. PAID assigned its interest in the service agreement to the parties providing the financing and in accordance with GASB Interpretation #2, PAID treats this as conduit debt and does not include conduit debt transactions in its financial statements. The Pension Service Agreement of \$1.4 billion is reflected in the City's financial statements in Other Long Term Obligations. The net proceeds of the bond sale of \$1.3 Billion were deposited with the Municipal Pension Fund. The deposit of the proceeds reduced the Unfunded Actuarial Accrued Liability by that same amount. The deposit resulted in reductions to the City's actuarially determined pension plan payments.

(7) Neighborhood Transformation Initiative Service Agreement

In Fiscal 2002, **RDA** issued \$142.6 million in City of Philadelphia Neighborhood Transformation Initiative (NTI) Bonds. These bonds were issued to finance a portion of the initiative undertaken by the Authority and the City to revitalize, renew and redevelop blighted areas of the City. The bonds are obligations of **RDA**. The City entered into a service agreement with **RDA**, agreeing to make yearly payments equal to the debt service on the bonds. **RDA** assigned its interest in the service agreement to the parties providing the financing and in accordance with GASB Interpretation #2; **RDA** treats this as conduit debt and therefore does not include these transactions on its financial statements.

In Fiscal 2004, **RDA** issued a \$30.0 million City of Philadelphia NTI Taxable Revenue Bond. The **RDA** and the City plan to borrow a taxable bank line of credit (the 2003 Bond) to fund certain costs of the NTI related to the acquisition of property. The line of credit is being issued in anticipation of future long term financing. This will allow the City and **RDA** to better manage the carrying costs of unspent loan proceeds and to possibly issue a portion of the take out financing as tax exempt bonds after obtaining certain state approvals. In fiscal year 2004, \$10.9 million was borrowed from the line of credit.

In March, 2005, **RDA** issued additional City of Philadelphia Neighborhood Transformation Initiative (NTI) bonds to finance a portion of the initiative previously undertaken by the Authority and the City. Taxable Revenue Bonds Series 2005A issued in the amount of \$25.5 million are term bonds with interest rates ranging from 4.150% to 4.680% maturing through 2016. Qualified Revenue Bonds Series 2005B were issued in the amount of \$ 44.0 million, with interest rates ranging from 4.75 through 5% and mature through 2027. Revenue Bonds Series 2005C with an interest rate of 5% were issued for \$81.3 million and mature through 2031. The fiscal year 2010 NTI Service Agreement liability of \$252.7 million is reflected in the City's financial statements as another Long Term Obligation.

(8) Sports Stadium Financing Agreement

In FY 2002, **PAID** issued \$346.8 million in Lease Revenue Bonds Series A and B of 2001 to be used to help finance the construction of two new sports stadiums. The bonds are special limited obligations of **PAID**. The City entered into a series of lease agreements as lessee to the Authority. The lease agreements are known as (1) the Veterans Stadium Sublease, (2) the Phillies' Prime Lease and (3) the Eagles Prime Lease. **PAID** assigned its interest in the lease agreements to the parties providing the financing and in accordance with GASB Interpretation #2, **PAID** treats this as conduit debt and therefore does not include these transactions on its financial statements.

In October, 2007 **PAID** issued Lease Revenue Refunding Bonds Series A and B of 2007. The proceeds from the bonds were used to refund the Series 2001B Stadium Bonds. **PAID** assigned its interest in the lease agreements to the parties providing the financing and in accordance with GASB Interpretation #2, **PAID** treats this as conduit debt and therefore does not include these transactions on its financial statements. In fiscal 2010, the Sports Stadium Financing Agreement liability of \$337.1 million is reflected in the City's financial statements as Other Long Term Liabilities.

(9) Cultural and Commercial Corridors Program Financing Agreement

In December, 2006, **PAID** issued \$135.5 million in Revenue Bonds, Series A and B. The proceeds from the bonds will be used to finance a portion of the cost of various commercial and cultural infrastructure programs and administrative and bond issuance cost. The City and **PAID** signed a service agreement, whereby **PAID** manages a portion of the funds and the City makes payments equal to the yearly debt service. **PAID** will distribute some of the proceeds and some will flow through the City's capital project fund. In accordance with GASB Interpretation #2, **PAID** treats this as conduit debt, and therefore, does not include these transactions in its statements. During fiscal year 2007, none of the proceeds were spent. In fiscal 2010 the liability of \$126.2 million is reflected in the City's financial statements as Other Long Term Liabilities.

(10) Forward Purchase Agreements

In June, 2000 the Pennsylvania Intergovernmental Cooperation Authority (PICA), entered into a debt service reserve forward delivery agreement which began August 1, 2003, whereby PICA received a premium of \$4,450,000 on December 1, 2002 for the debt service reserve fund in exchange for the future earnings from the debt service reserve fund investments. Under this agreement PICA is guaranteed a fixed interest rate on the debt service reserve investments of 4.79%. The premium amount will be deferred and recognized as revenue over the remaining life of this agreement or through June 15, 2010 beginning with the first scheduled delivery of the debt service reserve investments in August, 2003.

(11) Pension Obligation Bond Option Rights

In July, 2002, the City through **PAID** sold the option rights relating to \$225 million Pension Funding Income Bonds, Series 1999C. The bonds were structured with provisions which permit the optional redemption or mandatory tender for purchase prior to maturity at any time on or after January 15, 2004, at a purchase price of par plus accrued interest. By selling the rights, the City can no longer cause the mandatory tender for purchase or to optionally redeem the bonds. If the Purchaser exercises the option rights, then upon payment of the exercise price of the option, the Purchaser becomes the new owner of the bonds and is entitled to receive the original fixed rate payments on the Series C bonds. The City realized \$8.1 million from the sale of the option rights.

17. DEFERRED COMPENSATION PLANS

A. PRIMARY GOVERNMENT

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code section 457. As required by the Code and Pennsylvania laws in effect at June 30, 2009, the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASBS #32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, the City does not include the assets or activity of the plan in its financial statements.

B. COMPONENT UNITS

PGW offers its employees a deferred compensation plan in accordance with Internal Revenue Code section 457. As of the Gas Works' fiscal year ended August 31, 1999 the Plan was amended to comply with subsection (g) of the code through the creation of a trust in which all assets and income of the Plan are to be held for the exclusive benefit of participants and their beneficiaries. As a result, the company no longer owns the assets of the Plan nor has a contractual liability to Plan participants.

18. FUND BALANCE PRESENTATION

The City adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54)* as July 1, 2010. GASB 54 designates fund balance classification that establishes a hierarchy based on the extent to which governments must observe constraints imposed upon the use of fund balances that are reported by the Governmental funds. The governmental funds' balances are reported within the fund balance categories allowable under the GASB 54.

19. INTERFUND TRANSACTIONS

During the course of normal operations the City has numerous transactions between funds. These transactions are recorded as operating transfers and are reported as other financial sources (uses) in the Governmental Funds and as transfers in the Proprietary Funds. Some of the more significant transfers are: the PICA administrative fund collects a portion of the wage tax paid by City residents and transfers funds that are not needed for debt service and administrative costs to the general fund. Also, the general fund and the PICA administrative fund make transfers to the debt service funds for principal and interest payments.

20. PENSION PLANS

The City maintains two single employer defined benefit plans for its employees and several of its component units. One blended component unit, **PICA**, and three discretely presented component units - the **SDP**, **PCCA**, and **CCP** - participate in state administered cost-sharing multiple employer plans. In addition, one discretely presented component unit - **RDA** - maintains its own single employer defined benefit plans. For the year ending June 30, 2008, the City adopted the requirements of GASB Statement No. 50, *Pension Disclosures*, issued May, 2007.

A. SINGLE EMPLOYER PLANS

The two plans maintained by the City are the Municipal Pension Plan (City Plan) and the Gas Works Plan (PGW Plan). The plan maintained by the City's component unit is the Redevelopment Authority of the City of Philadelphia Retirement Plan (RDA Plan).

Financial statements for the City and PGW pension plans are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements.

Required Supplementary Information calculated in accordance with GASBS #25 is presented in audited financial statements of the respective pension plans. Copies of these financial statements may be obtained by contacting the Director of Finance of the City of Philadelphia.

21. ACCUMULATED UNPAID SICK LEAVE

City and certain component unit employees are credited with varying amounts of sick leave according to type of employee and/or length of service. City employees may accumulate unused sick leave to predetermined balances. SDP employees have an unlimited maximum accumulation and Gas Works' employees' sick leave is non-cumulative. Non-uniformed employees (upon retirement only) and uniformed employees (upon retirement or in case of death while on active duty) are paid varying amounts ranging from 25% to 50% of unused sick time, not to exceed predetermined amounts. Employees, who separate for any reason other than indicated above, forfeit their entire sick leave. The City budgets for and charges the cost of sick leave as it is taken.

22. OTHER POST EMPLOYMENT BENEFITS (OPEB)

During fiscal year 2008, the City adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other than Pensions (OPEB)*, issued July, 2004. This statement establishes standards for the measurement, recognition, and display of expenses/expenditures and related liabilities (assets), note disclosures, and if applicable, required supplementary information in the financial reports of state and local governments.

A. PRIMARY GOVERNMENT

Plan description: The City of Philadelphia self-administers a single employer, defined benefit plan and provides health care for five years subsequent to separation for eligible retirees. Certain union represented employees may defer their coverage until a later date but the amount that the City pays for their health care is limited to the amount that the City would have paid at the date of their retirement. The City also provides lifetime insurance coverage for all eligible retirees. Firefighters are entitled to \$7,500 coverage and all other employees receive \$6,000 in coverage. The plan does not issue stand alone financial statements, and the accounting for the plan is reported within the financial statements of the City of Philadelphia.

Funding Policy The City funds its retiree benefits on a pay-as-you-go basis. To provide health care coverage, the City pays a negotiated monthly premium for retirees covered by union contracts or pays the health care providers directly for non unionized employees.

Actuarial Methods and Assumptions: Projections of costs for financial reporting purposes are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point.

Costs were determined according to the individual entry age actuarial cost method with the attribution period ending at each decrement age. This is consistent with the cost method used for the City of Philadelphia Municipal Retirement System. Unfunded liabilities are funded over a 30 year period as a level percentage of payroll, which is assumed to increase at a compound annual rate of 4% per year. The actuarial assumption included a 5.0% compound annual interest rate on the City's general investments.

23. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

PICA, a body corporate and politic, was organized in June 1991 and exists under and by virtue of the Pennsylvania Intergovernmental Cooperation Authority Act for Cities of the First Class (the Act). Pursuant to the Act, **PICA** was established to provide financial assistance to cities of the first class. The City currently is the only city of the first class in the Commonwealth of Pennsylvania. Under the Act, **PICA** is administered by a governing Board consisting of five voting members and two ex officio non voting members. The Governor of Pennsylvania, the President Pro Tempore of the Pennsylvania Senate, the Minority Leader of the Pennsylvania Senate, the Speaker of the Pennsylvania House of Representatives and the Minority Leader of the Pennsylvania House of Representatives each appoints one voting member to the Board.

The Act provides that, upon **PICA's** approval of a request of the City to **PICA** for financial assistance, **PICA** shall have certain financial and oversight functions. First, **PICA** shall have the power to issue bonds and grant or lend

the proceeds thereof to the City. Second, **PICA** also shall have the power, in its oversight capacity, to exercise certain advisory and review powers with respect to the City's financial affairs, including the power to review and approve five-year financial plans prepared at least annually by the City and to certify noncompliance by the City with its current five-year financial plan (which certification would require the Secretary of the Budget of the Commonwealth of Pennsylvania to cause certain Commonwealth payments due to the City to be withheld).

PICA bonds are payable from the proceeds of a **PICA** tax on the wages and income earned by City residents. The City has reduced the amount of wage and earnings tax that it levies on City residents by an amount equal to the **PICA** tax so that the total tax remains the same. PICA returns to the City any portion of the tax not required to meet their debt service and operating expenses. In Fiscal 2009 this transfer amounted to \$277.6 million.

24. RELATED PARTY TRANSACTIONS

The City is associated, through representation on the respective Board of Directors, with several local governmental organizations and certain quasi-governmental organizations created under the laws of the Commonwealth of Pennsylvania. These organizations are separate legal entities having governmental character and sufficient autonomy in the management of their own affairs to distinguish them as separate independent governmental entities. A list of such related party organizations and a description of significant transactions with the City, where applicable, is as follows:

A. SOUTHEASTERN PENNSYLVANIA TRANSPORTATION AUTHORITY (SEPTA)

During the year the City provided an operating subsidy of \$65.9 million to SEPTA

B. OTHER ORGANIZATIONS

The City provides varying levels of subsidy and other support payments (which totaled \$139.3 million during the year) to the following organizations:

- Philadelphia Commercial Development Corporation
- Philadelphia Health Management Corporation
- Philadelphia Industrial Development Corporation
- Fund For Philadelphia Incorporated
- Philadelphia Housing Authority

25. RISK MANAGEMENT

A. PRIMARY GOVERNMENT

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 (except for Aviation Fund operations, the Municipal Authority and PICA) is self-insured for fire damage, casualty losses, public liability, Worker's Compensation and Unemployment Compensation. The Aviation Fund is self-insured for Workers' Compensation and Unemployment Compensation and insured through insurance carriers for other coverage.

The City covers all claim settlements and judgments, except for those discussed above, out of the resources of the fund associated with the claim. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include: an estimate of claims that have been incurred but not reported; the effects of specific, incremental claims adjustment expenditures, salvage, and subrogation; and unallocated claims adjustment expenditures.

The City's Unemployment Compensation and Workers' Compensation coverages are provided through its General Fund. Unemployment Compensation and Workers' Compensation coverages are funded by a pro rata charge to the various funds.

During the last three (3) fiscal years, no claim settlements have exceeded the level of insurance coverage for operations using third party carriers. None of the City's insured losses have been settled with the purchase of annuity contracts.

26. CONTINGENCIES

A. PRIMARY GOVERNMENT

1) Claims and Litigation

Generally, claims against the City are payable out of the General Fund, except claims against the City Water Department, City Aviation Division, or Component Units which are paid out of their respective funds and only secondarily out of the General Fund which is then reimbursed for the expenditure. Unless specifically noted otherwise, all claims hereinafter discussed are payable out of the General Fund or the individual Enterprise Fund. The Act of October 5, 1980, P.L. 693, No. 142, known as the "Political Subdivision Tort Claims Act", established a \$500,000 aggregate limitation on damages arising from the same cause of action or transaction or occurrence or series of causes of action, transactions or occurrences with respect to governmental units in the Commonwealth such as the City. The constitutionality of that aggregate limitation has been upheld by the United States Supreme Court. There is no such limitation under federal law.

Various claims have been asserted against the City and in some cases lawsuits have been instituted. Many of these claims are reduced to judgment or otherwise settled in a manner requiring payment by the City. The aggregate estimate of loss deemed to be probable is approximately \$350.9 million. Of this amount, \$30.9 million is charged to current operations of the Enterprise Funds. The remaining \$320.0 million pertaining to the General Fund is reflected in the Government Wide Full Accrual Statements.

In addition to the above, there are certain lawsuits against the City for which an additional loss is reasonably possible. These lawsuits relate to General Fund and Enterprise Fund operations.

27. SUBSEQUENT EVENTS

A. PRIMARY GOVERNMENT

- 1) In July 2010, the City issued Water & Wastewater Revenue Bonds Series 2010C (1) through (4) in the amount of \$185.0 million. Sub series (1) are serial bonds issued in the amount of \$116.8 million with interest rates ranging from 3.0% to 5.0%, and a maturity date of 2030. Sub series (2) through (4) are term bonds issued in the amount of \$5.2 million, \$24.6 million, and \$38.4 million respectively. Sub series (2) has an interest rate of 4.750%. Sub series (3) and (4) each have a 5.0% interest rate. Sub series (2) and (3) mature in 2035 and (4) matures in 2040. The proceeds of the bonds together with other available funds of the water department will be used to fund capital improvements to the City's water & wastewater system, fund payments to terminate a portion of the 2007 swap agreement, fund debt service requirements and pay various issuance costs.
- 2) Through September 23, 2011 drawdowns totaling \$19.7 million represent new loans from the Pennsylvania State Infrastructure Financing Authority ("PENNVEST") for: Water Treatment Plant (3.4M); Water Main Replacement (12.6M); and, Green Infrastructure for Stormwater Management (3.7M).

B. COMPONENT UNITS

- 1) In August 2010, PGW issued Gas Works Revenue Bonds (1998 Ordinance) Ninth Series A through D. Series A, issued in the amount of \$14.2 million are (uninsured) serial bonds with interest rates ranging from 2.0% to 5.0%, maturing in 2015. Series B are (insured) serial bonds issued in the amount of \$38.9 million, with interest rates ranging from 3.0% to 5.0% and mature in 2025. The Series C and D are (uninsured) term bonds issued in the amounts of \$27.1 million and \$69.8 million, have interest rates of 5.0% and 5.25%, and mature in 2030 and 2040 respectively. The proceeds from the bonds will be used to fund Gas Works capital projects and various bond issuance costs.

Appendix D – Airport Debt Service

**City of Philadelphia Airport
Debt Service by Series**

	Series 1998B Fixed Rate			Series 2005A Fixed Rate			Series 2005C* Weekly Floating (swapped to fixed)		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	5,000	4,356	9,356	117,605,000	81,952,513	199,557,513	162,600,000	75,311,360	237,911,360
2012	-	256	256	2,705,000	5,610,705	8,315,705	6,700,000	8,845,440	15,545,440
2013	-	256	256	2,840,000	5,475,455	8,315,455	7,500,000	8,480,960	15,980,960
2014	-	256	256	2,985,000	5,333,455	8,318,455	8,200,000	8,072,960	16,272,960
2015	-	256	256	3,130,000	5,184,205	8,314,205	9,000,000	7,626,880	16,626,880
2016	-	256	256	3,290,000	5,027,705	8,317,705	9,800,000	7,137,280	16,937,280
2017	-	256	256	3,425,000	4,889,525	8,314,525	10,700,000	6,604,160	17,304,160
2018	-	256	256	3,570,000	4,742,250	8,312,250	11,400,000	6,022,080	17,422,080
2019	-	256	256	3,750,000	4,563,750	8,313,750	12,200,000	5,401,920	17,601,920
2020	-	256	256	3,940,000	4,376,250	8,316,250	13,000,000	4,738,240	17,738,240
2021	-	256	256	4,135,000	4,179,250	8,314,250	13,700,000	4,031,040	17,731,040
2022	-	256	256	4,340,000	3,972,500	8,312,500	14,300,000	3,285,760	17,585,760
2023	-	256	256	4,560,000	3,755,500	8,315,500	14,900,000	2,507,840	17,407,840
2024	-	256	256	4,785,000	3,527,500	8,312,500	15,400,000	1,697,280	17,097,280
2025	-	256	256	5,025,000	3,288,250	8,313,250	15,800,000	859,520	16,659,520
2026	-	256	256	5,275,000	3,037,000	8,312,000	-	-	-
2027	-	256	256	5,515,000	2,799,625	8,314,625	-	-	-
2028	5,000	256	5,256	5,765,000	2,551,450	8,316,450	-	-	-
2029	-	-	-	6,020,000	2,292,025	8,312,025	-	-	-
2030	-	-	-	6,300,000	2,021,125	8,321,125	-	-	-
2031	-	-	-	6,595,000	1,721,875	8,316,875	-	-	-
2032	-	-	-	6,905,000	1,408,613	8,313,613	-	-	-
2033	-	-	-	7,235,000	1,080,625	8,315,625	-	-	-
2034	-	-	-	7,580,000	736,963	8,316,963	-	-	-
2035	-	-	-	7,935,000	376,913	8,311,913	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-

* Interest calculated at the current fixed swap rate of 5.44% per annum for the Series 2005C Bonds; actual results may vary

	Series 2007A			Series 2007B			Series 2009A		
	Fixed Rate			Fixed Rate			Fixed Rate		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	169,315,000	136,917,250	306,232,250	70,085,000	32,083,250	102,168,250	44,050,000	23,398,211	67,448,211
2012	3,315,000	8,465,750	11,780,750	3,425,000	3,504,250	6,929,250	1,700,000	2,044,666	3,744,666
2013	3,480,000	8,300,000	11,780,000	3,595,000	3,333,000	6,928,000	1,755,000	1,993,666	3,748,666
2014	3,650,000	8,126,000	11,776,000	3,775,000	3,153,250	6,928,250	1,805,000	1,941,016	3,746,016
2015	3,835,000	7,943,500	11,778,500	3,965,000	2,964,500	6,929,500	1,865,000	1,882,354	3,747,354
2016	4,025,000	7,751,750	11,776,750	4,165,000	2,766,250	6,931,250	1,960,000	1,789,104	3,749,104
2017	4,230,000	7,550,500	11,780,500	4,375,000	2,558,000	6,933,000	2,035,000	1,710,704	3,745,704
2018	4,440,000	7,339,000	11,779,000	3,720,000	2,339,250	6,059,250	2,120,000	1,629,304	3,749,304
2019	4,660,000	7,117,000	11,777,000	3,905,000	2,153,250	6,058,250	2,205,000	1,544,504	3,749,504
2020	4,895,000	6,884,000	11,779,000	4,100,000	1,958,000	6,058,000	2,295,000	1,451,894	3,746,894
2021	5,140,000	6,639,250	11,779,250	4,305,000	1,753,000	6,058,000	2,395,000	1,354,356	3,749,356
2022	5,395,000	6,382,250	11,777,250	4,520,000	1,537,750	6,057,750	2,500,000	1,246,581	3,746,581
2023	5,665,000	6,112,500	11,777,500	4,750,000	1,311,750	6,061,750	2,615,000	1,130,956	3,745,956
2024	5,950,000	5,829,250	11,779,250	4,985,000	1,074,250	6,059,250	2,745,000	1,000,206	3,745,206
2025	6,245,000	5,531,750	11,776,750	5,235,000	825,000	6,060,000	2,885,000	862,956	3,747,956
2026	6,560,000	5,219,500	11,779,500	5,495,000	563,250	6,058,250	3,040,000	707,888	3,747,888
2027	6,885,000	4,891,500	11,776,500	5,770,000	288,500	6,058,500	3,200,000	544,488	3,744,488
2028	7,230,000	4,547,250	11,777,250	-	-	-	3,375,000	372,488	3,747,488
2029	7,590,000	4,185,750	11,775,750	-	-	-	3,555,000	191,081	3,746,081
2030	7,970,000	3,806,250	11,776,250	-	-	-	-	-	-
2031	8,370,000	3,407,750	11,777,750	-	-	-	-	-	-
2032	8,790,000	2,989,250	11,779,250	-	-	-	-	-	-
2033	9,230,000	2,549,750	11,779,750	-	-	-	-	-	-
2034	9,690,000	2,088,250	11,778,250	-	-	-	-	-	-
2035	10,175,000	1,603,750	11,778,750	-	-	-	-	-	-
2036	10,685,000	1,095,000	11,780,000	-	-	-	-	-	-
2037	11,215,000	560,750	11,775,750	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-

	Series 2010A			Series 2010B			Series 2010C		
	Fixed Rate			Fixed Rate			Fixed Rate		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	273,060,000	258,168,563	531,228,563	19,810,000	2,486,150	22,296,150	54,725,000	11,399,200	66,124,200
2012	5,000	13,599,613	13,604,613	4,635,000	944,150	5,579,150	6,780,000	2,668,450	9,448,450
2013	5,000	13,599,513	13,604,513	4,815,000	758,750	5,573,750	7,050,000	2,397,250	9,447,250
2014	5,070,000	13,599,413	18,669,413	5,055,000	518,000	5,573,000	7,400,000	2,044,750	9,444,750
2015	5,315,000	13,353,113	18,668,113	5,305,000	265,250	5,570,250	7,775,000	1,674,750	9,449,750
2016	5,565,000	13,101,563	18,666,563	-	-	-	8,155,000	1,286,000	9,441,000
2017	5,790,000	12,878,963	18,668,963	-	-	-	8,570,000	878,250	9,448,250
2018	6,050,000	12,615,713	18,665,713	-	-	-	8,995,000	449,750	9,444,750
2019	6,355,000	12,313,213	18,668,213	-	-	-	-	-	-
2020	6,670,000	11,996,463	18,666,463	-	-	-	-	-	-
2021	7,005,000	11,662,963	18,667,963	-	-	-	-	-	-
2022	7,355,000	11,315,463	18,670,463	-	-	-	-	-	-
2023	7,715,000	10,954,713	18,669,713	-	-	-	-	-	-
2024	8,100,000	10,568,963	18,668,963	-	-	-	-	-	-
2025	8,505,000	10,163,963	18,668,963	-	-	-	-	-	-
2026	8,930,000	9,738,713	18,668,713	-	-	-	-	-	-
2027	9,360,000	9,306,263	18,666,263	-	-	-	-	-	-
2028	9,855,000	8,814,863	18,669,863	-	-	-	-	-	-
2029	10,370,000	8,297,475	18,667,475	-	-	-	-	-	-
2030	10,890,000	7,776,250	18,666,250	-	-	-	-	-	-
2031	11,465,000	7,204,525	18,669,525	-	-	-	-	-	-
2032	12,035,000	6,631,275	18,666,275	-	-	-	-	-	-
2033	12,640,000	6,029,525	18,669,525	-	-	-	-	-	-
2034	13,270,000	5,397,525	18,667,525	-	-	-	-	-	-
2035	13,935,000	4,734,025	18,669,025	-	-	-	-	-	-
2036	14,625,000	4,040,250	18,665,250	-	-	-	-	-	-
2037	15,355,000	3,309,000	18,664,000	-	-	-	-	-	-
2038	16,120,000	2,541,250	18,661,250	-	-	-	-	-	-
2039	16,930,000	1,735,250	18,665,250	-	-	-	-	-	-
2040	17,775,000	888,750	18,663,750	-	-	-	-	-	-

	Series 2010D Fixed Rate			Series 2011A Fixed Rate			Series 2011B Fixed Rate		
	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
	271,970,000	126,181,475	398,151,475	199,040,000	110,185,677	309,225,677	34,790,000	17,016,315	51,806,315
2012	12,935,000	13,459,250	26,394,250	6,065,000	4,855,177	10,920,177	1,870,000	718,177	2,588,177
2013	13,450,000	12,941,850	26,391,850	5,775,000	9,535,406	15,310,406	1,200,000	1,391,019	2,591,019
2014	13,985,000	12,403,850	26,388,850	6,015,000	9,304,406	15,319,406	1,250,000	1,343,019	2,593,019
2015	14,545,000	11,844,450	26,389,450	6,315,000	9,003,656	15,318,656	1,300,000	1,293,019	2,593,019
2016	15,260,000	11,127,200	26,387,200	6,645,000	8,687,906	15,332,906	1,350,000	1,241,019	2,591,019
2017	16,040,000	10,364,200	26,404,200	6,985,000	8,355,656	15,340,656	1,380,000	1,214,019	2,594,019
2018	16,830,000	9,562,200	26,392,200	7,350,000	8,006,406	15,356,406	1,445,000	1,145,019	2,590,019
2019	17,670,000	8,720,700	26,390,700	7,705,000	7,638,906	15,343,906	1,515,000	1,072,769	2,587,769
2020	18,550,000	7,837,200	26,387,200	8,110,000	7,253,656	15,363,656	1,565,000	1,027,319	2,592,319
2021	19,475,000	6,916,000	26,391,000	8,540,000	6,848,156	15,388,156	1,615,000	974,500	2,589,500
2022	20,450,000	5,942,250	26,392,250	8,980,000	6,421,156	15,401,156	1,675,000	917,975	2,592,975
2023	21,520,000	4,868,625	26,388,625	9,440,000	5,972,156	15,412,156	1,735,000	855,163	2,590,163
2024	22,650,000	3,738,825	26,388,825	9,920,000	5,500,156	15,420,156	1,805,000	785,763	2,590,763
2025	23,830,000	2,552,025	26,382,025	10,435,000	5,004,156	15,439,156	1,880,000	711,306	2,591,306
2026	-	1,300,950	1,300,950	37,035,000	4,482,406	41,517,406	1,960,000	631,406	2,591,406
2027	-	1,300,950	1,300,950	38,900,000	2,630,656	41,530,656	2,040,000	545,656	2,585,656
2028	24,780,000	1,300,950	26,080,950	14,825,000	685,656	15,510,656	2,145,000	443,656	2,588,656
2029	-	-	-	-	-	-	2,245,000	344,450	2,589,450
2030	-	-	-	-	-	-	2,350,000	237,813	2,587,813
2031	-	-	-	-	-	-	2,465,000	123,250	2,588,250
2032	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-

Total

	Principal	Interest	Debt Service
	<u>1,417,055,000</u>	<u>875,104,320</u>	<u>2,292,159,320</u>
2012	50,135,000	64,715,885	114,850,885
2013	51,465,000	68,207,125	119,672,125
2014	59,190,000	65,840,375	125,030,375
2015	62,350,000	63,035,933	125,385,933
2016	60,215,000	59,916,033	120,131,033
2017	63,530,000	57,004,233	120,534,233
2018	65,920,000	53,851,228	119,771,228
2019	59,965,000	50,526,268	110,491,268
2020	63,125,000	47,523,278	110,648,278
2021	66,310,000	44,358,771	110,668,771
2022	69,515,000	41,021,941	110,536,941
2023	72,900,000	37,469,459	110,369,459
2024	76,340,000	33,722,449	110,062,449
2025	79,840,000	29,799,183	109,639,183
2026	68,295,000	25,681,369	93,976,369
2027	71,670,000	22,307,894	93,977,894
2028	67,980,000	18,716,569	86,696,569
2029	29,780,000	15,310,781	45,090,781
2030	27,510,000	13,841,438	41,351,438
2031	28,895,000	12,457,400	41,352,400
2032	27,730,000	11,029,138	38,759,138
2033	29,105,000	9,659,900	38,764,900
2034	30,540,000	8,222,738	38,762,738
2035	32,045,000	6,714,688	38,759,688
2036	25,310,000	5,135,250	30,445,250
2037	26,570,000	3,869,750	30,439,750
2038	16,120,000	2,541,250	18,661,250
2039	16,930,000	1,735,250	18,665,250
2040	17,775,000	888,750	18,663,750

Appendix E – City Debt Service

Table 17
City of Philadelphia
Annual Debt Service on City-Related Long-Term Debt
(Amounts in millions of USD)

Fiscal Year	Tax Supported Bonds ¹			Other Long-Term Obligations ²			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2012	\$41.76	\$67.44	\$109.20	\$75.71	\$132.58	\$208.29	\$117.47	\$200.02	\$317.49
2013	48.54	68.44	116.98	82.53	139.30	221.83	131.06	207.74	338.80
2014	50.74	66.22	116.95	82.74	140.33	223.06	133.47	206.54	340.02
2015	53.45	63.55	117.00	84.00	143.93	227.93	137.45	207.48	344.93
2016	52.01	60.86	112.87	83.92	140.23	224.15	135.93	201.09	337.02
2017	54.57	58.20	112.77	84.11	139.85	223.96	138.67	198.05	336.73
2018	57.21	55.35	112.56	89.56	139.03	228.59	146.77	194.38	341.15
2019	60.12	52.34	112.45	74.57	138.25	212.82	134.68	190.59	325.27
2020	62.56	49.50	112.05	64.12	138.01	202.13	126.68	187.50	314.18
2021	54.36	46.37	100.72	64.28	137.88	202.16	118.64	184.25	302.89
2022	57.89	43.58	101.47	64.62	137.58	202.20	122.50	181.16	303.66
2023	60.70	40.52	101.22	65.12	137.11	202.23	125.82	177.62	303.44
2024	63.80	37.24	101.04	65.76	136.51	202.26	129.56	173.75	303.30
2025	67.00	33.79	100.79	66.73	135.57	202.30	133.73	169.37	303.10
2026	62.93	30.38	93.31	80.13	121.38	201.51	143.06	151.76	294.82
2027	66.02	27.00	93.02	158.97	43.77	202.74	224.99	70.77	295.76
2028	69.82	23.61	93.42	164.13	34.54	198.67	233.95	58.15	292.10
2029	42.84	20.90	63.74	277.50	17.61	295.11	320.34	38.51	358.85
2030	58.20	18.39	76.58	53.73	7.81	61.53	111.92	26.20	138.12
2031	61.32	15.37	76.68	56.27	5.32	61.58	117.58	20.69	138.27
2032	64.58	12.18	76.76	13.63	3.21	16.84	78.21	15.39	93.60
2033	28.16	9.70	37.86	4.90	2.71	7.61	33.06	12.42	45.47
2034	14.70	8.38	23.07	5.22	2.39	7.61	19.91	10.77	30.68
2035	15.71	7.36	23.07	5.56	2.06	7.61	21.27	9.42	30.68
2036	16.80	6.28	23.07	5.92	1.69	7.61	22.71	7.97	30.68
2037	17.96	5.12	23.07	6.30	1.31	7.61	24.26	6.43	30.68
2038	19.22	3.85	23.07	6.71	0.90	7.61	25.93	4.75	30.68
2039	20.59	2.48	23.07	7.15	0.46	7.61	27.74	2.95	30.68
2040	8.52	1.50	10.02	0.00	0.00	0.00	8.52	1.50	10.02
2041	9.10	0.93	10.02	0.00	0.00	0.00	9.10	0.93	10.02
2042	9.71	0.32	10.02	0.00	0.00	0.00	9.71	0.32	10.02
TOTAL	\$1,370.80	\$937.14	\$2,307.94	\$1,893.85	\$2,181.32	\$4,075.17	\$3,264.65	\$3,118.46	\$6,383.11

¹ Includes General Obligation bonds.

² Includes PAID, PMA, Parking Authority, and Redevelopment Authority bonds.

Other Long-Term Debt Related Obligations

The City has entered into other contracts and leases to support the issuance of debt by public authorities related to the City pursuant to which the City is required to budget and appropriate tax or other general revenues to satisfy such obligations, as shown on Table 16. The City budgets all other long-term debt-related obligations as a single budget item with the exception of the Parking Authority which has a budget of \$1,336,700 for Fiscal Year 2012.