

City of Philadelphia Pennsylvania

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2000



Prepared by:

Office of the Director of Finance

**CITY OF PHILADELPHIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE

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JANICE D. DAVIS
Secretary of Financial Oversight
and Director of Finance

The Honorable John F. Street
Mayor, City of Philadelphia
Room 215 City Hall
Philadelphia, PA 19102

January 29, 2001

Dear Mayor Street:

The Comprehensive Annual Financial Report of the City of Philadelphia for the fiscal year ended June 30, 2000 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The Comprehensive Annual Financial Report is presented in three sections: introductory, financial and statistical. The financial section includes the general purpose financial statements and the combining and individual fund and account group financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

A basis for preparing the Comprehensive Annual Financial Report for the City was the identification of the reporting entity. Various potential component units were evaluated to determine whether they should be reported in the City's Comprehensive Annual Financial Report. A component unit was considered to be part of the City's reporting entity when it was concluded that the City was financially accountable for the entity or that the nature and significance of the relationship between the City and the entity was such that exclusion would cause the City's financial statements to be misleading or incomplete.

As a result of the evaluation, the entities selected for inclusion in the City's Comprehensive Annual Financial Report are presented either as part of the City's fund types and account groups ("blended" component units) because of the closeness of their relationship with the City, or as discretely presented component units. The discrete presentation illustrates that, while the City is accountable for these entities, their separate legal identities are maintained for reporting purposes.

This report includes all the funds and account groups of the City as well as the funds of the Philadelphia Municipal Authority and the Pennsylvania Intergovernmental Cooperation Authority. It also incorporates the discretely presented statements of the School District of Philadelphia, the Philadelphia Gas Works, the Redevelopment Authority of Philadelphia, the Philadelphia Housing Development Corporation, the Philadelphia Parking Authority, Penn's Landing Corporation, the Pennsylvania Convention Center Authority, the Community College of Philadelphia, the Philadelphia Housing Authority, the Philadelphia Authority for Industrial Development and Community Behavioral Health, Inc.

Reflected in this report is the extensive range of services provided by the City of Philadelphia. These services include police and fire protection, water and sewer services, sanitation services, streets maintenance, recreational activities and cultural events, and traditional county functions such as health and human services, as well as the activities of the previously mentioned public agencies and authorities.

ECONOMIC CONDITION AND OUTLOOK

The City enters the new millennium committed to fiscal responsibility. Fiscal Year 2000 was another record year; a cumulative \$295.1 million General Fund surplus and an eighth consecutive positive year-end performance, or improvement over the prior year, as well as a sixth round of incremental wage and business tax reductions.

One of the hallmarks of the \$6.5 billion Economic Stimulus Program is the establishment of a more business-friendly climate in Philadelphia. To achieve this goal, City and Quasi-City agencies--like the Philadelphia Parking Authority and the Departments of Licenses and Inspections (L & I), Procurement, Public Health, Revenue, Streets and Water--have undertaken many major initiatives to reduce the overall regulatory burden by simplifying regulations, improving communications, and making regulatory processes more user-friendly. Some of these initiatives have included:

- L & I streamlined the family of codes related to construction, alteration, and occupancy of structures to provide more modern and flexible building standards that contribute to lower design, construction, and insurance costs.
- L & I created a Fast Form Building Permit application process for common alterations that is available online and at five field offices. This process reduced average processing time for permit issuance from approximately four hours to less than 30 minutes.
- L & I created the Accelerated Permit Review Program, which offers expedited service to individuals willing to pay a fee to cover the associated employee overtime costs.
- The Revenue Department launched an improved web site that provides instructions to companies about filing taxes electronically and access to the department's "Plain Talk Tax Guide".

Following the example set by the Economic Stimulus Program--focused resources, a plan to reduce taxes, an improved organizational framework, and a more business-conscious regulatory environment--the City is beginning to change the negative trends of the past. Employment data compiled by the Bureau of Labor Statistics confirms that the City's job retention and attraction efforts are paying off.

Philadelphia has also benefited from healthy trends in the City's industrial and commercial real estate markets. The Center City office vacancy rate stood at 11% in the third quarter of 1999, a nearly 39% drop from the peak rate of 18% between 1992 and 1994. Philadelphia's industrial vacancy rate decreased from 22% in 1992 to 7.5% through the third quarter of 1999. In an effort to revitalize the Chestnut Street retail corridor, the City will spend \$15 million to reopen it to vehicles. The project includes wider traffic lanes, metered parking, and an improved streetscape between Independence Hall and 21st street.

The success of the Republican National Convention demonstrated the City's ability to compete as a first-class tourist destination and left it well positioned to be considered for future major events.

MAJOR INITIATIVES

As important as the City's overall fiscal condition, jobs picture, and tax structure are to all Philadelphians, City government is just as much about the quality of basic municipal services. By eliminating the duplication of some services and forging collaboration among City agencies with complementary missions, the realignment of the City's economic development organizational framework will improve the administration's ability to evaluate the effectiveness of existing and proposed programs and better coordinate initiatives, assignments, and responsibilities. Additionally, a Business Advisory Council, chaired by the Director of Commerce, will be formed to assist the administration in developing strategy to grow the local economy.

The administration's commitment to quality City services remains strong. For example:

- Graffiti abatement teams cleaned a record number of private buildings and street fixtures, and five "Zero Tolerance Zones" were created in cooperation with local residents and businesses to eliminate all existing graffiti and remove all new graffiti within 24 hours after the vandalism occurs. The Department of Public Property continues to remove graffiti from public buildings throughout the city using the latest in graffiti-fighting equipment and environmentally safe cleaning solutions.
- The Philadelphia Free Library will open its new Independence Branch within the Balch Institute on Seventh Street in Center City. This branch will incorporate modern theories of library service, with technology designed for those with disabilities, a self-checkout terminal, 12 Internet-equipped computers, and community space.
- The Department of Records implemented an automated document recording system called *PhilaDox*, as part of a comprehensive reengineering project initiated in 1998. As a result of this effort, the time required to record and return original documents affecting land-title transactions was reduced from over one year to less than two days.
- The Recreation Department has increased the number of facilities with permanent staff to 153, up from 144 facilities in 1992. The department has measurably expanded its athletic programs with significant increases in the numbers of leagues and participants.
- More efficient trash compactors have helped the Streets Department increase its on-time collection rate from 64% in FY92 to 97% in FY99 at the same time it reduced sanitation staffing from 1,265 employees to 947.
- The Police Department completed a two-year \$12.8 million installation of 730 mobile data terminals in police vehicles, allowing police officers to obtain valuable information directly and more quickly.

With improving municipal services and a more affordable cost of living, the City's neighborhoods are enjoying a healthier and safer quality of life. With construction complete or underway on literally scores of major economic development projects, the City is now emerging as a regional commercial center and a premier international destination. With continued responsible leadership, Philadelphia stands poised to provide the very best of urban life in the new century.

FINANCIAL INFORMATION

City government is responsible for establishing and maintaining an internal control structure designed to protect the assets of the City from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. This internal control structure is subject to periodic evaluation by management and the audit staff of the City Controller's Office in order to determine its adequacy. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

SINGLE AUDIT. As a recipient of federal and state financial assistance, the City is responsible for ensuring compliance with applicable laws and regulations related to those programs.

The results of the City's single audit for the fiscal year ended June 30, 1999 found no instances of material weaknesses in the internal control structure that could result in non-compliance with prevailing laws.

BUDGETING CONTROLS. In addition to internal controls, the City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Activities of the General Fund and City Related Special Revenue Funds and the City Capital Improvement Fund are budgeted annually. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major class within an individual department and fund for the operating funds and by project within department for the Capital Improvement Fund. The City also maintains an encumbrance accounting system for control purposes. Encumbered amounts that have not been expended at year-end are carried forward into the succeeding year and appropriations that have not been expended or encumbered at year-end are lapsed.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

GENERAL GOVERNMENT FUNCTIONS

GENERAL FUND

An undesignated fund balance surplus of \$295.1 million was reported at June 30, 2000 on both the generally accepted accounting principles (GAAP) basis (see Exhibit I-A-2) and the legal basis (see Exhibit I-A-5). The following schedules present a summary of General Fund revenues and expenditures on the GAAP basis and the amount and percentages of increases and decreases in relation to the prior year:

(Amounts in Millions)				
<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 1999</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	\$ 1,856.6	72.2	\$ 89.9	5.1
Locally Generated Non-Tax Revenue	181.2	7.0	5.9	3.4
Revenue from Other Governments	519.2	20.2	72.6	16.3
Other Revenue	14.9	0.6	2.7	22.1
<u>Total</u>	<u>\$ 2,571.9</u>	<u>100.0</u>	<u>\$ 171.1</u>	

(Amounts in Millions)				
<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 1999</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	\$ 18.8	0.8	\$ (31.3)	(62.5)
Transportation	105.6	4.3	4.9	4.9
Judiciary and Law Enforcement	947.4	38.4	37.2	4.1
Conservation of Health	146.1	5.9	2.8	2.0
Housing and Neighborhood Development	5.5	0.2	1.1	25.0
Cultural and Recreational	120.1	4.9	3.7	3.2
Improvement of General Welfare	493.4	20.0	18.3	3.9
Services to Property	266.7	10.8	2.9	1.1
General Management and Support	366.1	14.7	14.0	4.0
<u>Total</u>	<u>\$ 2,469.7</u>	<u>100.0</u>	<u>\$ 53.6</u>	

After taking into consideration the adjustments detailed in footnote 2 to the financial statements, which reflect the differences between the presentation in accordance with generally accepted accounting principles and the budgetary figures, General Fund revenues presented on the budgetary basis totaled \$2,755.5 million in Fiscal 2000, an increase of 4.9% over Fiscal 1999. The amount of revenues from various sources and the resulting difference from Fiscal 1999 are summarized in the following tabulation:

(Amounts in Millions)				
<u>Revenues</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 1999</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	\$ 1,856.6	67.4	\$ 90.0	5.1
Locally Generated Non-Tax Revenue	194.9	7.1	1.8	0.9
Revenue from Other Governments	678.0	24.6	71.6	11.8
Other Revenue	26.0	0.9	(35.9)	(58.0)
<u>Total</u>	<u>\$ 2,755.5</u>	<u>100.0</u>	<u>\$ 127.5</u>	

Expenditures and Encumbrances on the budgetary basis for the General Fund totaled \$2,711.2 million, an increase of 3.6% over Fiscal 1999. Increases and decreases in the level of obligations by the City's major classifications are shown in the following tabulation:

<u>Expenditures</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 1999</u>	<u>Percent of Increase (Decrease)</u>
Personal Services	\$ 1,071.8	39.5	\$ 53.4	5.2
Employee Benefits	493.8	18.2	5.7	1.2
Purchase of Services	849.0	31.3	55.0	6.9
Materials and Supplies	53.4	2.0	1.7	3.3
Equipment	26.2	1.0	(7.3)	(21.8)
Contributions, Indemnities and Taxes	69.9	2.6	(20.3)	(22.5)
Debt Service	91.5	3.4	7.3	8.7
Payments to Other Funds	26.4	1.0	(0.7)	(2.6)
Advances, Subsidies and Miscellaneous	29.2	1.0	(0.1)	(0.3)
<u>Total</u>	<u>\$ 2,711.2</u>	<u>100.0</u>	<u>\$ 94.7</u>	

SPECIAL REVENUE FUNDS

Special Revenue Funds consist of County Liquid Fuels Tax Fund, Special Gasoline Tax Fund, HealthChoices Behavioral Health Fund, Hotel Room Rental Tax Fund, Grants Revenue Fund, Community Development Fund, Municipal Authority Administrative Fund and PICA Administrative Fund. In Fiscal 2000, the Special Revenue Funds had combined revenue of \$1,429.2 million, expenditures of \$731.3 million, other financing uses of \$771.0 million and net increases of \$10.2 million representing fund balance reserve adjustments, resulting in an overall decrease in Unreserved Fund Balance of \$62.9 million for the year.

The following schedule presents a summary of the Special Revenue Funds revenues and expenditures for the fiscal year:

<u>Revenues</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 1999</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	\$ 285.0	19.9	\$ 20.9	7.9
Locally Generated Non-Tax Revenue	61.5	4.3	(24.7)	(28.7)
Revenue from Other Governments	1,082.7	75.8	105.8	10.8
<u>Total</u>	<u>\$ 1,429.2</u>	<u>100.0</u>	<u>\$ 102.0</u>	

<u>Expenditures</u>	<u>Amount</u>	(Amounts in Millions)		
		<u>Percent of Total</u>	<u>Increase (Decrease) Over Fiscal 1999</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	\$ 10.1	1.4	\$ 4.2	71.2
Transportation	25.8	3.5	(1.1)	(4.1)
Judiciary and Law Enforcement	54.3	7.4	1.0	1.9
Conservation of Health	506.0	69.2	115.8	29.7
Housing and Neighborhood Development	53.4	7.3	(1.7)	(3.1)
Cultural and Recreational	15.6	2.1	2.1	15.6
Improvement of General Welfare	36.1	4.9	4.4	13.9
Services to Property	0.1	-	(0.7)	(87.5)
General Management and Support	29.9	4.2	(29.0)	(49.2)
<u>Total</u>	<u>\$ 731.3</u>	<u>100.0</u>	<u>\$ 95.0</u>	

DEBT SERVICE FUNDS

Debt Service Funds are maintained for the City, the Municipal Authority and PICA. These Funds had combined revenue and net operating transfers of \$242.4 million, a decrease of \$162.7 million (40.2%) from Fiscal 1999 and expenditures of \$235.6 million, a decrease of \$172.2 million (42.2%) for Fiscal 2000. The Reserve for Debt Service increased by \$6.0 million, increasing the Unreserved Fund Balance by \$.8 million.

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 as of July 1, 1974 and expires June 30, 2006. The Industrial and Commercial Development Fund accounts for acquisition and disposition of land for industrial and commercial purposes.

The Enterprise Funds had operating revenues of \$478.9 million and expenses of \$442.8 million, resulting in net profit from operations of \$36.1 million for the year. Non-operating expenses of \$63.7 million, net transfers in of \$14.9 million and other credits of \$39.1 million resulted in a net increase in retained earnings of \$26.4 million. The following summary reflects actual revenues, expenses and results of operations for the individual Enterprise Funds:

	Amounts in Millions			
	Water	Aviation	Industrial & Commercial Development	Totals
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Operating Revenues	\$ 347.8	\$ 128.3	\$ 2.8	\$ 478.9
Operating Expenses	<u>298.7</u>	<u>141.3</u>	<u>2.8</u>	<u>442.8</u>
Operating Income (Loss)	<u>49.1</u>	<u>(13.0)</u>	<u>-</u>	<u>36.1</u>
Non-Operating Revenues (Expenses) - Net	(82.1)	20.2	(1.8)	(63.7)
Transfers (To) From Other Funds	(4.1)	-	-	(4.1)
Transfers (To) From Component Units	(2.9)	21.9	-	19.0
Other Credits (Charges) - Net	<u>29.2</u>	<u>9.9</u>	<u>-</u>	<u>39.1</u>
Net Change in Retained Earnings	(10.8)	39.0	(1.8)	26.4
Retained Earnings, July 1, 1999	<u>(36.8)</u>	<u>149.7</u>	<u>7.4</u>	<u>120.3</u>
Retained Earnings, June 30, 2000	\$ <u>(47.6)</u>	\$ <u>188.7</u>	\$ <u>5.6</u>	\$ <u>146.7</u>

MUNICIPAL PENSION FUND OPERATIONS

The City is required by the Philadelphia Home Rule Charter and state statute to maintain an actuarially sound pension and retirement system covering all officers and employees of the City. Court decisions, as interpreted by the City Solicitor, require that the City's contribution consist of normal costs, amortization of a past under funding (referred to as the Dombrowski Payments) over a period of 40 years in level annual installments, and handling of the remaining unfunded actuarial liability on an actuarially sound basis. Beginning in Fiscal 1982 the City elected to amortize this unfunded liability over a period of 38 years based on a schedule that will result in a charge approximately equal to a level percent of payroll. This method is deemed actuarially sound and is in common use by public jurisdictions in the United States.

The City's contribution to the Municipal Pension Fund for Fiscal 2000 was based upon the Actuarial Valuation Report dated July 1, 1998 and after credits for advance payments amounted to \$164.5 million. In Fiscal Year 2000, the City made an additional payment of \$15 million to help reduce the unfunded actuarial liability.

The Actuarial Valuation Report dated July 1, 1999 shows the Municipal Pension Fund's actuarial accrued liability to be \$5.8 billion. This amount is the sum of the actuarially computed present values of all retirement and survivor payments with respect to all active and retired employees, all inactive vested employees and all non vested employees.

The carrying value of the Municipal Pension Fund's assets at July 1, 1999, for actuarial purposes, amounted to \$4.5 billion resulting in a net unfunded actuarial accrued liability of \$1.3 billion as of that date.

During Fiscal 1999, the Philadelphia Authority for Industrial Development (PAID) issued \$1.29 billion in Pension Funding Bonds. The net proceeds of \$1.25 billion were deposited in the Municipal Pension Fund. During Fiscal 2000, the City's payment to PAID in lieu of pension contributions was \$68.6 million.

RISK MANAGEMENT

The City and several of its component units are 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 Airport, the Philadelphia Gas Works and the remaining component units are principally insured through insurance carriers.

DEBT ADMINISTRATION

At June 30, 2000 the City (Primary Government) had \$4.7 billion debt issues outstanding. These issues included \$2.0 billion of general obligation bonds and \$2.7 billion of revenue bonds. At fiscal year end, the City's (excluding component units) bond ratings from Standard & Poor's Corporation, Moody's Investors Service and Fitch IBCA on its bond issues were as follows:

	Moody's Investors Service	Standard & Poor's Corporation	Fitch IBCA
General Obligation Bonds	Baa1	BBB	A-
Water and Sewer Revenue Bonds	Baa1	BBB+	A-
Aviation Revenue Bonds	A3	A	A

Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation. As of July 1, 2000 the City's (excluding component units) net general obligation authorized debt of \$899.4 million was \$342.1 million below the legal limit of \$1,241.5 million.

The following schedule presents a synopsis of activity in the bonded debt of the City and its blended component units for Fiscal 2000:

(Amounts in Millions)

	Governmental Fund Types				Enterprise Funds			Totals All Funds
	City General Fund	Municipal Authority Fund	PICA	Totals	Water Fund	Aviation Fund	Totals	
	<u>Fund</u>	<u>Fund</u>	<u>PICA</u>	<u>Totals</u>	<u>Fund</u>	<u>Fund</u>	<u>Totals</u>	
Bonded Debt Outstanding, July 1, 1999	\$ 689.5	\$ 377.6	\$ 1,014.1	\$ 2,081.2	\$ 1,811.6	\$ 1,009.3	\$ 2,820.9	\$ 4,902.1
Bonds Issued:								
General Obligation	-	-	-	-	-	-	-	-
General Obligation Refunding	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	1.0	-	1.0	1.0
Revenue Refunding	-	-	-	-	33.0	-	33.0	33.0
Total Bonds Issued	-	-	-	-	34.0	-	34.0	34.0
Bonds Matured/Refunded:								
General Obligation	40.8	21.1	54.7	116.6	2.4	10.1	12.5	129.1
General Obligation Refunded	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	56.6	14.0	70.6	70.6
Revenue Refunded	-	-	-	-	32.4	-	32.4	32.4
Total Bonds Matured/Refunded	40.8	21.1	54.7	116.6	91.4	24.1	115.5	232.1
Bonded Debt Outstanding, June 30, 2000								
General Obligation	648.7	356.5	959.4	1,964.6	15.5	23.0	38.5	2,003.1
Revenue	-	-	-	-	1,738.7	962.2	2,700.9	2,700.9
Total Bonded Debt Outstanding, June 30, 2000	648.7	356.5	959.4	1,964.6	1,754.2	985.2	2,739.4	4,704.0
Sinking Fund Assets Available for Payment of Principal	-	11.0	88.8	99.8	148.6	48.5	197.1	296.9
Net Debt	\$ 648.7	\$ 345.5	\$ 870.6	\$ 1,864.8	\$ 1,605.6	\$ 936.7	\$ 2,542.3	\$ 4,407.1

CASH MANAGEMENT

Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the US Treasury, repurchase agreements and commercial paper. The Pension Trust Fund's investment portfolio also includes stocks, corporate bonds, real estate and other items. The City earned interest revenue of \$30.9 million on all investments of its pooled cash and investment account (Consolidated Cash) for the fiscal year ended June 30, 2000.

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. Approximately 2.3% of the City's investments during the year and at June 30, 2000 were classified in the category of highest credit risk as defined by the Governmental Accounting Standards Board. Remaining investments were held in the City's name either by the counterparty financial institution's trust department or by a Securities and Exchange Commission-registered brokerage firm.

OTHER INFORMATION

INDEPENDENT AUDIT. The Philadelphia Home Rule Charter requires an annual audit of all City accounts by the City Controller, an independently elected official. The Charter further requires that the City Controller appoint a Certified Public Accountant in charge of auditing. These requirements have been complied with and the audit was done in accordance with generally accepted auditing standards.

In addition to meeting the requirements set forth in state statutes, the audit also is designed to meet the requirements of the federal 1996 Single Audit Act Amendment and related OMB Circular A-133. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of the Comprehensive Annual Financial Report. The auditor's reports related specifically to the single audit are included in a separate report.

AWARDS. For the twentieth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded its prestigious Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 1999. The City received this recognition by publishing a report that was well organized and readable and satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS. The preparation of the Comprehensive 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. Each member of the office has my sincere appreciation for their valuable contributions.

Respectfully submitted,

Janice D. Davis(Signed)
Secretary of Financial Oversight and
Director of Finance



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Philadelphia,
Pennsylvania

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1999

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



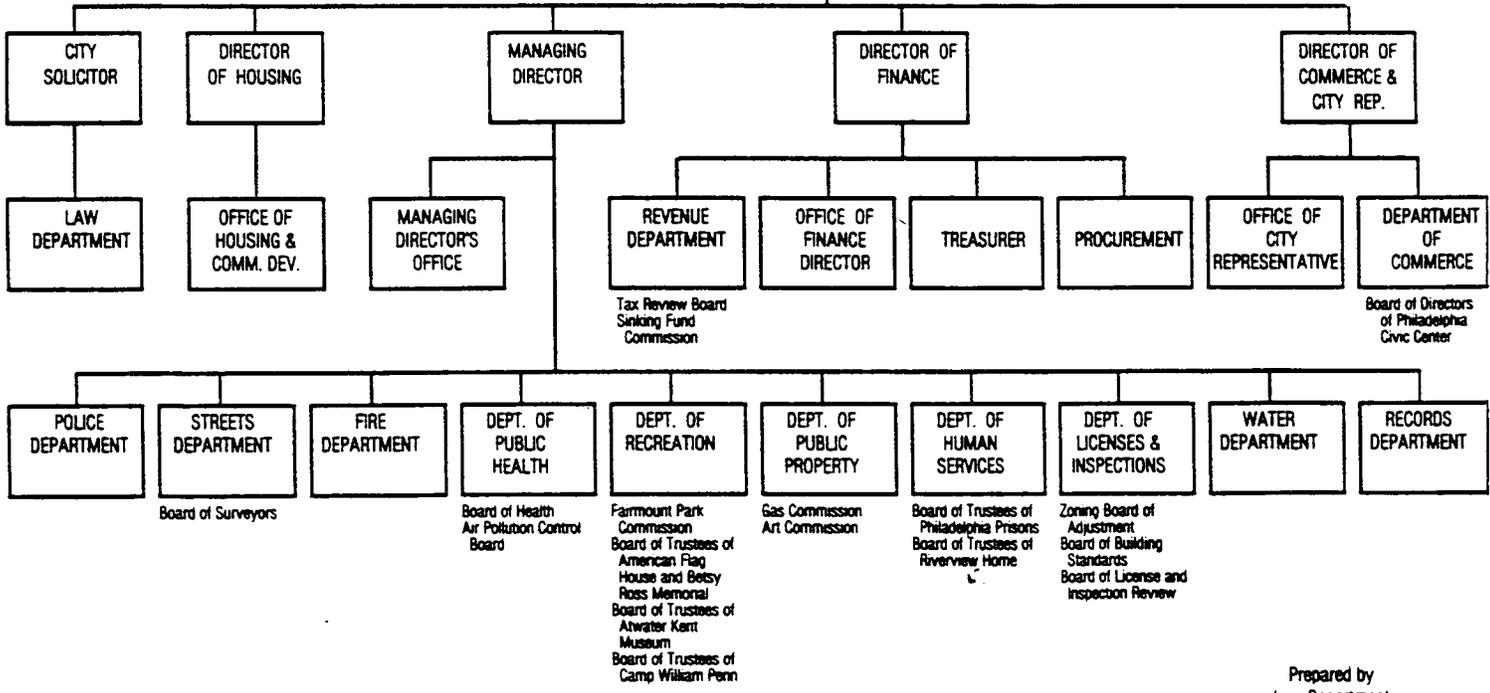
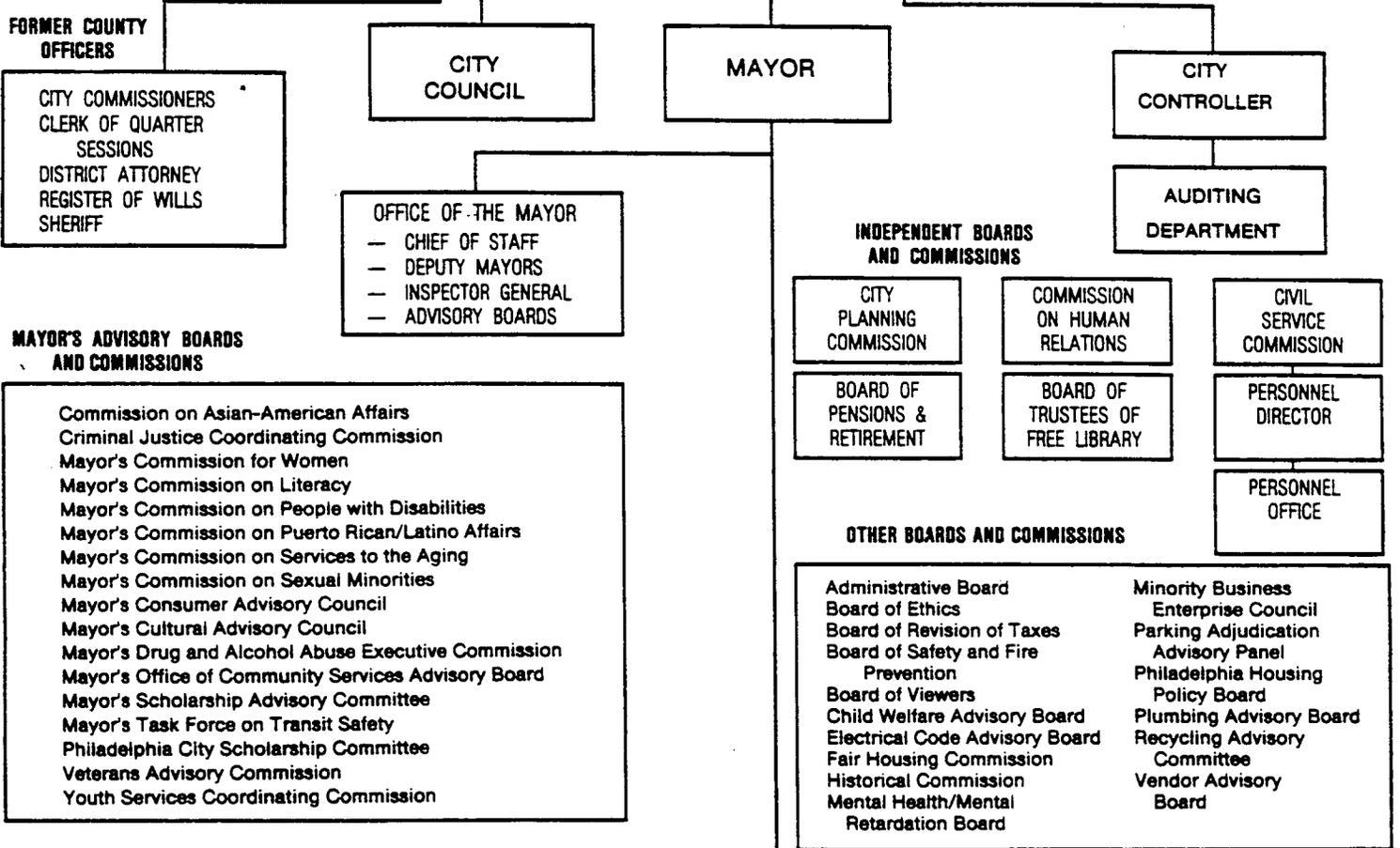
Greg Brubaker
President

Jeffrey L. Essler
Executive Director



ORGANIZATION OF PHILADELPHIA'S CITY GOVERNMENT

VOTERS



Prepared by
Law Department
Designed and Composed by
Department of Records
May 1992

CITY OF PHILADELPHIA
LISTING OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2000

Elected Officials

Mayor	John F. Street
City Council	
President, 2nd District	Anna Cibotti Verna
Councilperson, 1st District	Frank DiCicco
Councilperson, 3rd District	Jannie L. Blackwell
Councilperson, 4th District	Michael A. Nutter
Councilperson, 5th District	Darrell L. Clarke
Councilperson, 6th District	Joan L. Krajewski
Councilperson, 7th District	Rick Mariano
Councilperson, 8th District	Donna Reed Miller
Councilperson, 9th District	Marian B. Tasco
Councilperson, 10th District	Brian J. O'Neill
Councilperson-at-Large	David Cohen
Councilperson-at-Large	W. Wilson Goode, Jr.
Councilperson-at-Large	James F. Kenney
Councilperson-at-Large	W. Thacher Longstreth
Councilperson-at-Large	Angel Ortiz
Councilperson-at-Large	Blondell Reynolds Brown
Councilperson-at-Large	Frank Rizzo
District Attorney	Lynne M. Abraham
City Controller	Jonathan A. Saidel, Esq.
City Commissioners	
Chairperson	Margaret M. Tartaglione
Commissioner	Alexander Z. Talmadge, Jr.
Commissioner	Joseph Duda
Register of Wills	Ronald R. Donatucci
Clerk of Quarter Sessions	Vivian T. Miller
Sheriff	John Green
First Judicial District of Pennsylvania	
Court of Common Pleas-President Judge	Alex Bonavitacola
Municipal Court-President Judge	Louis J. Prezenza
Traffic Court-President Judge	Frank J. Little

CITY OF PHILADELPHIA
LISTING OF PRINCIPAL OFFICIALS
AS OF JUNE 30, 2000

Appointed City Officials

Secretary of Financial Oversight and Director of Finance	Janice D. Davis
Managing Director	Joseph Martz
City Representative and Director of Commerce	James Cuorato
City Solicitor	Kenneth Trujillo
Secretary of External Affairs	George R. Burrell, Jr.
Secretary of Education	Debra A. Kahn
Secretary of Authorities, Boards and Commissions	Augusta Clark
Director of Housing	John Kromer
City Treasurer	Folasade Olanipekun
Revenue Commissioner	Nancy A. Kammerdeiner
Procurement Commissioner	Louis Applebaum
Secretary of Public Safety	John F. Timoney
Streets Commissioner	William Johnson
Fire Commissioner	Harold B. Hairston
Health Commissioner	Walter Tsou, MD
Recreation Commissioner	Victor Richard III
Public Property Commissioner	Andres Perez, Jr.
Human Services Commissioner	Joan M. Reeves
Licenses and Inspections Commissioner	Edward J. McLaughlin
Acting Water Commissioner	Richard Roy
Records Commissioner	Joan T. Decker
Personnel Director	Linda L. Seyda

Appointed School District Officials

Board of Education	
President	Pedro A. Ramos, Esq.
Vice President	Dorothy Sumners Rush
Member	Martin G. Bednarek
Member	Rev. Ralph E. Blanks
Member	Helen Cunningham
Member	Sandra Dungee Glenn
Member	Christine James-Brown
Member	Michael J. Masch
Member	Emilio R. Matticoli, Ed.D.
Superintendent of Schools	David W. Hornbeck
Chief Financial Officer	Rhonda S. Chatzkel
Chief Operating Officer	Thomas E. McGlinchy





CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER
12th Floor, Municipal Services Bldg.
1401 John F. Kennedy Boulevard
Philadelphia, Pennsylvania 19102-1679
(215) 686-6680 FAX (215) 686-3832

JONATHAN A. SAIDEL
City Controller
ALBERT F. SCAPEROTTO
Deputy City Controller

INDEPENDENT AUDITOR'S REPORT

To the Mayor, City Council and
Citizens of the City of Philadelphia

We have audited the accompanying general-purpose financial statements of the City of Philadelphia, Pennsylvania, as of and for the year ended June 30, 2000, as listed in Part I of the table of contents. These general-purpose financial statements are the responsibility of the City of Philadelphia's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit. We did not audit the financial statements of the entities and the percentage of fund types disclosed in Note I-1C. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general-purpose financial statements, insofar as it relates to the amounts included for such entities and fund types, is based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. The financial statements of the Pennsylvania Intergovernmental Cooperation Authority, Penn's Landing Corporation, Pennsylvania Convention Center Authority, Philadelphia Housing Development Corporation, Philadelphia Parking Authority, Community Behavioral Health, Philadelphia Authority for Industrial Development, and the Philadelphia Gas Works discussed in Note I-1, were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

C I T Y O F P H I L A D E L P H I A
OFFICE OF THE CONTROLLER

In our opinion, based on our audit and the reports of other auditors, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Philadelphia, Pennsylvania, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2001 on our consideration of the City of Philadelphia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The combining and individual fund and account group financial statements and schedules listed in Parts II, III and IV of the table of contents, which are also the responsibility of the City of Philadelphia's management, are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the City of Philadelphia, Pennsylvania. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, based on our audit and the reports of other auditors, in our opinion, is fairly stated in all material respects, in relation to the general-purpose financial statements taken as a whole.

We did not audit the data included in the introductory, required supplementary information and statistical sections of the City's Comprehensive Annual Financial Report and, accordingly, we express no opinion or any other form of assurance on such data.

January 26, 2001

ALBERT F. SCAPEROTTO, CPA(Signed)
Deputy City Controller

JONATHAN A. SAIDEL, CPA(Signed)
City Controller

COMBINED STATEMENTS - OVERVIEW

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF PHILADELPHIA
ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS
COMBINED BALANCE SHEET
JUNE 30, 2000

Line No.	Governmental Fund Types				
	General Fund	Special Revenue Funds	Debt Service Funds	Capital Improvements Funds	
<u>Assets and Other Debits</u>					
1	Cash on Deposit and on Hand	\$ 4,055,010	\$ 14,831,876	\$ -	\$ -
2	Equity in Pooled Cash and Investments	-	-	-	-
3	Equity in Treasurer's Account	256,011,691	222,508,877	47	75,636,973
4	Investments	-	59,910,061	99,394,065	12,698,871
5	Due from Other Funds	9,227,255	235,448	-	-
6	Due from Primary Government	-	-	-	-
7	Due from Component Units	17,398,873	-	-	410,131
8	Amounts Held by Fiscal Agent	-	-	-	-
9	Notes Receivable	30,714,640	-	-	-
10	Taxes Receivable	266,233,014	3,874,863	-	-
11	Accounts Receivable	72,559,118	4,237,447	-	185,630
12	Allowance for Doubtful Accounts	(196,895,308)	(898,149)	-	(185,630)
13	Interest and Dividends Receivable	1,839,271	1,881,396	4,816,117	283,963
14	Due from Other Governmental Units	192,868,795	83,555,654	-	17,134,665
15	Inventories	14,321,042	-	-	-
16	Restricted Assets - Cash and Cash Equivalents	-	-	-	-
17	Restricted Assets - Other Assets	-	-	-	-
18	Property, Plant and Equipment - Net	-	-	-	-
19	Other Assets	-	11,545	-	-
20	Amount Available in Debt Service Funds	-	-	-	-
21	Amount to be Provided for Retirement of Long-Term Obligations	-	-	-	-
22	Total Assets and Other Debits	\$ 668,333,401	\$ 390,149,018	\$ 104,210,229	\$ 106,164,603
<u>Liabilities and Fund Equity</u>					
23	Notes Payable	\$ -	\$ 1,358,435	\$ -	\$ -
24	Vouchers and Accounts Payable	88,536,489	66,712,745	2,257,724	19,459,825
25	Salaries and Wages Payable	37,969,039	1,829,385	-	142,069
26	Payroll Taxes Payable	-	-	-	-
27	Accrued Expenses	-	-	-	-
28	Due to Other Funds	698,754	9,227,255	235,448	-
29	Due to Primary Government	-	-	-	-
30	Due to Component Units	-	26,746,742	-	-
31	Funds Held in Escrow and Advance Deposits	1,822,619	5,435,437	-	17,873,125
32	Due to Other Governmental Units	1,348,559	-	-	-
33	Deferred Revenue	111,483,808	63,221,654	-	-
34	General Obligation Bonds	-	-	-	-
35	Revenue Bonds	-	-	-	-
36	Unamortized Loss - Refunded Debt	-	-	-	-
37	Unamortized Discount on Revenue Bonds	-	-	-	-
38	Obligations Under Capital Leases	-	-	-	-
39	Other Liabilities	7,583,774	-	-	-
40	Total Liabilities	249,443,042	174,531,653	2,493,172	37,475,019
Fund Equity and Other Credits:					
41	Investment in General Fixed Assets	-	-	-	-
42	Contributed Capital - Local Sources	-	-	-	-
43	Contributed Capital - Other Sources	-	-	-	-
Retained Earnings:					
44	Reserved	-	-	-	-
45	Unreserved	-	-	-	-
Fund Balances:					
46	Reserved	123,752,792	139,035,233	99,801,057	126,879,953
Unreserved:					
47	Designated	-	75,213,259	-	-
48	Undesignated Fund Balance	295,137,567	1,368,873	1,916,000	(58,190,369)
49	Total Unreserved Fund Balances	295,137,567	76,582,132	1,916,000	(58,190,369)
50	Total Fund Equity and Other Credits	418,890,359	215,617,365	101,717,057	68,689,584
51	Total Liabilities, Fund Equity and Other Credits	\$ 668,333,401	\$ 390,149,018	\$ 104,210,229	\$ 106,164,603

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

Proprietary Fund Type	Fiduciary Fund Types	Account Groups		Totals Primary Government (Memorandum Only)	Component Units**	Totals Reporting Entity (Memorandum Only)	Line No.
Enterprise Funds	Trust and Agency Funds	General Fixed Assets	General Long-Term Debt				
\$ 30,000	\$ 34,419,525	\$ -	\$ -	\$ 53,336,411	\$ 63,205,854	\$ 116,542,265	1
-	-	-	-	-	101,745,391	101,745,391	2
114,526,923	5,540,455,869	-	-	6,209,140,380	-	6,209,140,380	3
-	45,017,902	-	-	217,020,899	157,834,676	374,855,575	4
-	698,754	-	-	10,161,457	-	10,161,457	5
-	-	-	-	-	34,474,088	34,474,088	6
-	-	-	-	17,809,004	-	17,809,004	7
-	-	-	-	-	46,542,438	46,542,438	8
-	-	-	-	30,714,640	36,060,308	66,774,948	9
-	-	-	-	270,107,877	190,858,082	460,965,959	10
182,710,128	7,877,337	-	-	267,569,660	226,930,093	494,499,753	11
(100,625,115)	-	-	-	(298,604,202)	(158,135,642)	(456,739,844)	12
-	26,328,436	-	-	35,149,183	2,046,691	37,195,874	13
(2,138)	704,390	-	-	294,261,366	118,523,790	412,785,156	14
34,700,485	68,124	-	-	49,089,651	100,003,381	149,093,032	15
870,194,126	-	-	-	870,194,126	44,685,399	914,879,525	16
224,188,702	-	-	-	224,188,702	596,526,904	820,715,606	17
2,447,259,766	-	2,905,578,935	-	5,352,838,701	3,824,477,137	9,177,315,838	18
238,946	632,956,702	-	-	633,207,193	184,640,091	817,847,284	19
-	-	-	99,801,010	99,801,010	20,963,776	120,764,786	20
-	-	-	3,468,617,802	3,468,617,802	1,354,217,444	4,822,835,246	21
<u>\$ 3,773,221,823</u>	<u>\$ 6,288,527,039</u>	<u>\$ 2,905,578,935</u>	<u>\$ 3,568,418,812</u>	<u>\$ 17,804,603,860</u>	<u>\$ 6,945,599,901</u>	<u>\$ 24,750,203,761</u>	22
\$ -	\$ -	\$ -	\$ -	\$ 1,358,435	\$ 153,138,785	\$ 154,497,220	23
64,311,680	4,986,329	-	-	246,264,792	215,636,108	461,900,900	24
4,347,654	45,126	-	-	44,333,273	82,784,200	127,117,473	25
-	12,034,688	-	-	12,034,688	53,491	12,088,179	26
41,993,196	696,516	-	-	42,689,712	72,303,839	114,993,551	27
-	-	-	-	10,161,457	-	10,161,457	28
-	-	-	-	-	46,363,616	46,363,616	29
-	-	-	-	26,746,742	-	26,746,742	30
-	80,700,818	-	-	105,831,999	11,357,183	117,189,182	31
-	12,588	-	-	1,361,147	76,514,649	77,875,796	32
27,971,935	6,366,078	-	-	209,043,475	184,675,361	393,718,836	33
46,009,407	-	-	1,964,646,882	2,010,656,289	891,389,388	2,902,045,677	34
2,693,353,928	-	-	-	2,693,353,928	1,566,507,580	4,259,861,508	35
(138,027,004)	-	-	-	(138,027,004)	-	(138,027,004)	36
(60,917,685)	-	-	-	(60,917,685)	(23,096,648)	(84,014,333)	37
-	-	-	63,515,000	63,515,000	-	63,515,000	38
15,005,034	753,642,494	-	1,540,256,930	2,316,488,232	623,822,069	2,940,310,301	39
<u>2,694,048,145</u>	<u>858,484,637</u>	<u>-</u>	<u>3,568,418,812</u>	<u>7,584,894,480</u>	<u>3,901,449,621</u>	<u>11,486,344,101</u>	40
-	-	2,905,578,935	-	2,905,578,935	1,735,116,552	4,640,695,487	41
92,930,314	-	-	-	92,930,314	723,995,483	816,925,797	42
600,077,954	-	-	-	600,077,954	97,692,626	697,770,580	43
239,400,345	-	-	-	239,400,345	113,320,010	352,720,355	44
146,765,065	-	-	-	146,765,065	276,182,031	422,947,096	45
-	5,421,109,506	-	-	5,910,578,541	215,794,354	6,126,372,895	46
-	8,932,896	-	-	84,146,155	3,562,062	87,708,217	47
-	-	-	-	240,232,071	(121,512,838)	118,719,233	48
-	8,932,896	-	-	324,378,226	(117,950,776)	206,427,450	49
<u>1,079,173,678</u>	<u>5,430,042,402</u>	<u>2,905,578,935</u>	<u>-</u>	<u>10,219,709,380</u>	<u>3,044,150,280</u>	<u>13,263,859,660</u>	50
<u>\$ 3,773,221,823</u>	<u>\$ 6,288,527,039</u>	<u>\$ 2,905,578,935</u>	<u>\$ 3,568,418,812</u>	<u>\$ 17,804,603,860</u>	<u>\$ 6,945,599,901</u>	<u>\$ 24,750,203,761</u>	51

** The Component Unit Balance Sheet includes the Philadelphia Gas Works Fund which is presented as of the close of their fiscal year, August 31, 1999, the Philadelphia Parking Authority Fund and the Philadelphia Housing Authority which are presented as of the close of their fiscal year, March 31, 2000 and the Community Behavioral Health Fund and the Philadelphia Authority for Industrial Development Fund which are presented as of the close of their fiscal year, December 31, 1999.

CITY OF PHILADELPHIA
 ALL GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS AND
 DISCRETELY PRESENTED COMPONENT UNITS
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 UNRESERVED FUND EQUITY
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Governmental Fund Types		
	General Fund	Special Revenue Funds	Debt Service Funds
Revenues:			
Tax Revenue	\$ 1,856,586,635	\$ 285,004,181	\$ -
Locally Generated Non-Tax Revenue	181,148,149	61,470,656	17,308,170
Revenue from Other Governments	519,224,532	1,082,713,825	-
Other Revenues	14,942,440	-	-
<u>Total Revenues</u>	<u>2,571,901,756</u>	<u>1,429,188,662</u>	<u>17,308,170</u>
Expenditures:			
Current Operating:			
Economic Development	18,762,291	10,089,016	-
Transportation	105,655,904	25,844,384	-
Judiciary and Law Enforcement	947,389,828	54,333,788	-
Conservation of Health	146,068,561	506,014,188	-
Housing and Neighborhood Development	5,496,757	53,494,692	-
Cultural and Recreational	120,131,447	15,553,051	-
Improvement of General Welfare	493,456,717	36,120,968	-
Services to Property	266,667,580	69,953	-
General Management and Support	366,068,488	29,790,602	-
Education	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	120,006,916
Interest	-	-	115,617,885
Bond Issuance Cost	-	-	-
<u>Total Expenditures</u>	<u>2,469,697,573</u>	<u>731,310,642</u>	<u>235,624,801</u>
Excess of Revenues Over (Under) Expenditures	<u>102,204,183</u>	<u>697,878,020</u>	<u>(218,316,631)</u>
Other Financing Sources (Uses):			
Proceeds from Bond Sales	-	-	-
Defeasement	-	-	-
Operating Transfers In	168,980,413	1,090,000	225,123,616
Operating Transfers Out	(124,147,756)	(293,719,586)	-
Operating Transfers From Component Units	49,197,792	-	-
Operating Transfers To Component Units	(87,670,575)	(478,394,506)	-
<u>Total Other Financing Sources (Uses)</u>	<u>6,359,874</u>	<u>(771,024,092)</u>	<u>225,123,616</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	108,564,057	(73,146,072)	6,806,985
Net Income (Loss) from Proprietary Operations	-	-	-
Other Changes in Unreserved Fund Equity:			
(Increase) Decrease in Reserve for Encumbrances	(19,139,883)	904,163	-
Decrease in Reserve for Intergovernmental Financing	-	12,969,257	-
Decrease in Reserve for Intergovernmentally Financed Programs	-	4,368,034	-
Decrease in Reserve for Public Safety Emergency Phone System	-	3,620,093	-
Increase in Reserve for Managed Care	-	(11,629,015)	-
Net Change in Propriety Equity Accounts	-	-	-
Increase in Reserve for Self Insurance	-	-	-
Decrease in Reserve for Tax Lien Proceeds	-	-	-
Increase in Reserve for Designated Fund Balance	-	-	-
(Increase)Decrease in Reserve for Debt Service	-	-	(5,980,985)
Net Change in Unreserved Fund Equity for the Year	89,424,174	(62,913,540)	826,000
Fund Equity - Unreserved, July 1, 1999	<u>205,713,393</u>	<u>139,495,672</u>	<u>1,090,000</u>
Fund Equity - Unreserved, June 30, 2000	<u>\$ 295,137,567</u>	<u>\$ 76,582,132</u>	<u>\$ 1,916,000</u>

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

EXHIBIT I-A-2

	<u>Fiduciary Fund Types</u>	<u>Totals</u>	<u>Component Units</u>	<u>Totals</u>
<u>Capital</u>	<u>Expendable</u>	<u>Primary</u>	<u>School</u>	<u>Reporting Entity</u>
<u>Improvement</u>	<u>Trust</u>	<u>Government</u>	<u>District</u>	<u>(Memorandum</u>
<u>Funds</u>	<u>Funds</u>	<u>(Memorandum</u>	<u>of Philadelphia</u>	<u>Only)</u>
		<u>Only)</u>		
\$ -	\$ -	\$ 2,141,590,816	\$ 557,299,347	\$ 2,698,890,163
1,965,026	9,491,105	271,383,106	71,298,538	342,681,644
21,285,440	-	1,623,223,797	1,085,433,959	2,708,657,756
4,203,628	-	19,146,068	-	19,146,068
<u>27,454,094</u>	<u>9,491,105</u>	<u>4,055,343,787</u>	<u>1,714,031,844</u>	<u>5,769,375,631</u>
-	-	28,851,307	-	28,851,307
-	-	131,500,288	131,202,466	262,702,754
-	892,656	1,002,616,272	-	1,002,616,272
-	-	652,082,749	-	652,082,749
-	-	58,991,449	-	58,991,449
-	6,271,657	141,956,155	-	141,956,155
-	102,408	529,680,093	-	529,680,093
-	-	266,737,533	222,174,054	488,911,587
-	732,171	396,591,261	85,152,263	481,743,524
-	-	-	1,224,189,188	1,224,189,188
158,471,974	-	158,471,974	143,828,776	302,300,750
-	-	120,006,916	36,773,641	156,780,557
-	-	115,617,885	40,490,383	156,108,268
-	-	-	2,649,139	2,649,139
<u>158,471,974</u>	<u>7,998,892</u>	<u>3,603,103,882</u>	<u>1,886,459,910</u>	<u>5,489,563,792</u>
<u>(131,017,880)</u>	<u>1,492,213</u>	<u>452,239,905</u>	<u>(172,428,066)</u>	<u>279,811,839</u>
-	-	-	177,503,257	177,503,257
-	-	-	(74,862,819)	(74,862,819)
52,203,098	854,513	448,251,640	-	448,251,640
(26,203,376)	-	(444,070,718)	-	(444,070,718)
-	-	49,197,792	-	49,197,792
<u>(1,850,000)</u>	<u>-</u>	<u>(567,915,081)</u>	<u>-</u>	<u>(567,915,081)</u>
<u>24,149,722</u>	<u>854,513</u>	<u>(514,536,367)</u>	<u>102,640,438</u>	<u>(411,895,929)</u>
(106,868,158)	2,346,726	(62,296,462)	(69,787,628)	(132,084,090)
-	-	-	346,639	346,639
(51,691,758)	28,866	(69,898,612)	(34,907,893)	(104,806,505)
-	-	12,969,257	-	12,969,257
-	-	4,368,034	-	4,368,034
-	-	3,620,093	-	3,620,093
-	-	(11,629,015)	-	(11,629,015)
-	-	-	(270,901)	(270,901)
-	-	-	1,006,058	1,006,058
-	-	-	3,210,304	3,210,304
-	-	-	66,985	66,985
-	-	(5,980,985)	8,065,570	2,084,585
<u>(158,559,916)</u>	<u>2,375,592</u>	<u>(128,847,690)</u>	<u>(92,270,866)</u>	<u>(221,118,556)</u>
<u>100,369,547</u>	<u>3,082,133</u>	<u>449,750,745</u>	<u>(25,679,910)</u>	<u>424,070,835</u>
\$ <u>(58,190,369)</u>	\$ <u>5,457,725</u>	\$ <u>320,903,055</u>	\$ <u>(117,950,776)</u>	\$ <u>202,952,279</u>

CITY OF PHILADELPHIA
 ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS/FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT I-A-3

	Proprietary Fund Types Enterprise Funds	Fiduciary Fund Types Departmental Non-Expendable Trust Fund	Totals Primary Government (Memorandum Only)	Component Units Enterprise Funds	Totals Reporting Entity (Memorandum Only)
Operating Revenues:					
Charges for Goods and Services	\$ 390,032,386	\$ -	\$ 390,032,386	\$ 479,406,265	\$ 869,438,651
Sales of Land and Improvements	2,019,100	-	2,019,100	11,106,956	13,126,056
Rentals and Concessions	79,528,448	-	79,528,448	133,031,522	212,559,970
Interest and Dividends	-	229,283	229,283	-	229,283
Net Increase(Decrease) in the Fair Value of Investments	-	(129,866)	(129,866)	-	(129,866)
Miscellaneous Operating Revenues	7,286,160	23,884	7,310,044	34,609,690	41,919,734
Total Operating Revenues	478,866,094	123,301	478,989,395	658,154,433	1,137,143,828
Operating Expenses:					
Personal Services	131,075,943	-	131,075,943	152,896,937	283,972,880
Purchase of Services	99,477,988	-	99,477,988	214,211,605	313,689,593
Materials and Supplies	25,221,381	-	25,221,381	7,563,189	32,784,570
Employee Benefits	51,731,573	-	51,731,573	16,787,340	68,518,913
Indemnities and Taxes	5,851,053	-	5,851,053	1,079,314	6,930,367
Depreciation and Amortization	126,595,195	-	126,595,195	81,666,766	208,261,961
Cost of Goods Sold	2,756,238	-	2,756,238	311,765,927	314,522,165
Other Operating Expenses	-	126,675	126,675	475,879,816	476,006,491
Total Operating Expenses	442,709,371	126,675	442,836,046	1,261,850,894	1,704,686,940
Operating Income (Loss)	36,156,723	(3,374)	36,153,349	(603,696,461)	(567,543,112)
Non-Operating Revenues (Expenses):					
Operating Grants	7,571,662	-	7,571,662	238,535,163	246,106,825
Passenger Facility Charges	33,602,771	-	33,602,771	-	33,602,771
Other Income	3,255,900	-	3,255,900	12,831,642	16,087,542
Interest Income	39,137,063	-	39,137,063	19,498,550	58,635,613
Debt Service - Interest	(111,394,037)	-	(111,394,037)	(73,581,672)	(184,975,709)
Other Expenses	(35,946,333)	-	(35,946,333)	(12,925,094)	(48,871,427)
Total Non-Operating Revenues (Expenses)	(63,772,974)	-	(63,772,974)	184,358,589	120,585,615
Income (Loss) Before Operating Transfers	(27,616,251)	(3,374)	(27,619,625)	(419,337,872)	(446,957,497)
Operating Transfers Out	(4,137,590)	(43,332)	(4,180,922)	-	(4,180,922)
Operating Transfers from Component Unit	21,894,091	-	21,894,091	-	21,894,091
Operating Transfers to Component Unit	(2,876,119)	-	(2,876,119)	-	(2,876,119)
Operating Transfers from Primary Government	-	-	-	501,798,862	501,798,862
Operating Transfers to Primary Government	-	-	-	(77,322,507)	(77,322,507)
Net Income	(12,735,869)	(46,706)	(12,782,575)	5,138,483	(7,644,092)
Other Changes in Unreserved Retained Earnings:					
Credit Arising from Transfer of Depreciation to Contributed Capital - Other Sources	28,374,344	-	28,374,344	-	28,374,344
(Increase) in Reserve for Capital Purposes	(2,686,637)	-	(2,686,637)	-	(2,686,637)
(Increase) in Reserve for Trust Principal	-	360,225	360,225	-	360,225
(Increase) in Reserve for Debt Service	-	-	-	(12,462,620)	(12,462,620)
Decrease in Reserve for Rate Stabilization	13,464,922	-	13,464,922	-	13,464,922
Net Change in Unreserved Retained Earnings/ Fund Balance for the Year	26,416,760	313,519	26,730,279	(7,324,137)	19,406,142
Retained Earnings/Fund Balance - Unreserved, July 1, 1999	120,348,305	3,161,652	123,509,957	283,506,168	407,016,125
Retained Earnings/Fund Balance - Unreserved, June 30, 2000	<u>\$ 146,765,065</u>	<u>\$ 3,475,171</u>	<u>\$ 150,240,236</u>	<u>\$ 276,182,031</u>	<u>\$ 426,422,267</u>

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

CITY OF PHILADELPHIA
 ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 COMBINED STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT I-A-4

	<u>Proprietary Fund Types</u>	<u>Fiduciary Fund Types</u>	<u>Totals Primary Government (Memorandum Only)</u>	<u>Component Units</u>	<u>Totals Reporting Entity (Memorandum Only)</u>
	<u>Enterprise Funds</u>	<u>Departmental Non-Expendable Trust Funds</u>		<u>Enterprise Funds</u>	
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 36,156,723	\$ (3,374)	\$ 36,153,349	\$ (603,696,461)	\$ (567,543,112)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	126,595,195	-	126,595,195	81,680,770	208,275,965
Provision for Uncollectible Accounts	(1,713,723)	-	(1,713,723)	2,374,221	660,498
Investing Activities	-	(121,631)	(121,631)	-	(121,631)
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	5,493,555	25,085	5,518,640	(64,440,919)	(58,922,279)
(Increase) Decrease in Inventories	329,017	-	329,017	(1,401,721)	(1,072,704)
(Increase) Decrease in Other Current Assets	-	-	-	(22,966,371)	(22,966,371)
(Increase) Decrease in Other Long-Term Assets	-	-	-	49,606,194	49,606,194
Increase (Decrease) in Payables	(6,608,895)	2,217	(6,606,678)	12,883,752	6,277,074
Increase (Decrease) in Accrued Expenses	(3,184,858)	-	(3,184,858)	40,595,194	37,410,336
Increase (Decrease) in Funds Held in Escrow	-	-	-	3,276,893	3,276,893
Increase (Decrease) in Deferred Revenue	(2,841,692)	-	(2,841,692)	33,228,378	30,386,686
Increase (Decrease) in Other Liabilities	-	-	-	(56,567,605)	(56,567,605)
Net Cash Provided (Used) by Operating Activities	<u>154,225,322</u>	<u>(97,703)</u>	<u>154,127,619</u>	<u>(525,427,675)</u>	<u>(371,300,056)</u>
Cash Flows from Non-Capital Financing Activities:					
Operating Grants Received	7,700,184	-	7,700,184	238,535,163	246,235,347
Other Non-Capital Financing Income	-	-	-	11,964,173	11,964,173
Other Non-Capital Financing Expenses	(28,363,678)	-	(28,363,678)	(6,520,199)	(34,883,877)
Operating Transfers To Primary Government	(4,137,590)	(43,332)	(4,180,922)	(77,322,507)	(81,503,429)
Operating Transfers From Primary Government	-	-	-	501,798,862	501,798,862
Operating Transfers From Component Units	21,894,091	-	21,894,091	-	21,894,091
Operating Transfers To Component Units	(2,876,119)	-	(2,876,119)	-	(2,876,119)
Changes in Assets and Liabilities:					
(Increase) Decrease in Restricted Assets	-	-	-	(963)	(963)
Increase (Decrease) in Other Liabilities	(38,545)	-	(38,545)	(334,775)	(373,320)
Net Cash Provided (Used) in Non-Capital Financing Activities	<u>(5,821,657)</u>	<u>(43,332)</u>	<u>(5,864,989)</u>	<u>668,119,754</u>	<u>662,254,765</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Sale of Bonds	33,040,000	-	33,040,000	321,925,769	354,965,769
Bond Issuance Expenses	(411,476)	-	(411,476)	(151,877)	(563,353)
Principal Paid on Debt Instruments	(114,555,969)	-	(114,555,969)	(67,993,736)	(182,549,705)
Interest Paid on Debt Instruments	(145,950,463)	-	(145,950,463)	(78,379,384)	(224,329,847)
Acquisition and Construction of Capital Assets	(223,097,448)	-	(223,097,448)	(263,395,308)	(486,492,756)
Disposal of Capital Assets	-	-	-	145,368	145,368
Capital Grants	4,764,246	-	4,764,246	(241,340)	4,522,906
Contributions Received	112,906	-	112,906	149,094,155	149,207,061
Passenger Facility Charge	32,950,934	-	32,950,934	-	32,950,934
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	-	-	-	(28,118,405)	(28,118,405)
(Increase) Decrease in Restricted Assets	4,584,875	-	4,584,875	(63,360,471)	(58,775,596)
Increase (Decrease) in Other Liabilities	5,444,466	-	5,444,466	-	5,444,466
Increase (Decrease) in Funds Held in Escrow	-	-	-	47,413	47,413
(Increase) Decrease in Payables	-	-	-	1,343,712	1,343,712
Net Cash Provided (Used) in Capital and Related Financing Activities	<u>(403,117,929)</u>	<u>-</u>	<u>(403,117,929)</u>	<u>(29,084,104)</u>	<u>(432,202,033)</u>
Cash Flows from Investing Activities:					
Purchase of Investments	-	(106,993)	(106,993)	(382,351,656)	(382,458,649)
Proceeds from Sale of Investments	-	-	-	248,723,722	248,723,722
Interest and Dividends on Investments	69,199,828	224,840	69,424,668	30,713,094	100,137,762
Net Cash Provided by Investing Activities	<u>69,199,828</u>	<u>117,847</u>	<u>69,317,675</u>	<u>(102,914,840)</u>	<u>(33,597,165)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(185,514,436)</u>	<u>(23,188)</u>	<u>(185,537,624)</u>	<u>10,693,135</u>	<u>(174,844,489)</u>
Cash and Cash Equivalents, July 1, 1999	<u>1,170,265,485</u>	<u>305,505</u>	<u>1,170,570,990</u>	<u>89,537,645</u>	<u>1,260,108,635</u>
Cash and Cash Equivalents, June 30, 2000	<u>\$ 984,751,049</u>	<u>\$ 282,317</u>	<u>\$ 985,033,366</u>	<u>\$ 100,230,780</u>	<u>\$ 1,085,264,146</u>
Reconciliation to Combined Balance Sheet :					
Included in :					
Equity in Treasurer's Account	\$ 114,526,923	\$ -	\$ 114,526,923	\$ -	\$ 114,526,923
Cash on Deposit	30,000	282,317	312,317	55,545,381	55,857,698
Restricted Assets	870,194,126	-	870,194,126	44,685,399	914,879,525
Cash and Cash Equivalents, June 30, 2000	<u>\$ 984,751,049</u>	<u>\$ 282,317</u>	<u>\$ 985,033,366</u>	<u>\$ 100,230,780</u>	<u>\$ 1,085,264,146</u>

Non-Cash Investing, Capital or Financing Activities:
 Non-Expendable Trust Funds had a Net Decrease in Fair Value of Investments of \$129,866

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

CITY OF PHILADELPHIA
GENERAL AND SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
CAPITAL IMPROVEMENT FUNDS (EXCEPT MUNICIPAL AUTHORITY FUND)
COMBINED STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	General Fund		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Tax Revenue	\$ 1,781,849,000	\$ 1,856,586,635	\$ 74,737,635
Locally Generated Non-Tax Revenue	185,457,000	194,947,068	9,490,068
Revenue from Other Governments	676,312,000	677,967,064	1,655,064
Revenue from Other Funds	<u>24,075,000</u>	<u>25,999,331</u>	<u>1,924,331</u>
Total Revenues	2,667,693,000	2,755,500,098	87,807,098
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
Proceeds from Bond Sales	-	-	-
(Increase) in Financed Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>2,667,693,000</u>	<u>2,755,500,098</u>	<u>87,807,098</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	1,084,924,814	1,071,809,486	13,115,328
Pension Contributions	222,281,923	219,713,700	2,568,223
Other Employee Benefits	274,077,834	274,077,107	727
Sub-total	<u>1,581,284,571</u>	<u>1,565,600,293</u>	<u>15,684,278</u>
Purchase of Services	874,646,795	848,946,425	25,700,370
Materials and Supplies	55,034,782	53,397,953	1,636,829
Equipment	28,709,957	26,272,645	2,437,312
Contributions, Indemnities and Taxes	70,059,172	69,920,408	138,764
Debt Service - Principal	40,753,019	40,753,019	-
Debt Service - Interest	38,683,298	38,683,298	-
Short-Term Interest	12,103,578	12,103,578	-
Payments to Other Funds	29,107,302	26,396,133	2,711,169
Advances, Subsidies, Miscellaneous	29,171,000	29,171,000	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures and Encumbrances</u>	<u>2,759,553,474</u>	<u>2,711,244,752</u>	<u>48,308,722</u>
Operating Surplus (Deficit) for the Year	\$ <u>(91,860,474)</u>	<u>44,255,346</u>	\$ <u>136,115,820</u>
Fund Balance Available for Appropriation, July 1, 1999		205,713,393	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		22,823,582	
Revenue Adjustments - Net		21,859,864	
Prior Period Adjustments		485,382	
Other Adjustments		<u>-</u>	
Adjusted Fund Balance, July 1, 1999		<u>250,882,221</u>	
Fund Balance Available for Appropriation, June 30, 2000		\$ <u>295,137,567</u>	

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

Special Revenue Funds			Capital Improvement Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ 24,900,000	\$ 25,944,976	\$ 1,044,976	\$ -	\$ -	\$ -
54,607,586	46,275,343	(8,332,243)	472,465,000	37,004,880	(435,460,120)
1,085,231,731	989,340,394	(95,891,337)	242,789,000	39,060,302	(203,728,698)
-	-	-	-	-	-
<u>1,164,739,317</u>	<u>1,061,560,713</u>	<u>(103,178,604)</u>	<u>715,254,000</u>	<u>76,065,182</u>	<u>(639,188,818)</u>
-	(21,718,383)	(21,718,383)	-	13,713,272	13,713,272
-	-	-	-	-	-
-	(3,640,888)	(3,640,888)	-	-	-
<u>1,164,739,317</u>	<u>1,036,201,442</u>	<u>(128,537,875)</u>	<u>715,254,000</u>	<u>89,778,454</u>	<u>(625,475,546)</u>
106,069,076	91,039,867	15,029,209	-	-	-
7,608,168	6,309,767	1,298,401	-	-	-
12,895,317	10,995,973	1,899,344	-	-	-
<u>126,572,561</u>	<u>108,345,607</u>	<u>18,226,954</u>	-	-	-
1,089,117,725	954,430,010	134,687,715	-	-	-
20,335,536	15,894,850	4,440,686	-	-	-
13,234,227	6,267,085	6,967,142	-	-	-
25,298,313	26,939,363	(1,641,050)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
18,730,530	18,085,424	645,106	-	-	-
45,455,634	-	45,455,634	-	-	-
-	-	-	715,254,000	224,882,649	490,371,351
<u>1,338,744,526</u>	<u>1,129,962,339</u>	<u>208,782,187</u>	<u>715,254,000</u>	<u>224,882,649</u>	<u>490,371,351</u>
\$ <u>(174,005,209)</u>	<u>(93,760,897)</u>	\$ <u>80,244,312</u>	\$ -	(135,104,195)	\$ (135,104,195)
	138,992,240			61,916,416	
	31,455,468			2,776,989	
	(1,240,887)			-	
	689,228			145,176	
	-			138,949	
	<u>169,896,049</u>			<u>64,977,530</u>	
	\$ <u>76,135,152</u>			\$ <u>(70,126,665)</u>	

CITY OF PHILADELPHIA
PENSION TRUST FUNDS
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT I-A-6

	<u>Gas Works Retirement Reserve Fund</u>	<u>Municipal Pension Fund</u>	<u>Totals Pension Trust Funds</u>
Additions:			
Contributions:			
Employer's Contributions	\$ 794,311	\$ 183,927,936	\$ 184,722,247
Employees' Contributions	<u>-</u>	<u>50,248,065</u>	<u>50,248,065</u>
 Total Contributions	 <u>794,311</u>	 <u>234,176,001</u>	 <u>234,970,312</u>
Investment Income:			
Interest and Dividends	16,718,385	124,879,185	141,597,570
Net Appreciation in Fair Value of Investments	29,420,106	333,549,903	362,970,009
(Less) Investments Expenses	(2,150,693)	(14,871,036)	(17,021,729)
Securities Lending Revenue	682,885	28,491,789	29,174,674
(Less) Securities Lending Expenses	<u>(631,572)</u>	<u>(26,992,901)</u>	<u>(27,624,473)</u>
 Net Investment Income	 <u>44,039,111</u>	 <u>445,056,940</u>	 <u>489,096,051</u>
 Miscellaneous Operating Revenues	 -	 194,773	 194,773
 <u>Total Additions</u>	 <u>44,833,422</u>	 <u>679,427,714</u>	 <u>724,261,136</u>
Deductions:			
Personal Services	-	2,329,523	2,329,523
Purchase of Services	-	1,125,046	1,125,046
Materials and Supplies	-	59,758	59,758
Employee Benefits	-	940,187	940,187
Pension Benefits	27,495,751	444,272,795	471,768,546
Refunds of Members' Contributions	-	4,197,810	4,197,810
Other Operating Expenses	<u>-</u>	<u>426,696</u>	<u>426,696</u>
 <u>Total Deductions</u>	 <u>27,495,751</u>	 <u>453,351,815</u>	 <u>480,847,566</u>
 <u>Net Increase</u>	 <u>17,337,671</u>	 <u>226,075,899</u>	 <u>243,413,570</u>
 Net Assets Held in Trust for Pension Benefits - July 1, 1999	 422,702,291	 4,750,336,942	 5,173,039,233
 Net Assets Held in Trust for Pension Benefits - June 30, 2000	 <u>\$ 440,039,962</u>	 <u>\$ 4,976,412,841</u>	 <u>\$ 5,416,452,803</u>

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

CITY OF PHILADELPHIA
 COMPONENT UNITS - ALL FUND TYPES
 COMBINING BALANCE SHEET
 JUNE 30, 2000*

EXHIBIT I-A-7

	<u>School District of Philadelphia</u>	<u>Combined Proprietary Fund Types</u>	<u>Community College of Philadelphia</u>	<u>Totals Component Units</u>
<u>Assets and Other Debits</u>				
Cash on Deposit and on Hand	\$ 7,228,783	\$ 55,545,381	\$ 431,690	\$ 63,205,854
Equity in Pooled Cash and Investments	101,745,391	-	-	101,745,391
Investments	53,263,589	80,178,165	24,392,922	157,834,676
Due from Primary Government	-	34,474,088	-	34,474,088
Amounts Held by Fiscal Agent	46,542,438	-	-	46,542,438
Taxes Receivable	190,858,082	-	-	190,858,082
Accounts Receivable	4,398,995	220,780,004	1,751,094	226,930,093
Allowance for Doubtful Accounts	(88,596,879)	(69,538,763)	-	(158,135,642)
Interest and Dividends Receivable	855,339	1,010,177	181,175	2,046,691
Notes Receivable	1,695,789	34,364,519	-	36,060,308
Due from Other Governmental Units	58,830,457	57,975,043	1,718,290	118,523,790
Inventories	5,041,513	94,961,868	-	100,003,381
Restricted Assets - Cash and Cash Equivalents	-	44,685,399	-	44,685,399
Restricted Assets - Other Assets	-	593,582,349	2,944,555	596,526,904
Property, Plant and Equipment - Net	1,738,705,549	1,993,801,285	91,970,303	3,824,477,137
Other Assets	-	184,436,380	203,711	184,640,091
Amount Available in Debt Service Funds	20,963,776	-	-	20,963,776
Amount to be Provided for Retirement of Long-Term Obligations	1,354,217,444	-	-	1,354,217,444
Total Assets and Other Debits	\$ 3,495,750,266	\$ 3,326,255,895	\$ 123,593,740	\$ 6,945,599,901
<u>Liabilities and Fund Equity</u>				
Notes Payable	\$ -	\$ 119,649,448	\$ 33,489,337	\$ 153,138,785
Vouchers and Accounts Payable	54,766,725	158,146,587	2,722,796	215,636,108
Salaries and Wages Payable	72,916,932	3,657,916	6,209,352	82,784,200
Payroll Taxes Payable	-	-	53,491	53,491
Accrued Expenses	6,166,436	65,845,906	291,497	72,303,839
Due to Primary Government	-	46,363,616	-	46,363,616
Funds Held in Escrow and Advance Deposits	-	11,240,597	116,586	11,357,183
Due to Other Governmental Units	25,414,300	49,460,824	1,639,525	76,514,649
Deferred Revenue	109,803,952	72,909,855	1,961,554	184,675,361
General Obligation Bonds	891,389,388	-	-	891,389,388
Revenue Bonds	-	1,566,507,580	-	1,566,507,580
Unamortized Discount on Revenue Bonds	-	(23,096,648)	-	(23,096,648)
Other Liabilities	489,615,856	134,206,213	-	623,822,069
Total Liabilities	1,650,073,589	2,204,891,894	46,484,138	3,901,449,621
Fund Equity and Other Credits:				
Investment in General Fixed Assets	1,735,116,552	-	-	1,735,116,552
Contributed Capital - Local Sources	7,237,827	716,757,656	-	723,995,483
Contributed Capital - Other Sources	-	97,692,626	-	97,692,626
Retained Earnings:				
Reserved	5,478,720	30,731,688	77,109,602	113,320,010
Unreserved	-	276,182,031	-	276,182,031
Fund Balances:				
Reserved	215,794,354	-	-	215,794,354
Unreserved:				
Designated	3,562,062	-	-	3,562,062
Undesignated Fund Balance	(121,512,838)	-	-	(121,512,838)
Total Unreserved Fund Balances	(117,950,776)	-	-	(117,950,776)
Total Fund Equity and Other Credits	1,845,676,677	1,121,364,001	77,109,602	3,044,150,280
Total Liabilities, Fund Equity and Other Credits	\$ 3,495,750,266	\$ 3,326,255,895	\$ 123,593,740	\$ 6,945,599,901

* Refer to Exhibit I-A-8

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

CITY OF PHILADELPHIA
 COMPONENT UNITS - PROPRIETARY FUND TYPES
 COMBINING BALANCE SHEET
 JUNE 30, 2000*

Line No.	Philadelphia Gas Works	Philadelphia Redevelopment Authority	Philadelphia Housing Development Corporation	Philadelphia Parking Authority	
<u>Assets and Other Debits</u>					
1	Cash on Deposit and on Hand	\$ 16,087,525	\$ 3,382,430	\$ 977,684	\$ 8,520,567
2	Investments	-	-	-	26,849,193
3	Due from Primary Government	-	-	1,922,817	-
4	Accounts Receivable	107,452,911	9,249,812	-	1,696,214
5	Allowance for Doubtful Accounts	(67,070,158)	(2,253,992)	-	-
6	Interest and Dividends Receivable	-	-	-	447,739
7	Notes Receivable	-	-	-	-
8	Due from Other Governmental Units	-	-	1,283,145	-
9	Inventories	53,850,036	18,628,132	5,828,784	-
10	Restricted Assets - Cash and Cash Equivalents	-	38,294,866	1,970,792	1,271,270
11	Restricted Assets - Other Assets	208,149,366	87,164,535	-	235,787,582
12	Property, Plant and Equipment - Net	856,449,340	6,099,279	-	122,100,207
13	Other Assets	108,836,956	37,749,949	473,078	901,855
14	<u>Total Assets and Other Debits</u>	<u>\$ 1,283,755,976</u>	<u>\$ 198,315,011</u>	<u>\$ 12,456,300</u>	<u>\$ 397,574,627</u>
<u>Liabilities and Fund Equity</u>					
15	Notes Payable	\$ 75,278,105	\$ 31,394,935	\$ -	\$ 10,993,701
16	Vouchers and Accounts Payable	38,629,669	9,236,374	5,688,481	10,065,157
17	Salaries and Wages Payable	3,325,313	-	332,603	-
18	Accrued Expenses	8,563,874	34,262,950	323,350	-
19	Due to Primary Government	3,000,000	-	410,131	21,894,094
20	Funds Held in Escrow and Advance Deposits	1,035,245	5,070,594	340,906	-
21	Due to Other Governmental Units	-	-	9,417	-
22	Deferred Revenue	20,289,601	-	503,803	-
23	Revenue Bonds	884,157,580	60,850,000	-	353,790,000
24	Unamortized Discount on Revenue Bonds	(8,522,616)	-	-	(5,732,670)
25	Other Liabilities	26,288,443	-	3,212,317	2,075,416
26	<u>Total Liabilities</u>	<u>1,052,045,214</u>	<u>140,814,853</u>	<u>10,821,008</u>	<u>393,085,698</u>
Fund Equity:					
27	Contributed Capital - Local Sources	-	-	2,550,000	-
28	Contributed Capital - Other Sources	-	-	592,626	-
Retained Earnings:					
29	Reserved	-	4,035,169	-	26,696,519
30	Unreserved	231,710,762	53,464,989	(1,507,334)	(22,207,590)
31	<u>Total Fund Equity</u>	<u>231,710,762</u>	<u>57,500,158</u>	<u>1,635,292</u>	<u>4,488,929</u>
32	<u>Total Liabilities and Fund Equity</u>	<u>\$ 1,283,755,976</u>	<u>\$ 198,315,011</u>	<u>\$ 12,456,300</u>	<u>\$ 397,574,627</u>

* The Component Unit-Proprietary Fund Types Balance Sheet includes the Philadelphia Gas Works which is presented at the close of their fiscal year, August 31, 1999, the Philadelphia Parking Authority Fund and the Philadelphia Housing Authority which are presented as of the close of their fiscal year, March 31, 2000 and the Community Behavioral Health Fund and the Philadelphia Authority for Industrial Development Fund which are presented as of the close of their fiscal year, December 31, 1999.

Pennsylvania Convention Center Authority	Penn's Landing Corporation	Community Behavioral Health	Philadelphia Housing Authority	Philadelphia Authority for Industrial Development	Total Proprietary Fund Types	Line No.
\$ 1,059,701	\$ 19,124,726	\$ -	\$ 3,933,226	\$ 2,459,522	\$ 55,545,381	1
2,318,700	-	-	51,010,272	-	80,178,165	2
5,229,989	-	26,399,596	-	921,686	34,474,088	3
1,574,498	683,120	50,976,483	2,341,347	46,805,619	220,780,004	4
(135,007)	(79,606)	-	-	-	(69,538,763)	5
-	-	-	550,404	12,034	1,010,177	6
-	3,822,314	-	28,136,240	2,405,965	34,364,519	7
-	-	-	56,146,553	545,345	57,975,043	8
-	-	-	16,654,916	-	94,961,868	9
-	-	-	579,853	2,568,618	44,685,399	10
44,359,461	-	-	18,121,405	-	593,582,349	11
286,735,147	9,975,182	2,269,555	710,172,575	-	1,993,801,285	12
2,779,373	118,304	23,791,645	9,785,220	-	184,436,380	13
<u>\$ 343,921,862</u>	<u>\$ 33,644,040</u>	<u>\$ 103,437,279</u>	<u>\$ 897,432,011</u>	<u>\$ 55,718,789</u>	<u>\$ 3,326,255,895</u>	14
\$ -	\$ 1,982,707	\$ -	\$ -	\$ -	\$ 119,649,448	15
1,577,256	747,088	83,901,042	7,050,452	1,251,068	158,146,587	16
-	-	-	-	-	3,657,916	17
9,318,356	686,970	-	12,690,406	-	65,845,906	18
17,398,873	-	-	-	3,660,518	46,363,616	19
-	-	-	566,036	4,227,816	11,240,597	20
-	-	-	47,774,507	1,676,900	49,460,824	21
865,163	19,433,571	-	-	31,817,717	72,909,855	22
267,710,000	-	-	-	-	1,566,507,580	23
(8,841,362)	-	-	-	-	(23,096,648)	24
-	203,822	17,266,682	85,159,533	-	134,206,213	25
<u>288,028,286</u>	<u>23,054,158</u>	<u>101,167,724</u>	<u>153,240,934</u>	<u>42,634,019</u>	<u>2,204,891,894</u>	26
19,910,000	-	2,269,555	692,028,101	-	716,757,656	27
97,100,000	-	-	-	-	97,692,626	28
-	-	-	-	-	30,731,688	29
(61,116,424)	10,589,882	-	52,162,976	13,084,770	276,182,031	30
<u>55,893,576</u>	<u>10,589,882</u>	<u>2,269,555</u>	<u>744,191,077</u>	<u>13,084,770</u>	<u>1,121,364,001</u>	31
<u>\$ 343,921,862</u>	<u>\$ 33,644,040</u>	<u>\$ 103,437,279</u>	<u>\$ 897,432,011</u>	<u>\$ 55,718,789</u>	<u>\$ 3,326,255,895</u>	32

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

CITY OF PHILADELPHIA
 COMPONENT UNITS - PROPRIETARY FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000*

	Philadelphia Gas Works	Philadelphia Redevelopment Authority	Philadelphia Housing Development Corporation	Philadelphia Parking Authority
Operating Revenues:				
Charges for Goods and Services	\$ 477,278,617	\$ -	\$ -	\$ -
Sales of Land and Improvements	-	10,917,076	189,880	-
Rentals and Concessions	-	-	2,234,353	95,125,913
Miscellaneous Operating Revenues	9,606,129	-	85,893	-
<u>Total Operating Revenues</u>	<u>486,884,746</u>	<u>10,917,076</u>	<u>2,510,126</u>	<u>95,125,913</u>
Operating Expenses:				
Personal Services	66,334,824	9,952,270	5,876,673	14,405,493
Purchase of Services	60,108,366	47,126,872	1,815,016	8,032,318
Materials and Supplies	6,480,077	-	-	-
Employee Benefits	5,606,167	-	2,830,560	7,100,723
Indemnities and Taxes	-	-	-	1,079,314
Depreciation and Amortization	33,777,180	755,267	144,422	3,741,805
Cost of Goods Sold	219,081,128	-	21,828,410	-
Other Operating Expenses	50,427,948	670,799	1,688,157	16,777,299
<u>Total Operating Expenses</u>	<u>441,815,690</u>	<u>58,505,208</u>	<u>34,183,238</u>	<u>51,136,952</u>
Operating Income (Loss)	<u>45,069,056</u>	<u>(47,588,132)</u>	<u>(31,673,112)</u>	<u>43,988,961</u>
Non-Operating Revenues (Expenses):				
Operating Grants	-	5,560,479	4,373,285	-
Other Income	2,198,950	10,131,726	167,966	-
Interest Income	6,063,986	2,661,586	119,612	2,105,897
Other Expenses	(8,592,102)	-	-	-
Debt Service - Interest	(46,990,093)	(1,477,942)	-	(6,463,396)
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(47,319,259)</u>	<u>16,875,849</u>	<u>4,660,863</u>	<u>(4,357,499)</u>
Income (Loss) Before Operating Transfers	(2,250,203)	(30,712,283)	(27,012,249)	39,631,462
Operating Transfers from Primary Government	-	44,946,124	27,766,373	-
Operating Transfers to Primary Government	(18,000,000)	-	-	(35,692,919)
<u>Net Income (Loss)</u>	<u>(20,250,203)</u>	<u>14,233,841</u>	<u>754,124</u>	<u>3,938,543</u>
Other Changes in Unreserved Retained Earnings (Increase) in Reserve for Debt Service	-	1,451,792	-	(13,914,412)
Net Change in Unreserved Retained Earnings for the Year	(20,250,203)	15,685,633	754,124	(9,975,869)
Retained Earnings - Unreserved, July 1, 1999	251,960,965	37,779,356	(2,261,458)	(12,231,721)
Retained Earnings - Unreserved, June 30, 2000	<u>\$ 231,710,762</u>	<u>\$ 53,464,989</u>	<u>\$ (1,507,334)</u>	<u>\$ (22,207,590)</u>

*The Philadelphia Gas Works is presented at the close of their fiscal year, August 31, 1999, the Philadelphia Parking Authority Fund and the Philadelphia Housing Authority are presented as of the close of their fiscal year, March 31, 2000 and the Community Behavioral Health Fund and the Philadelphia Authority for Industrial Development Fund are presented as of the close of their fiscal year, December 31, 1999.

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

Pennsylvania Convention Center Authority	Penn's Landing Corporation	Community Behavioral Health	Philadelphia Housing Authority	Philadelphia Authority for Industrial Development	Totals
\$ -	\$ -	\$ -	\$ -	\$ 2,127,648	\$ 479,406,265
-	-	-	-	-	11,106,956
11,792,016	2,432,229	-	16,514,817	4,932,194	133,031,522
-	22,062,551	1,151,199	1,703,918	-	34,609,690
<u>11,792,016</u>	<u>24,494,780</u>	<u>1,151,199</u>	<u>18,218,735</u>	<u>7,059,842</u>	<u>658,154,433</u>
4,068,349	2,628,812	-	49,630,516	-	152,896,937
8,782,686	251,707	-	73,712,385	14,382,255	214,211,605
845,415	237,697	-	-	-	7,563,189
1,249,890	-	-	-	-	16,787,340
-	-	-	-	-	1,079,314
9,765,152	1,306,819	-	32,176,121	-	81,666,766
-	-	-	70,856,389	-	311,765,927
<u>2,971,507</u>	<u>17,566,110</u>	<u>335,495,456</u>	<u>16,937,319</u>	<u>33,345,221</u>	<u>475,879,816</u>
<u>27,682,999</u>	<u>21,991,145</u>	<u>335,495,456</u>	<u>243,312,730</u>	<u>47,727,476</u>	<u>1,261,850,894</u>
<u>(15,890,983)</u>	<u>2,503,635</u>	<u>(334,344,257)</u>	<u>(225,093,995)</u>	<u>(40,667,634)</u>	<u>(603,696,461)</u>
-	-	-	217,151,228	11,450,171	238,535,163
333,000	-	-	-	-	12,831,642
3,145,582	1,399,775	-	3,724,082	278,030	19,498,550
(3,392,992)	-	-	-	(940,000)	(12,925,094)
<u>(18,171,793)</u>	<u>-</u>	<u>-</u>	<u>(322,896)</u>	<u>(155,552)</u>	<u>(73,581,672)</u>
<u>(18,086,203)</u>	<u>1,399,775</u>	<u>-</u>	<u>220,552,414</u>	<u>10,632,649</u>	<u>184,358,589</u>
(33,977,186)	3,903,410	(334,344,257)	(4,541,581)	(30,034,985)	(419,337,872)
46,403,623	1,100,000	334,344,257	-	47,238,485	501,798,862
<u>(17,398,873)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,230,715)</u>	<u>(77,322,507)</u>
<u>(4,972,436)</u>	<u>5,003,410</u>	<u>-</u>	<u>(4,541,581)</u>	<u>10,972,785</u>	<u>5,138,483</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,462,620)</u>
<u>(4,972,436)</u>	<u>5,003,410</u>	<u>-</u>	<u>(4,541,581)</u>	<u>10,972,785</u>	<u>(7,324,137)</u>
<u>(56,143,988)</u>	<u>5,586,472</u>	<u>-</u>	<u>56,704,557</u>	<u>2,111,985</u>	<u>283,506,168</u>
<u>\$ (61,116,424)</u>	<u>\$ 10,589,882</u>	<u>\$ -</u>	<u>\$ 52,162,976</u>	<u>\$ 13,084,770</u>	<u>\$ 276,182,031</u>

CITY OF PHILADELPHIA
 COMPONENT UNITS - PROPRIETARY FUND TYPES
 COMBINING STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000*

	Philadelphia Gas Works	Philadelphia Redevelopment Authority	Philadelphia Housing Development Corporation	Philadelphia Parking Authority
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 45,069,056	\$ (47,588,132)	\$ (31,673,112)	\$ 43,988,961
Adjustments to Reconcile Operating Income to Net Cash from Operations:				
Depreciation and Amortization	33,791,184	755,267	144,422	3,741,805
Provision for Uncollectible Accounts	2,346,313	11,918	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	(10,082,502)	(4,433,022)	2,428,302	(714,015)
(Increase) Decrease in Inventories	(1,401,721)	-	-	-
(Increase) Decrease in Other Current Assets	(7,465,726)	105,439	636,479	(288,590)
(Increase) Decrease in Other Long-Term Assets	49,198,023	5,736	-	-
Increase (Decrease) in Payables	28,994,326	(1,720,786)	(4,838,438)	1,536,633
Increase (Decrease) in Accrued Expenses	6,694	(3,235,249)	-	-
Increase (Decrease) in Funds Held in Escrow	(295,941)	-	37,782	-
Increase (Decrease) in Deferred Revenue	15,342,219	-	-	-
Increase (Decrease) in Other Liabilities	(49,932,174)	-	-	(1,382,980)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>105,569,751</u>	<u>(56,098,829)</u>	<u>(33,264,565)</u>	<u>46,881,814</u>
Cash Flows from Non-Capital Financing Activities:				
Operating Grants Received	-	5,560,479	4,373,285	-
Other Non-Capital Financing Income	1,137,036	10,131,726	84,381	-
Other Non-Capital Financing Expenses	(3,023,213)	-	-	-
Operating Transfers To Primary Government	(18,000,000)	-	-	(35,692,919)
Operating Transfers From Primary Government	-	44,946,124	27,766,373	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Restricted Assets	(22,603)	-	21,640	-
Increase (Decrease) in Other Liabilities	605,225	-	-	-
<u>Net Cash Provided (Used) in Non-Capital Financing Activities</u>	<u>(19,303,555)</u>	<u>60,638,329</u>	<u>32,245,679</u>	<u>(35,692,919)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Debt Instruments	116,355,229	1,980,000	402,347	203,050,000
Bond Issuance Expenses	(151,877)	-	-	-
Principal Paid on Debt Instruments	(40,674,000)	(5,499,469)	(881,390)	(15,316,846)
Interest Paid on Debt Instruments	(41,167,000)	(4,017,257)	-	(14,926,926)
Acquisition and Construction of Capital Assets	(68,094,491)	-	-	(17,250,440)
Disposal of Capital Assets	(112,983)	-	258,351	-
Capital Grants	-	-	-	-
Contributions Received	3,082,993	-	-	-
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	-	-	-	(263,607)
(Increase) Decrease in Restricted Assets	(57,415,080)	(97,641)	-	-
(Increase) Decrease in Payables	1,343,712	-	-	-
Increase (Decrease) in Funds Held in Escrow	-	47,413	-	-
<u>Net Cash Provided (Used) in Capital and Related Financing Activities</u>	<u>(86,833,497)</u>	<u>(7,586,954)</u>	<u>(220,692)</u>	<u>155,292,181</u>
Cash Flows from Investing Activities:				
Purchase of Investments	-	(729,159)	(190,142)	(377,610,041)
Proceeds from Sale of Investments	-	-	-	203,825,232
Interest and Dividends on Investments	6,771,620	3,741,590	119,612	11,208,041
<u>Net Cash Provided (Used) by Investing Activities</u>	<u>6,771,620</u>	<u>3,012,431</u>	<u>(70,530)</u>	<u>(162,576,768)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,204,319	(35,023)	(1,310,108)	3,904,308
Cash and Cash Equivalents, July 1, 1999	9,883,206	41,712,319	4,258,584	5,887,529
Cash and Cash Equivalents, June 30, 2000	<u>\$ 16,087,525</u>	<u>\$ 41,677,296</u>	<u>\$ 2,948,476</u>	<u>\$ 9,791,837</u>
<u>Reconciliation to Combining Balance Sheet :</u>				
Included in :				
Cash on Deposit	\$ 16,087,525	\$ 3,382,430	\$ 977,684	\$ 8,520,567
Restricted Assets	-	38,294,866	1,970,792	1,271,270
Cash and Cash Equivalents, June 30, 2000	<u>\$ 16,087,525</u>	<u>\$ 41,677,296</u>	<u>\$ 2,948,476</u>	<u>\$ 9,791,837</u>

* Refer to Exhibit I-A-9

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

Pennsylvania Convention Center Authority	Penn's Landing Corporation	Community Behavioral Health	Philadelphia Housing Authority	Philadelphia Authority for Industrial Development	Totals
\$ (15,890,983)	\$ 2,503,635	\$ (334,344,257)	\$ (225,093,995)	\$ (40,667,634)	\$ (603,696,461)
9,765,152	1,306,819	-	32,176,121	-	81,680,770
-	15,990	-	-	-	2,374,221
(472,349)	(151,226)	27,043,776	(49,049,947)	(29,009,936)	(64,440,919)
-	-	-	-	-	(1,401,721)
178,820	19,304	(16,017,514)	(23,866)	(110,717)	(22,966,371)
-	-	-	402,435	-	49,606,194
9,604,862	34,324	(20,641,365)	75,485	(161,289)	12,883,752
(2,210,025)	62,814	-	45,970,960	-	40,595,194
-	-	-	-	3,535,052	3,276,893
(14,157)	613,208	-	-	17,287,108	33,228,378
-	154,362	5,391,682	(11,162,650)	364,155	(56,567,605)
<u>961,320</u>	<u>4,559,230</u>	<u>(338,567,678)</u>	<u>(206,705,457)</u>	<u>(48,763,261)</u>	<u>(525,427,675)</u>
-	-	-	217,151,228	11,450,171	238,535,163
333,000	-	-	-	278,030	11,964,173
(3,341,434)	-	-	-	(155,552)	(6,520,199)
(17,398,873)	-	-	-	(6,230,715)	(77,322,507)
46,403,623	1,100,000	334,344,257	-	47,238,485	501,798,862
-	-	-	-	-	(963)
-	-	-	-	(940,000)	(334,775)
<u>25,996,316</u>	<u>1,100,000</u>	<u>334,344,257</u>	<u>217,151,228</u>	<u>51,640,419</u>	<u>668,119,754</u>
-	138,193	-	-	-	321,925,769
-	-	-	-	-	(151,877)
(6,335,000)	-	-	712,969	-	(67,993,736)
(17,945,305)	-	-	(322,896)	-	(78,379,384)
(107,703)	(2,470,764)	(1,045,996)	(174,425,914)	-	(263,395,308)
-	-	-	-	-	145,368
-	(1,287,336)	1,045,996	-	-	(241,340)
-	-	-	146,011,162	-	149,094,155
281,442	-	-	(28,136,240)	-	(28,118,405)
(5,847,750)	-	-	-	-	(63,360,471)
-	-	-	-	-	1,343,712
-	-	-	-	-	47,413
<u>(29,954,316)</u>	<u>(3,619,907)</u>	<u>-</u>	<u>(56,160,919)</u>	<u>-</u>	<u>(29,084,104)</u>
-	(3,822,314)	-	-	-	(382,351,656)
(243,551)	-	-	45,142,041	-	248,723,722
3,145,582	1,399,775	-	4,326,874	-	30,713,094
<u>2,902,031</u>	<u>(2,422,539)</u>	<u>-</u>	<u>49,468,915</u>	<u>-</u>	<u>(102,914,840)</u>
(94,649)	(383,216)	(4,223,421)	3,753,767	2,877,158	10,693,135
1,154,350	19,507,942	4,223,421	759,312	2,150,982	89,537,645
<u>\$ 1,059,701</u>	<u>\$ 19,124,726</u>	<u>\$ -</u>	<u>\$ 4,513,079</u>	<u>\$ 5,028,140</u>	<u>\$ 100,230,780</u>
\$ 1,059,701	\$ 19,124,726	\$ -	\$ 3,933,226	\$ 2,459,522	\$ 55,545,381
-	-	-	579,853	2,568,618	44,685,399
<u>\$ 1,059,701</u>	<u>\$ 19,124,726</u>	<u>\$ -</u>	<u>\$ 4,513,079</u>	<u>\$ 5,028,140</u>	<u>\$ 100,230,780</u>

CITY OF PHILADELPHIA
COMMUNITY COLLEGE FUND
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Current Funds		Loan Funds	Endowment and Similar Funds	Plant Funds	Component Unit	Totals (Memorandum Only)
	Unrestricted	Restricted				Foundation	
Revenues and Other Additions:							
Educational and General Revenues	\$ 72,069,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,069,146
Auxiliary Enterprises Revenues	781,851	-	-	-	-	-	781,851
Governmental Grants and Contracts	-	23,466,688	-	-	1,199,644	-	24,666,332
Gifts and Private Grants	-	664,548	-	4,025	3,177,492	341,179	4,187,244
Governmental Appropriations	-	-	-	-	6,270,910	-	6,270,910
Unrealized Gain on Investments	-	-	-	113,603	-	-	113,603
Interest Income	-	78,675	17,205	-	163,266	33,164	292,310
Expired Term Endowment Principal	-	1,988	-	-	-	-	1,988
Interest on Loans Receivable	-	-	30,444	-	-	-	30,444
<u>Total Revenues and Other Additions</u>	<u>72,850,997</u>	<u>24,211,899</u>	<u>47,649</u>	<u>117,628</u>	<u>10,811,312</u>	<u>374,343</u>	<u>108,413,828</u>
Expenditures and Other Deductions:							
Educational and General Expenditures	71,865,233	24,207,781	-	-	-	91,550	96,164,564
Auxiliary Enterprises Expenditures	518,632	-	-	-	-	-	518,632
Depreciation of Plant Assets	-	-	-	-	6,233,776	-	6,233,776
Loss on Advance Refunding of Bonds	-	-	-	-	-	-	-
Retirement of Plant Assets, Net of Proceeds							
Realized on Disposal	-	-	-	-	72,987	-	72,987
Expired Term Endowment Principal	-	-	-	1,988	-	-	1,988
Interest on Indebtedness	-	-	-	-	1,932,672	-	1,932,672
Loan Cancellations, Assignments, Government Refunds and Administrative Costs	-	-	869,102	-	-	-	869,102
<u>Total Expenditures and Other Deductions</u>	<u>72,383,865</u>	<u>24,207,781</u>	<u>869,102</u>	<u>1,988</u>	<u>8,239,435</u>	<u>91,550</u>	<u>105,793,721</u>
Transfers Among Funds - Additions (Deductions):							
Transfer of Tuition Revenue for the Acquisition of Books	(57,583)	-	-	-	57,583	-	-
Transfer to Quasi-Endowment Fund for Student Activities	(8,451)	-	-	8,451	-	-	-
Transfer of Foundation Gifts	-	16,095	-	-	1,755	(17,850)	-
Transfer of Unrestricted Funds for the Acquisition of Fixed Assets	(143,659)	-	-	-	143,659	-	-
Net Increase (Decrease)	257,439	20,213	(821,453)	124,091	2,774,874	264,943	2,620,107
Fund Balances, June 30, 1999	8,758,769	151,931	2,284,553	3,791,226	58,978,718	524,298	74,489,495
Fund Balances, June 30, 2000	\$ <u>9,016,208</u>	\$ <u>172,144</u>	\$ <u>1,463,100</u>	\$ <u>3,915,317</u>	\$ <u>61,753,592</u>	\$ <u>789,241</u>	\$ <u>77,109,602</u>

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

CITY OF PHILADELPHIA
COMMUNITY COLLEGE FUND
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT I-A-12

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
Revenues:			
Educational and General:			
Governmental Appropriations:			
Commonwealth of Pennsylvania	\$ 23,691,608	\$ -	\$ 23,691,608
City of Philadelphia	17,413,897	-	17,413,897
Governmental Grants and Contracts	192,250	23,466,688	23,658,938
Student Tuition	25,911,968	-	25,911,968
Student Fees	3,482,038	-	3,482,038
Gifts and Private Grants	10,000	680,643	690,643
Endowment Income	-	60,450	60,450
Investment Income	1,185,281	-	1,185,281
Other	182,104	-	182,104
	72,069,146	24,207,781	96,276,927
<u>Total Educational and General</u>			
Auxiliary Enterprises	781,851	-	781,851
	<u>72,850,997</u>	<u>24,207,781</u>	<u>97,058,778</u>
<u>Total Revenues</u>			
Expenditures and Mandatory Transfers:			
Educational and General:			
Instruction	36,806,923	2,157,951	38,964,874
Public Service	-	40,216	40,216
Academic Support	7,336,971	424,502	7,761,473
Student Services	9,388,455	2,982,659	12,371,114
Institutional Support	10,599,012	380,955	10,979,967
Physical Plant Operations	7,238,037	88,138	7,326,175
Student Aid	495,835	18,133,360	18,629,195
	71,865,233	24,207,781	96,073,014
Total Educational and General Expenditures			
Auxiliary Enterprises:			
Expenditures	518,632	-	518,632
	<u>72,383,865</u>	<u>24,207,781</u>	<u>96,591,646</u>
<u>Total Expenditures</u>			
<u>Excess (Deficiency) of Revenues over Expenditures</u>	467,132	-	467,132
Other Transfers and Additions (Deductions):			
Transfer of Tuition Revenues for the Acquisition of			
Books and Microforms	(57,583)	-	(57,583)
Transfer to Quasi-Endowment Fund for Student Activities	(8,451)	-	(8,451)
Transfer Unrestricted Funds for the Acquisition of			
Fixed Assets	(143,659)	-	(143,659)
Excess of Restricted Receipts Over Transfers to Revenues	-	20,213	20,213
	<u>257,439</u>	<u>20,213</u>	<u>277,652</u>
<u>Net Increase (Decrease) in Fund Balance</u>			

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



**CITY OF PHILADELPHIA
INDEX FOR NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Philadelphia have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

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 generally accepted accounting principles, 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.

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) - 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) and one account group (General Long Term Debt).

Philadelphia Municipal Authority (PMA) - 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) and both account groups (General Fixed Assets and General Long Term Debt).

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. In addition, a separate Statement of Changes in Fund Balances and a Statement of Current Funds Revenue, Expenditures and Other Changes is presented for the Community College of Philadelphia in conformity with accounting principles specific to colleges and universities.

Community College of Philadelphia (CCP) - 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.

Penn's Landing Corporation (PLC) - Penn's Landing Corporation was established to assist the City and the Commonwealth of Pennsylvania and their agencies in the rehabilitation, renewal and

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

management of the historic site on the bank of the Delaware River known as Penn's Landing. The Corporation is governed by a 20 member board with 10 members appointed by the City. It receives substantial subsidies from the City and its budgets must be approved by the City.

Pennsylvania Convention Center Authority (PCCA) - The Pennsylvania Convention Center Authority was established to develop, promote and operate a convention center facility in the Philadelphia metropolitan area.

Philadelphia Housing Authority (PHA) - PHA was established to provide low cost housing and other social services to the residents of the City. It is governed by a five member board with four members appointed by the City. Its fiscal year ends on March 31.

Philadelphia Housing Development Corporation (PHDC) - PHDC was established to promote the development of low cost housing within the City. It is governed by a 35 member board with 25 members appointed by the City and the remaining 10 designated by virtue of their City position.

Philadelphia Parking Authority (PPA) - PPA was established by the City to coordinate a system of parking facilities and on-street parking on behalf of the City. It is governed by a five member board appointed by the City. Its fiscal year ends on March 31.

Redevelopment Authority of the City of Philadelphia (RDA) - 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 (SD) - The School District was established by the Educational Supplement to the Philadelphia Home Rule Charter to provide free public education for the City's residents. Its board is appointed by the City and must submit a lump sum statement of revenues and expenditures to the City for approval.

Community Behavioral Health (CBH) - 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.

Philadelphia Authority for Industrial Development (PAID) - PAID was formed under the Industrial Development Authority Law to issue tax-exempt debt to finance eligible industrial and commercial development projects. PAID is the delegate agency responsible for administration of certain state grants for major development projects in the City.

Philadelphia Gas Works (PGW) - PGW was established by the City to provide gas service to residential and commercial customers within the City of Philadelphia.

The financial statements for the various component units have been reformatted to conform with the statement format utilized by the City. However, individual financial statements can be obtained directly from their administrative offices by writing to the addresses below.

Administrative Offices

Pennsylvania Intergovernmental Cooperation Authority
1429 Walnut Street, 14th Floor
Philadelphia, PA 19102

Philadelphia Municipal Authority
Land Title Building
100 South Broad Street, Suite 1525
Philadelphia, Pa 19110

Community College of Philadelphia
1700 Spring Garden Street
Philadelphia, PA 19130

Philadelphia Parking Authority
3101 Market Street, 2nd Floor
Philadelphia, PA 19104

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Penn's Landing Corporation
121 North Columbus Boulevard
Philadelphia, PA 19106

Redevelopment Authority of the City of Philadelphia
1234 Market Street, 16th Floor
Philadelphia, PA 19107

Pennsylvania Convention Center Authority
1101 Arch Street
Philadelphia, PA 19107

School District of Philadelphia
2120 Winter Street
Philadelphia, PA 19103

Philadelphia Housing Authority
2012 Chestnut Street, 2nd Floor
Philadelphia, PA 19103

Community Behavioral Health, Inc.
Philadelphia Department of Public Health
1101 Market Street
Philadelphia, PA 19107

Philadelphia Housing Development Corporation
1234 Market Street
Philadelphia, PA 19107

Philadelphia Authority for Industrial Development
2600 Centre Square West
1500 Market Street
Philadelphia, PA 19102

Philadelphia Gas Works
800 West Montgomery Avenue
Philadelphia, PA 19122

C. AUDIT RESPONSIBILITY

The financial statements of the above component units (except for the School District of Philadelphia), as well as the financial statements of the Municipal Pension Fund and the Gas Works Retirement Reserve Fund have been audited by auditors other than the Office of the Controller of the City of Philadelphia. The table below indicates the percentage of certain financial information that was subject to audit by those other auditors :

	Special <u>Revenue</u>	Capital <u>Projects</u>	Debt <u>Service</u>	<u>Enterprise</u>	Trust and <u>Agency</u>	General Fixed <u>Assets</u>	General Long-Term <u>Debt</u>	Component <u>Units</u>
Total Assets	21%	12%	100%	0%	98%	11%	N/A	50%
Total Liabilities	3%	2%	100%	0%	100%	N/A	37%	58%
Total Revenues	19%	13%	100%	0%	99%	N/A	N/A	31%

D. RELATED ORGANIZATIONS

Hospitals & Higher Education Facilities Authority (HHEFA) - HHEFA was created to provide funds through the issuance of revenue or special obligation bonds and notes to assist nonprofit hospitals, nonprofit religious or hospital-affiliated sub-acute care facilities, nonprofit nursing homes, and higher education facilities in projects determined to be primarily for the health and safety of the citizens of the Philadelphia area. HHEFA is administered by a five member board appointed by the mayor. Management of the HHEFA is not designated by the City nor does the City have the ability to significantly influence operations. The City does not subsidize the operations of the HHEFA and does not guarantee its debt service. HHEFA has not been included as a component unit of the City's reporting entity because there is no accountability for fiscal matters to the City.

Private Industry Council of Philadelphia (PIC) - PIC was created to provide a training-based bridge connecting the City's unemployed with its area employers and prepares them for permanent unsubsidized employment through various types of training programs. PIC is governed by a 29 member board selected from the private sector by elected City officials. However, financial dependency rests with the Commonwealth of Pennsylvania. Management of PIC is not designated by the City nor does the City have the ability to significantly influence operations. PIC has not been included as a component unit of the City's reporting entity because there is no accountability for fiscal matters to the City.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

2. FUND ACCOUNTING

The City of Philadelphia uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources. Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (Special Revenue Funds), the acquisition or construction of general fixed assets (Capital Improvement Funds), and the servicing of general long-term debt (Debt Service Funds). The General Fund is used to account for all activities of the City's general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods and services from such activities can be provided either to outside parties (Enterprise Funds) or to other departments or agencies primarily within the government (Internal Service Funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City. When these assets are held under the terms of a formal trust agreement, a Pension Trust Fund, a Nonexpendable Trust Fund or an Expendable Trust Fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the City is under an obligation to maintain the trust principal. Agency Funds generally are used to account for assets that the City holds on behalf of others as their agent.

3. BASIS OF ACCOUNTING AND MEASUREMENT FOCUS

A. PRIMARY GOVERNMENT

Governmental Funds and Expendable Trust Funds account for their activities using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets. These funds, as well as the Agency Funds, use the modified accrual basis of accounting, under which revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. General property taxes, self-assessed taxes, sales tax and investment earnings are recorded when earned as they are measurable and available. Grant revenues are recognized as revenue when grant expenditures have been recorded. Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Expenditures are recorded in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenditures, and other long-term obligations which are recognized when paid. Expenditures for claims and judgments, compensated absences, and other long-term obligations are accrued if expected to be liquidated with available resources. During Fiscal Year 2000, the City began including Program Income in the Grants Revenue Fund. This inclusion resulted in the recording of additional revenues and expenditures in the fund.

Proprietary Funds, Pension Trust Funds and Non-Expendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. These funds use the accrual basis of accounting where revenues are recognized in the accounting period in which they are earned and expenses are recognized at the

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

time the liabilities are incurred. Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Activities", Proprietary Funds will continue to follow FASB pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements and will follow FASB standards issued after that date which do not conflict with GASB standards. Water revenues, net of uncollectible accounts, are recognized as billed on the basis of scheduled meter readings. Aviation revenue from Passenger Facility Charges is reserved for capital purposes. Pension Trust Funds recognize employer and plan member contributions and benefits and refunds paid in the period in which they are due and payable.

B. COMPONENT UNITS

The **School District of Philadelphia** prepares their financial statements in a manner similar to the City and utilizes the full range of governmental and proprietary fund types as well as both account groups.

The financial statements of the **Community College Fund** have been prepared on the accrual basis. The College has elected to present its financial statements in accordance with the provisions of the *Audit Guide for Colleges and Universities* published by the American Institute Of Certified Public Accountants. The statement of current funds revenues, expenditures and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses

In prior years, the **Philadelphia Housing Authority** presented their financial statements in a governmental GAAP format. At the request of the US Department of Housing & Urban Development, the Authority converted its reporting to the enterprise method, focusing on the flow of economic resources. Accordingly, the beginning fund equity has been restated as follows:

Fund Equity as stated at March 31, 1999	\$ 1,154,571,449
Adjustment to restate beginning balance	
Elimination of amount to be provided for retirement of general long term debt	(55,632,722)
Inclusion of Blended Component Units	13,697,315
Correction of property ledger	45,059,252
Establish Turnkey III homes for resale balance	14,374,032
Recognition of prior years accumulated depreciation	(620,216,061)
Elimination of conduit-type debt	53,369,851
Elimination of HUD-held debt amortization fund	(2,501,620)
Net Adjustment to restate beginning balance	<u>(551,849,953)</u>
Equity at March 31, 1999	<u>\$ 602,721,496</u>

The remaining component units prepare their financial statements in a manner similar to that of proprietary funds.

4. CASH AND INVESTMENTS

A. PRIMARY GOVERNMENT

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 Non-Expendable Trust Funds, all highly

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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.

Cash and investments are reflected as follows in the financial statements and related footnotes:

(Amounts In Thousands)			
<u>Statement Presentation</u>		<u>Footnote Presentation</u>	
Cash On Deposit and On Hand	\$ 53,336	Cash & Cash Equivalents (Note III.1)	\$ 190,360
Equity In Treasurer's Account	6,209,140		
Investments	217,021	Investments (Note III.3)	7,949,871
Included In Restricted Assets	1,073,797		
Other Assets	<u>586,937</u>		
Total Cash & Investments	<u>\$ 8,140,231</u>	Total Cash & Investments	<u>\$ 8,140,231</u>

B. COMPONENT UNITS

The School District utilizes a pooled Cash and Investments Account to provide efficient management of the cash of most School District funds. In addition, cash balances are maintained in separate accounts by various funds due to either legal requirements or operational needs.

The investments of the various component units are carried at amortized cost or cost that approximates fair value as prescribed by GASB Statement 31.

Combined cash and investments and amounts held by fiscal agents of the component units are reflected as follows in the financial statements and related footnotes:

(Amounts In Thousands)			
<u>Statement Presentation</u>		<u>Footnote Presentation</u>	
Cash On Deposit and On Hand	\$ 63,205	Cash & Cash Equivalents (Note III.1)	\$ 375,261
Equity In Pooled Cash and Investments	101,745		
Investments	157,835		
Amounts Held BY Fiscal Agent	46,543	Investments (Note III.3)	506,289
Included In Restricted Assets	<u>512,222</u>		
Total Cash & Investments	<u>\$ 881,550</u>	Total Cash & Investments	<u>\$ 881,550</u>

5. INVENTORIES

A. PRIMARY GOVERNMENT

All inventories 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.
- **Governmental fund** inventories consist of expendable supplies held for future use. These supplies are recorded as expenditures at the time they are purchased. The inventories are fully offset by a fund balance reserve to indicate that they do not constitute "available spendable resources" even though they are a component of net current assets.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

B. COMPONENT UNITS

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

- **Gas Works** inventory consists primarily of fuel stock and gases which are stated at the lower of average cost or market.
- **School District** Food Services Fund inventories include food donated by the Federal Government which was valued at government cost or estimated value. All other food or supply inventories were valued at last unit cost and will be expensed when used.
- **School District** General Fund inventory includes books, school opening, custodial, summer school and other supplies specifically acquired for use in the subsequent fiscal year. These supplies are delivered to schools and other locations prior to the end of the fiscal year but are recognized as expenditures in the following fiscal year. Accordingly, a fund balance reserve has not been established.
- **Housing Development Corporation** inventory represents properties held for disposition or sale and are valued at the lower of cost or market.
- **Redevelopment Authority** inventory represents real estate held for resale and is valued at appraised value.
- **Housing Authority** inventories are valued at lower of cost or market, cost being determined on a First-in, First-out basis

6. PROPERTY, PLANT AND EQUIPMENT

A. PRIMARY GOVERNMENT

Property, plant and equipment acquired or constructed for general governmental operations are expensed in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group. Costs recorded in the General Fixed Assets Account Group do not include interest incurred as a result of financing the assets' acquisition or construction. Property, plant and equipment acquired for Proprietary Fund operations are capitalized in the respective fund to which they apply. Property, plant and equipment is stated at cost.

The City transfers Construction In Process to one or more of the major asset classes when project expenditures are equal to or have exceeded 90% of the encumbered amount on new facilities (except for the Aviation Fund which uses 80% as the determining percentage), when the expenditures are for existing facilities or when they relate to specific identifiable items completed during the year which were part of a larger project.

Where cost could not be determined from the records available, estimated historical cost was used to record the value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of gift. Upon sale or retirement, the cost of the assets and the related accumulated depreciation, if any, are removed from the accounts. Maintenance and repair costs are charged to operations.

Public Domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks and lighting systems, are not capitalized along with other general fixed assets.

Cost of construction for Enterprise Fund fixed assets includes all direct contract costs plus overhead costs. Overhead costs include direct and indirect engineering costs and interest incurred during the construction period for projects financed with bond proceeds.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest on invested proceeds over the same period.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Depreciation on the fixed assets for all Proprietary Funds is provided on the straight line method over their estimated useful lives: buildings - 20 to 50 years; equipment and storage facilities - 3 to 25 years; and transmission and distribution lines - 50 years. Contributed capital is reduced by the depreciation expense on those assets which were financed by externally restricted grants.

B. COMPONENT UNITS

Depreciation is not provided for fixed assets recorded in the general fixed assets of the School District. Depreciation on the fixed assets for all other component units is provided on the straight line method over their estimated useful lives: buildings - 15 to 50 years; equipment and storage facilities - 3 to 25 years; and transmission and distribution lines - 50 years. Contributed capital is reduced by the depreciation expense on those assets which were financed by externally restricted grants.

7. AMORTIZATION OF BOND DISCOUNT/ISSUANCE COSTS

In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for Proprietary Funds are deferred and amortized over the term of the bonds using the bonds outstanding method, except for the Gas Works Fund and the Redevelopment Authority Fund which use the interest method and the straight line method, respectively.

8. 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. A reserve for payment of reported worker's compensation claims and incurred but unreported claims has been recorded in the accompanying financial statements as Other Long-Term Obligations.

9. TAX LEVIES

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 \$8.264 on each \$100 assessment; \$4.519 for the School District and \$3.745 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.

10. DEFERRED REVENUES

A. PRIMARY GOVERNMENT

Deferred revenues represent funds received in advance of being earned, or receivables which will be collected and included in revenues of future fiscal years. In the General Fund, deferred revenues relate principally to property tax receivables which were levied in the current and prior years but will not be available to pay liabilities of the current period.

B. COMPONENT UNITS

Deferred revenue of the **School District** consists primarily of uncollected real estate taxes which were levied in the current and prior years but will not be available to pay liabilities of the current period. It is estimated that substantially all of the year-end balance will be received and recognized as revenue in the subsequent year. Deferred revenues of the School District Categorical Fund represents unearned grants.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Community College Fund 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 income in the subsequent year.

11. CLAIMS, JUDGMENTS AND COMPENSATED ABSENCES

Claims, judgments, and compensated vacation absences are recorded as expenditures in the Governmental Funds and Expendable Trust Funds when paid or when judgments have been rendered against the City. Unpaid vacation leave at year end and lawsuits which the City Solicitor has deemed to be a probable loss to the City are recorded in the General Long-Term Debt Account Group. These unpaid amounts will be paid from expendable available resources provided for in the budgets of future years. For Proprietary Funds, vacation leave is recorded as an expense when earned. Pending lawsuits deemed by the City Solicitor to have a probable loss to the City are recognized as expenses and the entire amount of the liability is recorded in the appropriate proprietary fund. Sick leave balances are not accrued in the financial statements because sick leave rights are non-vesting.

12. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Funds and Expendable Trust Funds. Except for encumbrances expected to be financed by grants from other governments, encumbrances outstanding at year-end are reported as reservations of fund balances since they do not constitute expenditures or liabilities. Encumbrances expected to be financed by grants are not reported since the method of accounting for grant activity, as described in Note I.3.A, does not result in the creation of a fund balance.

13. COMPONENT UNIT ACCRUED LIABILITIES, NOTES PAYABLE AND FIXED LIABILITIES

Accrued liabilities, notes payable and fixed liabilities of the Philadelphia Housing Authority (PHA) are comprised primarily of accrued interest and notes or bonds payable which are the obligations of HUD. Such obligations were issued by HUD to finance the acquisition, construction or rehabilitation of housing units utilized by PHA in the Public Housing Program. HUD pays the annual debt service on these obligations through annual contribution contracts.

14. MEMORANDUM ONLY - TOTAL COLUMNS

Total columns on the general purpose financial statements for the primary government and reporting entity are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

II. LEGAL COMPLIANCE

1. BUDGETARY INFORMATION

The City's budgetary process accounts for certain transactions on a basis other than generally accepted accounting principles (GAAP basis). 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, six Special Revenue Funds (County Liquid Fuels Tax, Special Gasoline Tax, Hotel Room Rental Tax, Grants Revenue, Community Development and HealthChoices Behavioral Health Funds) and two Enterprise Funds (Water and Aviation Funds), are subject to annual operating budgets adopted by City Council. These budgets appropriate funds for all City departments, boards and commissions by major class of expenditure within

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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 miscellaneous. The appropriation amounts for each fund are supported by revenue estimates and take into account the elimination of accumulated deficits and the reappropriation 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 councilmanic approval. Appropriations that are not expended or encumbered at year end are lapsed. Departmental comparisons of budget to actual activity are located in the City's Supplemental Report of Revenues and Obligations.

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 for 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.

2. RECONCILIATION BETWEEN LEGAL AND GAAP STATEMENTS

The legally enacted basis schedules presented differ from the modified accrual basis of accounting as explained in Note 1. 3 above. 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. In addition, annual budgets are not adopted for the City Debt Service Fund, or any of the Municipal Authority or PICA Funds for which budgetary statements are therefore not presented.

The following schedule reconciles the difference between the legally enacted basis and generally accepted accounting principles (GAAP) basis presentations for governmental fund types:

A. REVENUES

(Amounts in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Improvement</u>
Revenues On GAAP Basis	\$ 2,571,902	\$ 1,429,189	\$ 27,454
Revenues Of Non-Budgeted Funds	--	(274,029)	(3,453)
Prior Year Revenue Adjustments - Net	(21,860)	1,241	(139)
Interfund Transfers and Reimbursements	218,178	--	52,203
Other	(12,720)	(94,840)	--
Revenues On Legal Basis	<u>\$ 2,755,500</u>	<u>\$ 1,061,561</u>	<u>\$ 76,065</u>

B. EXPENDITURES

(Amounts in thousands)

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Improvement</u>
Expenditures on GAAP Basis	\$ 2,469,697	\$ 731,311	\$ 158,472
Expenditures of Non-Budgeted Funds	--	(11,046)	(3,767)
Current Year Operating Encumbrances	94,863	39,911	134,535
Current Year Grant Encumbrances	--	29,206	--
Expenditures Made Against Prior Year Encumbrances	(52,900)	(61,235)	(66,208)
Interfund Transfers and Reimbursements	211,818	495,015	1,850
Other	(12,233)	(93,200)	--
Expenditures and Encumbrances On Legal Basis	<u>\$ 2,711,245</u>	<u>\$ 1,129,962</u>	<u>\$ 224,882</u>

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

3. AMENDMENTS

During the year, classification adjustments and supplementary appropriations were necessary for City funds. Therefore, budgeted appropriation amounts presented are as subsequently 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.

4. OBLIGATIONS IN EXCESS OF APPROPRIATIONS

Obligations exceeded appropriations in one Special Revenue Fund for the fiscal year as shown below:

<u>Fund</u>	<u>Expenditure Classification</u>	
Hotel Room Rental Tax Fund	Contributions, Indemnities and Taxes	\$ 1,641,050

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNTS

1. CASH

Statutes require banks to collateralize City deposits at amounts equal to or in excess of the City's balance. Such collateral is to be held in the City's name by the Federal Reserve Bank or the trust department of a commercial bank other than the pledging bank.

At year-end, the carrying amount (book balance) of deposits for the City and the bank balance were \$190.4 million and \$190.1 million, respectively. The amount of the total cash balance per bank records is classified into three categories of custodial credit risk: (1) cash that is insured or collateralized with securities held by the City or by its agent in the City's name, (2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name, and (3) uncollateralized bank accounts.

The deposits of the City and its component units are classified as follows at year-end:

(Amounts In Thousands)

	<u>Custodial Credit Risk Category</u>			Total Bank <u>Balance</u>	Book <u>Balance</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Primary Government	\$ 100	\$ 133,307	\$ 56,699	\$ 190,106	\$ 190,360
Component Units	\$ 29,244	\$ 16	\$ 361,121	\$ 390,381	\$ 375,261

From February to early June, uncollateralized deposits of the City and School District 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).

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

2. 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 U.S. Government and U.S. 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 no losses from securities transactions during the year and had no credit risk exposure at June 30.
- **The PGWRR** lends U.S. Treasury, federal agency, and DTC-eligible corporate debt and equity securities and receives cash, U.S. 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 are generally matched with maturity of loans. The PGWRR experienced no losses and had no credit risk exposure at June 30th.

3. INVESTMENTS

A. PRIMARY GOVERNMENT

Statutes authorize the City to invest in obligations of the Treasury, agencies, and instrumentalities 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.

The investments of the City are categorized below to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the City or its agent in the City's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the City's name. Investments at year-end consist of:

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(Amounts In Thousands)

Investment Type	Category			Fair
	1	2	3	Value
Repurchase Agreements	\$ --	\$ 307,766	\$ 63,325	\$ 371,091
U.S. Government Securities	464,313	33,111	26,658	524,082
U.S. Government Agency Securities	989,870	--	23,378	1,013,248
Corporate Bonds	977,571	--	707	978,278
Corporate Equities				
Not On Securities Loan	3,140,052	--	1,942	3,141,994
On Loan For Securities Collateral	1,661	--	--	1,661
Closed-Ended Mutual Funds	--	--	--	--
Mortgages	56,823	--	--	56,823
Other Investments	203,366	18,909	70,718	292,993
Total Categorized Investments	\$ 5,833,656	\$ 359,786	\$ 186,728	6,380,170
Short Term Investment Pools				252,390
Real Estate				3,889
Partnerships				25,362
Financial Agreements				127,076
Investments Held By Broker-Dealers Under Securities Loans With Cash Collateral:				
U.S. Government Securities				393,524
Corporate Bonds				5,517
Corporate Equities				175,006
Securities Lending Investment Pool				586,937
Total Investments				\$ 7,949,871

Securities lent at year end by the Municipal Pension Fund and the PGW Retirement Reserve Fund for cash collateral are presented as unclassified in the schedule above. Securities lent for securities collateral are classified according to the category for the collateral.

The Municipal Pension Fund owns approximately 70.8% of total investments and 86.4% of the investments in Category 1.

B. COMPONENT UNITS

The investments of the City's component units are categorized below, based on the criteria described above, to give an indication of the level of risk assumed by the entity at year-end and consist of:

Investment Type	Category			Fair
	1	2	3	Value
Repurchase Agreements	\$ 204,904	\$ --	\$ --	\$ 204,904
U.S. Government & Agency Securities	174,233	--	64,645	238,878
Corporate Equity	10	--	--	10
Other Investments	--	--	38,282	38,282
Total Categorized Investments	\$ 379,147	\$ --	\$ 102,927	482,074
Short-Term Investment Pools				24,215
Total Investments				\$ 506,289

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

4. AMOUNTS HELD BY FISCAL AGENT

Restricted Assets - Cash and Cash Equivalents include Proprietary Fund Amounts Held By Fiscal Agent which consist entirely of year-end cash and investment balances related to the net proceeds of PAID's Airport Revenue Bonds, Series 1998A. In accordance with GASB Interpretation No. 2, these bonds are considered by PAID to be conduit debt. Therefore, no asset related to the bond proceeds is reported in PAID's December 31, 1999 financial statements. Instead, the proceeds (which are held by a fiscal agent and disbursed at the City's direction to pay for capital improvements) are shown as assets of the City. These cash and investment balances are included in the amounts categorized in Notes III.1 and III.3 above.

5. INTERFUND RECEIVABLES AND PAYABLES

A. PRIMARY GOVERNMENT

Interfund receivable and payable balances among Primary Government funds at year end are as follows:

	(Amounts In Thousands)	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 9,227	\$ 699
Special Revenue Funds:		
Community Development Fund	--	5,366
PICA Administrative Fund	235	3,861
Debt Service Funds:		
PICA Debt Service Fund	--	235
Trust and Agency Funds		
Departmental Custodial Funds	<u>699</u>	<u>--</u>
Total Primary Government Interfund Receivables and Payables	<u>\$ 10,161</u>	<u>\$ 10,161</u>

B. COMPONENT UNITS

Interfund receivable and payable balances among the Primary Government and Component Units at year end are as follows:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

(Amounts In Thousands)

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<u>Primary Government</u>		
General Fund	\$ 17,399	\$ --
Special Revenue Funds:		
Hotel Tax Fund	--	5,230
Grants Revenue Fund	--	848
HealthChoices Behavioral Health Fund	--	19,594
Community Development Fund	--	1,075
		26,747
Capital Improvement Funds:		
City Capital Improvement Fund	410	
<u>Component Units</u>		
Philadelphia Housing Development Corp.	1,923	410
Philadelphia Gas Works	--	3,000
Philadelphia Parking Authority	--	21,894
School District of Philadelphia	--	--
Community Behavioral Health	26,400	--
Philadelphia Authority for Industrial Development	922	3,661
Pennsylvania Convention Center Authority	5,230	17,399
	34,475	46,364
	52,284	73,111
Timing Differences Between Fiscal Years:		
» Community Behavioral Health amounts Due From the HealthChoices Behavioral Health Fund represent amounts due at December 31, 1999	(6,806)	--
» Gas Works amounts Due to General Fund at August 31, 1999 represents rent for the period July 1, 1999 to August 31, 1999.	--	(3,000)
» Philadelphia Authority for Industrial Development amounts Due To Primary Government represent sales and rental proceeds due at December 31, 1999	(922)	(3,661)
» Parking Authority Fund Due To Aviation Fund March 31, 2000 represents parking income paid in June 2000	--	(21,894)
Total Interfund Receivables and Payables With Component Units	\$ 44,556	\$ 44,556

6. COMPONENT UNIT FINANCIAL INSTRUMENTS

The **Redevelopment Authority (RDA)** has entered into mortgage loan and note receivable agreements for approximately \$9.4 million and \$25.3 million, respectively, in connection with the RDA's activities. In addition to specific property collateralizing the mortgage loans, they are insured for at least 90% of the outstanding balance depending on the specific revenue bond program. In addition, the RDA held certain FNMA and GNMA investments for \$24.6 million and \$10.8 million respectively at year-end in connection with their Bottom Line and Housing Opportunities bond programs. These investments are collateralized by the underlying properties.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

7. CHANGES IN GENERAL FIXED ASSETS

A. PRIMARY GOVERNMENT

The following schedule reflects the combined changes in general fixed assets for the City and Municipal Authority during the year.

(Amounts In Millions)

	Beginning					Ending
	Balance	Additions	Retirements	Transfers		Balance
Land	\$ 400.9	\$ --	\$ --	\$ 7.5		\$ 408.4
Buildings	1,170.3	--	(0.1)	41.1		1,211.3
Other Improvements	315.6	--	(70.4)	16.8		262.0
Equipment	456.6	50.4	(5.4)	1.2		502.8
Transit	172.9	--	--	--		172.9
Leased Equipment	0.1	--	--	(0.1)		--
Construction In Process	314.0	100.7	--	(66.5)		348.2
	<u>2,830.4</u>	<u>151.1</u>	<u>(75.9)</u>	<u>0.0</u>		<u>2,905.6</u>
Totals	\$ <u>2,830.4</u>	\$ <u>151.1</u>	\$ <u>(75.9)</u>	\$ <u>0.0</u>		\$ <u>2,905.6</u>

B. COMPONENT UNITS

The following schedule reflects the combined changes in general fixed assets for the School District of Philadelphia during the year.

(Amounts In Millions)

	Beginning					Ending
	Balance	Additions	Retirements	Transfers		Balance
Land	\$ 86.3	\$ 4.2	\$ --	\$ --		\$ 90.5
Buildings & Improvements	1,233.1	50.5	(8.2)	90.0		1,365.4
Equipment	164.3	10.6	(0.6)	--		174.3
Construction In Process	124.0	70.9	--	(90.0)		104.9
	<u>1,607.7</u>	<u>136.2</u>	<u>(8.8)</u>	<u>--</u>		<u>1,735.1</u>
Totals	\$ <u>1,607.7</u>	\$ <u>136.2</u>	\$ <u>(8.8)</u>	\$ <u>--</u>		\$ <u>1,735.1</u>

8. PROPERTY, PLANT AND EQUIPMENT

A. PRIMARY GOVERNMENT

The following is a summary of the property, plant and equipment of the City's Enterprise Funds at year-end:

(Amounts In Millions)

	Water	Aviation	Total
	Fund	Fund	Enterprise
			Funds
Buildings & Improvements	\$ 1,209.2	\$ 1,067.6	\$ 2,276.8
Equipment	1,465.9	27.7	1,493.6
Construction In Process	112.8	155.4	268.2
	<u>2,787.9</u>	<u>1,250.7</u>	<u>4,038.6</u>
Accumulated Depreciation	(1,207.0)	(462.1)	(1,669.1)
	<u>1,580.9</u>	<u>788.6</u>	<u>2,369.5</u>
Land	5.9	71.9	77.8
Totals	\$ <u>1,586.8</u>	\$ <u>860.5</u>	\$ <u>2,447.3</u>

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

B. COMPONENT UNITS

The following is a summary of the property, plant and equipment of the City's Component Units at year-end:

(Amounts In Millions)

	Penn's Landing Corporation	Pennsylvania Convention Center Authority	Philadelphia Parking Authority(1)	Redevelopment Authority of the City of Philadelphia	Philadelphia Gas Works(2)	Community Behavioral Health(3)	Community College of Philadelphia	Philadelphia Housing Authority(1)	Total Component Units
Buildings & Improvements	\$ 5.4	\$ 340.9	\$ 145.5	\$ 8.8	\$ 107.6	\$ --	\$ 108.7	\$ 1,295.4	\$ 2,012.3
Equipment	2.2	8.8	26.1	1.6	1,151.4	5.0	29.7	37.8	1,262.6
Construction In Process	3.9	--	--	--	70.2	--	--	--	74.1
	11.5	349.7	171.6	10.4	1,329.2	5.0	138.4	1,333.2	3,349.0
Accumulated Depreciation	(3.7)	(64.0)	(49.5)	(4.8)	(478.0)	(2.7)	(62.1)	(652.4)	(1,317.2)
	7.8	285.7	122.1	5.6	851.2	2.3	76.3	680.8	2,031.8
Land	2.2	1.0	--	0.5	5.3	--	15.7	29.4	54.1
Totals	\$ 10.0	\$ 286.7	\$ 122.1	\$ 6.1	\$ 856.5	\$ 2.3	\$ 92.0	\$ 710.2	\$ 2,085.9

- (1) Amounts are presented as of the close of their fiscal year on March 31, 2000
(2) Amounts are presented as of the close of their fiscal year on August 31, 1999
(3) Amounts are presented as of the close of their fiscal year on December 31, 1999.

9. NOTES PAYABLE

A. PRIMARY GOVERNMENT

The City, through the Office of Housing and Community Development (OHCD) has entered into an agreement with the Philadelphia Housing Authority (PHA) whereby PHA will loan the City an amount not to exceed \$4.5 million which will be secured with a non-interest bearing Promissory Note for which the City is liable. The City will draw down against the authorized loan on an "as needed" basis. The loan will be repaid annually commencing June 30, 2001. The proceeds will be used to fund the Blight Removal Program. The City anticipates that these expenditures will be reimbursed through future grant funds received through the Community Development Block Grant. Through June 30, 2000, the City received \$1.3 million.

B. COMPONENT UNITS

- The **Philadelphia Gas Works**, 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 \$100 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 Fund's revenues. The notes outstanding at year end (August 31, 1999) had an average weighted interest rate of approximately 3.40% and terms to maturity of 36 to 191 days. The principal amount outstanding was \$75.0 million.
- The **Redevelopment Authority** has issued a series of Mortgage Notes Payable with an outstanding balance at year end of \$31.3 million related to various projects of the Authority. These notes have interest rates ranging from 0% to 10.56%. Aggregate minimum principal payments on these notes are as follows:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<u>Fiscal Year</u>	<u>Amount</u>
2001	\$ 19,567,582
2002	326,803
2003	337,075
2004	347,981
2005	436,060
Thereafter	<u>10,379,435</u>
Total	<u>\$ 31,394,936</u>

- The **Community College of Philadelphia** borrowed \$30.6 million under an agreement with the Hospitals and Higher Education Facilities Authority dated June 1, 1994. Of the proceeds, \$14.9 million was used to retire Series 1989 bonds. This debt is considered to be defeased and the liability has been removed from the College's Plant Fund. This portion of the obligation is payable over 15 years at interest rates ranging from 3.75% to 6.15% with an average annual debt service payment of \$1.5 million. The remaining \$15.7 million was used to fund capital projects. This portion of the debt was refinanced by the note described below. The remaining payments are scheduled through fiscal year 2006 at interest rates ranging from 5.3% to 5.95% with average annual debt service of \$844,568.

In May, 1999 the College entered a loan agreement with the Hospitals and Higher Education Facilities Authority to borrow \$9.6 million. Of the proceeds of \$9.3 million (net of bond discount and issuance costs), \$300,000 was used for capital improvements. The remaining \$9.1 million was used to purchase U.S. Government Securities which were deposited with an escrow agent to provide for future debt service payments on the 1994 Series Bonds for the years 2007-2014. As a result, that portion of the 1994 Bonds are considered defeased and the related debt has been removed from the College's Plant Fund. The 1999 series debt is payable over 15 years at interest rates ranging from 3.4% to 4.88% with average annual debt service of \$993,000. The call date on these bonds is May 1, 2004.

Under a revolving loan agreement dated October 1, 1996 with the State Public School Building Authority, the College borrowed \$1,005,200 for lighting conversion and related energy projects. The College borrowed an additional \$155,100 in August, 1997. The loans are scheduled to be repaid over a five year period through October 1, 2001 at a fixed annual rate of 6.25% and combined annual debt service payment of \$207,641.

In July, 1998 the College entered a loan agreement with the Hospitals and Higher Education Facilities Authority to borrow \$9.4 million to fund capital projects. This obligation is payable over 20 years at interest rates ranging from 3.9% to 5.23% with an average annual debt service payment of \$757,387.

The combined principal balance outstanding at year end for all notes was \$33.5 million with combined repayments as follows:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<u>Period</u>	<u>Amount</u>
2000 to 2001	\$ 2,211,385
2001 to 2002	2,217,952
2002 to 2003	2,155,000
2003 to 2004	2,275,000
2004 to 2005	2,385,000
2005 to 2018	<u>22,245,000</u>
Total	<u>\$ 33,489,337</u>

- The **Philadelphia Parking Authority** in prior years borrowed a total of \$18.3 million in the form of bank notes ranging in maturity from 3-15 years and in interest rates from 5.1-6.5%. The proceeds of these notes were used to finance the purchase of automobiles to be used in operations, a parking facility, building improvements and the development of a records department. Of the total amount, a \$6,000,000 note whose proceeds were used to finance the parking facility was retired by proceeds from the Parking Revenue Bonds, Series 1999 (see note III.10.B.(2)).

The total outstanding principal balance of these notes at March 31, 2000 was \$10,993,701 subject to the following repayment schedule:

<u>Fiscal Year</u>	<u>Amount</u>
2001	\$ 354,852
2002	358,689
2003	5,081,980
2004	406,786
2005	433,204
Thereafter	<u>4,358,190</u>
Total	<u>\$ 10,993,701</u>

10. DEBT PAYABLE

A. PRIMARY GOVERNMENT LONG-TERM DEBT PAYABLE

(1) General Obligation Debt Payable

The City is subject to a statutory limitation established by the Commonwealth of Pennsylvania for bonded indebtedness (City General Obligation Bonds) payable principally from property taxes. The statutory limit for the City is \$1.2 billion. The City General Obligation Debt net of cash and investments available for bond retirement is \$899.4 million, leaving a legal debt borrowing capacity of \$342.1 million.

The following schedule reflects the changes in long-term debt as shown in the Combined General Long-Term Debt Account Group for the fiscal year:

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

(Amounts In Millions)

	Beginning		Retirements		Ending
	Balance	Additions	& Transfers		Balance
General Obligation Bonds:					
Term Bonds	\$ 1,388.4	\$ --	\$ (56.7)		\$ 1,331.7
Refunding Bonds	304.9	--	(25.0)		279.9
Serial Bonds	387.9	--	(34.9)		353.0
Total G.O. Bonds	2,081.2	--	(116.6)		1,964.6
Obligations Under Capital Leases	68.0	--	(4.5)		63.5
Other Long-Term Obligations:					
Indemnity Claims	42.0	45.8	(29.7)		58.1
Worker's Compensation Claims	75.3	29.5	(32.6)		72.2
Termination Compensation Payable	97.2	64.1	(54.3)		107.0
Pension Service Agreement	1,297.4	5.6	--		1,303.0
Total Other Obligations	1,511.9	145.0	(116.6)		1,540.3
Total Long-Term Debt	\$ 3,661.1	\$ 145.0	\$ (237.7)		\$ 3,568.4

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 Municipal Authority and PICA:

(Amounts In Millions)

	Interest			
	Rates		Principal	Due Dates
Governmental Funds:				
City	1.0 % to	11.5 %	\$ 648.7	Fiscal 2001 to 2028
Municipal Authority	2.35 % to	8.625 %	356.5	Fiscal 2001 to 2019
PICA	4.00 % to	6.0 %	959.4	Fiscal 2001 to 2023
			1,964.6	
Enterprise Funds				
Water Fund	1.0 % to	7.75 %	15.5	Fiscal 2001 to 2012
Aviation Fund	5.0 % to	11.5 %	23.0	Fiscal 2001 to 2005
			38.5	
Total General Obligation Bonds			\$ 2,003.1	

Also, the City has General Obligation Bonds authorized and unissued at year end of \$348.0 million for Governmental Funds and \$303.6 million for Enterprise Funds.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

The debt service through maturity for the General Obligation Debt is as follows:

(Amounts In Millions)

Fiscal Year	City Funds						Blended Component Units			
	General Fund		Water Fund		Aviation Fund		Municipal Authority		PICA	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$ 42.7	\$ 32.5	\$ 2.3	\$ 0.2	\$ 11.6	\$ 1.0	\$ 21.8	\$ 22.6	\$ 57.6	\$ 49.4
2002	42.1	30.5	1.7	0.1	3.7	0.5	24.7	21.7	61.2	46.1
2003	39.9	28.5	1.1	0.1	2.6	0.4	25.6	20.6	36.6	42.6
2004	38.4	26.4	1.1	0.1	2.7	0.2	24.7	19.5	35.5	40.8
2005	22.8	24.4	1.2	0.1	2.4	0.1	21.6	18.5	47.0	39.0
Thereafter	<u>462.8</u>	<u>278.8</u>	<u>8.1</u>	<u>0.3</u>	<u>--</u>	<u>--</u>	<u>238.1</u>	<u>150.7</u>	<u>721.5</u>	<u>324.5</u>
Totals	<u>\$ 648.7</u>	<u>\$ 421.1</u>	<u>\$ 15.5</u>	<u>\$ 0.9</u>	<u>\$ 23.0</u>	<u>\$ 2.2</u>	<u>\$ 356.5</u>	<u>\$ 253.6</u>	<u>\$ 959.4</u>	<u>\$ 542.4</u>

(2) Revenue Debt Payable

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)

	Interest Rates	Principal	Due Dates
Water Fund	1.41 % to 10.0 %	\$ 1,738.7	Fiscal 2001 to 2028
Aviation Fund	4.5 % to 6.1 %	<u>962.2</u>	Fiscal 2001 to 2028
Total Revenue Debt Payable		<u>\$ 2,700.9</u>	

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

(Amounts In Millions)

Fiscal Year	Water Fund		Aviation Fund	
	Principal	Interest	Principal	Interest
2001	\$ 59.1	\$ 88.1	\$ 19.2	\$ 31.1
2002	61.4	85.8	26.6	41.2
2003	63.9	83.4	28.4	49.8
2004	66.7	80.7	29.9	48.3
2005	69.5	77.9	31.5	46.6
Thereafter	<u>1,418.1</u>	<u>635.4</u>	<u>826.6</u>	<u>550.6</u>
Totals	<u>\$ 1,738.7</u>	<u>\$ 1,051.3</u>	<u>\$ 962.2</u>	<u>\$ 767.6</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. At year end, \$1,599.5 million of bonds outstanding pertaining to the following funds and account groups are considered defeased:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

(Amounts In Thousands)

Governmental Funds:	
General Long-Term Debt	\$ 31,375
PICA	934,665
Municipal Authority	154,155
Enterprise Funds:	
Water Fund Revenue Bonds	479,265
Total	\$ 1,599,460

During the current fiscal year, the City issued the following refunding bonds to defease existing debt:

- In July, 1999 the City issued \$33.0 million of Water and Wastewater Revenue Refunding Series 1999 Bonds. The proceeds of these bonds were used to refund a portion of the 15th Series Water and Wastewater Revenue Bonds maturing from 2000 through 2005 in the amount of \$32.3 million. The cash flows required by the new bonds are \$3.3 million less than the cash flow required by the refunded bonds. The economic gain on the refunding (the adjusted present value of these reduced cash flows) was \$3.2 million. This early extinguishment of debt resulted in an accounting loss of approximately \$1.6 million representing the difference between the reacquisition price of \$33.9 million and the amount of debt extinguished of \$32.3 million. The resulting loss will be amortized over the life of the refunded bonds at a rate of \$0.3 million annually through July, 2005.

(4) Short -Term Borrowings

The City has statutory authorizations to negotiate temporary loans for periods not to extend beyond the fiscal year. The City repaid \$270.0 million in Tax and Revenue Anticipation Notes by June 2000 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. The present value of the estimated liability at year end has been calculated for each issue independently and recorded in the appropriate fund or account group. At June 30, the Water Fund and Aviation Fund had recorded liabilities of \$7.6 million and \$3.5 million respectively.

B. COMPONENT UNIT LONG-TERM DEBT PAYABLE

(1) General Obligation Debt Payable

One discretely presented component unit, the School District of Philadelphia, has debt that is classified as General Obligation debt payable. The General Obligation Bonds outstanding at year end total \$891.4 million in principal, with interest rates from 3.4% to 6.9% and have due dates from 2002 to 2029.

The following schedule reflects the changes in long-term debt for the School District's General Long-Term Debt Account Group for the fiscal year:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

(Amounts In Millions)

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u> <u>& Transfers</u>	<u>Ending</u> <u>Balance</u>
General Obligation Bonds	\$ 822.1	\$ 179.7	\$ (110.4)	\$ 891.4
Other Long-Term Debt:				
Severance Payable	137.0	21.4	(11.1)	147.3
Termination Compensation Payable	247.6	25.2	(16.3)	256.5
Other	61.7	43.1	(24.9)	79.9
	<u>446.3</u>	<u>89.7</u>	<u>(52.3)</u>	<u>483.7</u>
Total Long-Term Debt	<u>\$ 1,268.4</u>	<u>\$ 269.4</u>	<u>\$ (162.7)</u>	<u>\$ 1,375.1</u>

Debt service to maturity on the School District's general obligation bonds at year end is summarized as follows:

(Amounts In Millions)

<u>Fiscal</u> <u>Year</u>	<u>Principal</u>	<u>Interest</u>
2001	\$ 20.2	\$ 55.0
2002	39.7	38.3
2003	34.6	43.4
2004	36.2	41.8
2005	38.0	40.1
Thereafter	<u>722.7</u>	<u>472.1</u>
Totals	<u>\$ 891.4</u>	<u>\$ 690.7</u>

(2) Revenue Debt Payable

Several of the City's Proprietary Type Component Units 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)

	<u>Interest</u> <u>Rates</u>	<u>Principal</u>	<u>Due Dates</u>
Convention Center Authority	5.75 % to 6.875 %	\$ 267.7	Fiscal 2001 to 2020
Parking Authority	3.5 % to 5.75 %	353.8	Fiscal 2001 to 2029
Gas Works	4.4 % to 7.7 %	878.2	Fiscal 2000 to 2029
Redevelopment Authority	4.05 % to 10.25 %	<u>61.0</u>	Fiscal 2001 to 2029
Total Revenue Debt Payable		<u>\$ 1,560.7</u>	

In June, 1998 the **Gas Works** issued revenue bonds as described in the Defeased Debt section below.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

The Philadelphia **Parking Authority** had 2 new revenue bond issues during the year:

- Series 1999A Parking Revenue Bonds in the amount of \$47,390,000 with interest rates from 4.0% - 5.25% maturing through 2029. These bonds were issued In May, 1999 to retire existing bank notes in the amount of \$10.3 million and to fund the acquisition and development of various parking facilities.
- Series 1999 Airport Parking Revenue Bonds in the amount of \$155,660,000 with interest rates from 4.4% - 5.625% maturing through 2029. These bonds were issued to fund two new airport parking garages and other parking facility capital projects at the airport.

In December 1999, the **Redevelopment Authority** issued \$2.0 million in principal of Multiple Draw 1999 Series B bonds with an initial interest rate of 4.9% due on August 1, 2002. The proceeds of the bonds will be used to redeem various outstanding bond issues.

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

(Amounts In Millions)

Fiscal Year	Pennsylvania Convention Center Authority		Philadelphia Parking Authority ‡		Philadelphia Gas Works †		Redevelopment Authority of the City of Philadelphia	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2001	\$ 6.7	\$ 17.6	\$ 4.7	\$ 10.6	\$ 34.6	\$ 48.4	\$ 1.2	\$ 3.7
2002	7.2	17.1	5.9	10.6	35.3	47.8	6.1	3.7
2003	7.6	16.7	8.8	10.5	35.1	46.5	0.9	3.4
2004	8.1	16.2	9.2	10.3	32.6	46.7	1.1	3.3
2005	8.6	15.6	9.6	10.2	31.4	45.6	1.6	3.1
Thereafter	<u>229.5</u>	<u>134.7</u>	<u>315.6</u>	<u>153.1</u>	<u>709.2</u>	<u>359.8</u>	<u>50.1</u>	<u>51.3</u>
Totals	<u>\$ 267.7</u>	<u>\$ 217.9</u>	<u>\$ 353.8</u>	<u>\$ 205.3</u>	<u>\$ 878.2</u>	<u>\$ 594.8</u>	<u>\$ 61.0</u>	<u>\$ 68.5</u>

† - Gas Works amounts are presented as of its fiscal year ended August 31, 1999.

‡ - Parking Authority amounts are presented as of its fiscal year March 31, 2000.

(3) Defeased Debt

At year end, \$993.6 million of defeased bonds are outstanding from the following Component Units of the City as shown below:

(Amounts In Millions)

Pennsylvania Convention Center Authority	\$ 260.6
Philadelphia Parking Authority	55.9
Philadelphia Gas Works †	460.1
School District of Philadelphia	<u>217.0</u>
Total	<u>\$ 993.6</u>

† - Gas Works amounts are presented as of August 31, 1999

In July, 1999 the **Gas Works** issued \$176.3 million of new debt for the purpose of retiring approximately \$59.3 million of existing debt and establishing funds to support capital spending. The refunding of existing debt at lower interest rates resulted in an accounting loss of \$8.9 million but a new present value savings of \$6.5 million. As of PGW's August 31, 1999 fiscal year-end, the

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

\$100.00 million raised to support capital construction activity remains on deposit in a restricted account for capital purposes.

(4) Other Long-Term Debt

- The **School District** had loans payable of \$2.1 million at year-end consisting of an interest-free federal asbestos loan expected to be repaid over the next seven years.

11. LEASE COMMITMENTS AND LEASED ASSETS

A. CITY AS LESSOR

The City's operating leases consist principally of leases of airport facilities, recreation facilities, certain transit facilities and various other real estate and building sites.

Rental income for all operating leases for the year was as follows:

(Amounts In Thousands)

	Primary Government		Component Units
	Governmental	Proprietary	
	<u>Funds</u>	<u>Funds</u>	
Minimum Rentals	\$ 14,822	\$ 13,115	\$ 852
Additional Rentals	<u>6,296</u>	<u>72,298</u>	<u>--</u>
Total Rental Income	<u>\$ 21,118</u>	<u>\$ 85,413</u>	<u>\$ 852</u>

As of year end, future minimum rentals receivable under noncancelable operating leases are as follows:

(Amounts In Thousands)

Fiscal Year Ending	Primary Government		Component Units
	Governmental	Proprietary	
	<u>Funds</u>	<u>Funds</u>	
<u>June 30</u>			
2001	\$ 7,516	\$ 14,993	\$ 1,474
2002	5,245	14,523	1,242
2003	4,494	13,527	1,201
2004	2,718	13,275	1,142
2005	2,747	13,275	1,075
Later Years	<u>1,934</u>	<u>125,512</u>	<u>19,051</u>
	<u>\$ 24,653</u>	<u>\$ 195,105</u>	<u>\$ 25,185</u>

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

B. CITY AS LESSEE

(1) OPERATING LEASES

The City's operating leases consist principally of leases for office space, data processing equipment, duplicating equipment and various other items of property and equipment to fulfill temporary needs.

Rental expense for all operating leases for the year was as follows:

	(Amounts In Thousands)		
	<u>Primary Government</u>		<u>Component Units</u>
	Governmental	Proprietary	
	Funds	Funds	
Minimum Rentals	\$ 33,507	\$ 10,865	\$ 39,914
Additional Rentals	--	--	--
Total Rental Expense	<u>\$ 33,507</u>	<u>\$ 10,865</u>	<u>\$ 39,914</u>

As of year end, future minimum rental commitments for operating leases having an initial or remaining noncancelable lease term in excess of one year are as follows:

Fiscal Year Ending	(Amounts In Thousands)		
	<u>Primary Government</u>		<u>Component Units</u>
	Governmental	Proprietary	
	Funds	Funds	
<u>June 30</u>			
2001	\$ 4,522	\$ 449	\$ 18,699
2002	4,614	488	15,311
2003	4,579	251	12,205
2004	4,211	112	8,378
2005	3,936	--	7,030
Later Years	<u>5,560</u>	<u>--</u>	<u>18,166</u>
Total	<u>\$ 27,421</u>	<u>\$ 1,300</u>	<u>\$ 79,789</u>

(2) Capital Leases

Capital leases consist of leased real estate included in the General Fixed Assets Account Group. As of year end, future minimum rental commitments of the City under capital leases are as follows:

Fiscal Year Ending	(Amounts In Thousands)	
	<u>Primary Government</u>	
	General Long	
	Term Debt	
<u>June 30</u>		
2001	\$ 4,106	
2002	4,105	
2003	4,105	
2004	4,103	
2005	4,106	
Thereafter	<u>90,274</u>	
Future Minimum Rental Payments		110,799
Interest Portion of Payments		<u>(52,884)</u>
Obligation Under Capital Leases		<u>\$ 57,915</u>

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

12. 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 Internal Revenue Code and Pennsylvania laws in effect at June 30, 2000, the assets of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. In accordance with GASB Statement No. 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

The Gas Works 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 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.

13. RETAINED EARNINGS/FUND BALANCE RESERVATIONS AND DESIGNATIONS

The City and its component units have reserved or designated portions of several funds' Retained Earnings or Fund Balances. Following is a description of all such reservations and designations:

Reserved for Debt Service - An account used to segregate a portion of Retained Earnings for debt service resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Reserved for Capital Purposes - An account used to segregate a portion of Retained Earnings for resources legally restricted to expenditures of a capital nature.

Reserved for Rate Stabilization - An account used to segregate a portion of Retained Earnings required to segregate assets to offset future deficits and corresponding rate increase requirements.

Reserved for Inventories - An account used to segregate a portion of Fund Balance to indicate that inventory does not represent available, spendable resources even though it is a component of assets.

Reserved for Encumbrances - An account used to segregate a portion of Fund Balance for expenditure upon vendor performance.

Reserved for Self-Insurance - An account used to segregate a portion of Fund Balance for the School District's Weekly Indemnity Insurance coverage.

Reserved for Debt Service Principal - An account used to segregate a portion of Fund Balance for debt service resources legally restricted to the payment of long-term debt principal maturing in future years.

Reserved for Debt Service Interest - An account used to segregate a portion of Fund Balance for debt service resources legally restricted to the payment of long-term debt interest amounts in future years.

Reserved for Trust Principal - An account used to segregate a portion of Fund Balance to indicate that a portion of the Trust Fund Assets do not represent available, spendable resources.

Reserved for Intergovernmental Financing - An account used to segregate a portion of Fund Balance to finance possible future General Fund deficits and capital programs.

Reserved for Intergovernmentally Financed Programs - An account used to segregate a portion of Fund Balance legally restricted to programs to improve the City's financial status.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Reserved for Program Purposes - An account used to segregate a portion of Fund Balance for the purpose of maintaining and operating the City's Community College and Housing Authority.

Reserved for Managed Care - An account used to segregate a portion of Fund Balance that is required to be held in reserve to ensure adequate funding for costs of managed behavioral health care.

Reserved for Tax Lien Proceeds - An account used to segregate a portion of Fund Balance representing amounts received by the School District that will be made available in future years.

Reserved for Public Safety Emergency Phone System - An account used to segregate a portion of Fund Balance legally restricted for the improvement of the emergency phone system.

Reserved for Employees Pension Benefits - An account used to segregate a portion of Fund Balance for the specific operation of the Municipal Pension Trust Fund.

Designated for Trust Purposes - An account used to segregate a portion of Unreserved Fund Balance for the specific operation of the various Trust Funds.

Designated for Behavioral Health Programs - An account used to segregate a portion of Unreserved Fund Balance used for behavioral health programs.

A. PRIMARY GOVERNMENT

The following is a summary by fund type of all reservations and designations of the Primary Government:

(Amounts in Thousands)

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Improvement Funds	Enterprise Funds	Trust and Agency Funds	Total
Retained Earnings:							
Reserved for Capital Purposes	\$ --	\$ --	\$ --	\$ --	\$ 55,451	\$ --	\$ 55,451
Reserved for Rate Stabilization	--	--	--	--	183,949	--	183,949
Total Retained Earnings	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 239,400</u>	<u>\$ --</u>	<u>\$ 239,400</u>
Reserved Fund Balance:							
Reserved for Inventories	\$ 14,321	\$ --	\$ --	\$ --	\$ --	\$ 68	\$ 14,389
Reserved for Encumbrances	109,432	1,186	--	126,880	--	290	237,788
Reserved for Intergovernmental Financing	--	73,690	--	--	--	--	73,690
Reserved for Intergovernmentally Financed Programs	--	29,274	--	--	--	--	29,274
Reserved for Debt Service Principal	--	--	99,801	--	--	--	99,801
Reserved for Debt Service Interest	--	--	--	--	--	--	--
Reserved for Managed Care	--	30,881	--	--	--	--	30,881
Reserved for Public Safety Emergency Phone System	--	4,004	--	--	--	--	4,004
Reserved for Employees Pension Benefits	--	--	--	--	--	5,416,453	5,416,453
Reserved for Trust Principal	--	--	--	--	--	4,298	4,298
Total Reserved Fund Balance	<u>\$ 123,753</u>	<u>\$ 139,035</u>	<u>\$ 99,801</u>	<u>\$ 126,880</u>	<u>\$ --</u>	<u>\$ 5,421,110</u>	<u>\$ 5,910,578</u>
Unreserved Fund Balance:							
Designated for Behavioral Health Programs	\$ --	\$ 75,213	\$ --	\$ --	\$ --	\$ --	\$ 75,213
Designated for Trust Purposes	--	--	--	--	--	8,933	8,933
Total Designated Unreserved Fund Balance	<u>\$ --</u>	<u>\$ 75,213</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 8,933</u>	<u>\$ 84,146</u>

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

B. COMPONENT UNITS

The following is a summary by entity of all reservations and designations of the various component units:

(Amounts In Thousands)

	Community College of Philadelphia	Philadelphia Parking Authority	Redevelopment Authority of the City of Philadelphia	School District of Philadelphia	Total
Retained Earnings:					
Reserved for Debt Service	\$ --	\$ 26,697	\$ 4,035	\$ --	\$ 30,732
Reserved Fund Balance:					
Reserved for Inventories	\$ --	\$ --	\$ --	\$ 1,599	\$ 1,599
Reserved for Encumbrances	--	--	--	123,742	123,742
Reserved for Self-Insurance	--	--	--	2,864	2,864
Reserved for Debt Service Principal	--	--	--	37,773	37,773
Reserved for Debt Service Interest	--	--	--	16,900	16,900
Reserved for Tax Lien Proceeds	--	--	--	7,637	7,637
Reserved for Trust Principal	--	--	--	2,481	2,481
Reserved for Program Purposes	77,110	--	--	--	77,110
Total Reserved Fund Balance	<u>\$ 77,110</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 192,996</u>	<u>\$ 270,106</u>
Unreserved Fund Balance:					
Designated for Trust Purposes	\$ --	\$ --	\$ --	\$ 2,559	\$ 2,559
Total Designations	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,559</u>	<u>\$ 2,559</u>

14. UNRESERVED FUND BALANCE/RETAINED EARNINGS DEFICIT

Funds experiencing an Unreserved Fund Balance or Retained Earnings deficit at year-end are as follows:

Enterprise Funds:	
Water Fund	\$ 47,578,994
Capital Improvement Funds:	
City Capital Improvement Fund	70,126,665

15. CONTRIBUTED CAPITAL

Several of the City's Proprietary Funds and its component units have contributed capital from local and other sources as part of their fund equity. The following is a summary of changes in their respective contributed capital.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

A. PRIMARY GOVERNMENT

(Amounts In Thousands)

	<u>Water Fund</u>		<u>Aviation Fund</u>		<u>Industrial and Commercial Development Fund</u>	<u>Primary Government Total</u>
	Local	Other	Local	Other	Local	
	Beginning Balance	\$ 28,676	\$ 435,838	\$ 44,042	\$ 189,803	\$ 20,100
Grants Received	--	--	--	2,811	--	2,811
Contributions Received	6	--	--	--	107	113
Credit Arising From Depreciation	--	(15,794)	--	(12,580)	--	(28,374)
Ending Balance	<u>\$ 28,682</u>	<u>\$ 420,044</u>	<u>\$ 44,042</u>	<u>\$ 180,034</u>	<u>\$ 20,207</u>	<u>\$ 693,009</u>

B. COMPONENT UNITS

(Amounts In Thousands)

	<u>Philadelphia Housing Development Corp.</u>		<u>Pennsylvania Convention Center Authority</u>		<u>Community Behavioral Health *</u>	<u>School District of Philadelphia</u>	<u>Philadelphia Housing Authority</u>	<u>Component Unit Total</u>
	Local	Other	Local	Other	Local			
	Beginning Balance	\$ 2,550	\$ 593	\$ 19,910	\$ 97,100	\$ 2,571	\$ 7,238	\$ --
Contributions Received	--	--	--	--	(302)	--	692,028	691,726
Ending Balance	<u>\$ 2,550</u>	<u>\$ 593</u>	<u>\$ 19,910</u>	<u>\$ 97,100</u>	<u>\$ 2,269</u>	<u>\$ 7,238</u>	<u>\$ 692,028</u>	<u>\$ 821,688</u>

* - Information for CBH is presented for its fiscal year ended December 31, 1999.

16. INTERFUND TRANSACTIONS

During the course of normal operations the City has numerous transactions between funds including expenditures and transfer of resources to provide services. These transactions are recorded as operating transfers and are reported as other financial sources (uses) in the Governmental Funds, operating transfers (expenses) in the Proprietary Funds, and as City Appropriations in the Community College Fund in accordance with the basis of accounting for educational institutions as described in Note I.3.B. Transfers between fund types during the year were:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

A. PRIMARY GOVERNMENT

(Amounts in Thousands)

	<u>Transfers In</u>		<u>Transfers Out</u>	
General Fund		\$ 168,981		\$ 124,148
Special Revenue Funds:				
Grants Revenue Fund	--		16,621	
Municipal Authority Administrative Fund	--		--	
PICA Administrative Fund	1,090	1,090	277,099	293,720
Debt Service Funds:				
City Debt Service Fund	79,436		--	
Municipal Authority Debt Service Fund	45,375		--	
PICA Debt Service Fund	100,312	225,123	--	--
Capital Improvement Funds:				
City Capital Improvement Fund	52,203		--	
Municipal Authority Capital Improvement Fund	--	52,203	26,203	26,203
Proprietary Funds:				
Water Fund	--			4,138
Trust and Agency Funds:				
Departmental Non-Expendable Trust Funds	--		43	
Departmental Expendable Trust Funds	855	855	--	43
Total Interfund Transactions		<u>\$ 448,252</u>		<u>\$ 448,252</u>

B. COMPONENT UNITS

(Amounts in Thousands)

	<u>Transfers In</u>		<u>Transfers Out</u>	
Primary Government				
General Fund		\$ 49,198		\$ 87,670
Special Revenue Funds:				
Hotel Tax Fund	--		17,232	
Grants Revenue Fund	--		33,615	
HealthChoices Behavioral Health Fund	--		388,449	
Community Development Fund	--	--	39,098	478,394
Capital Improvement Funds:				
City Capital Improvement Fund	--			1,850
Proprietary Funds:				
Water Fund	--			2,876
Aviation Fund		21,894		--
Component Units				
School District of Philadelphia	--		--	
Philadelphia Gas Works	--		18,000	
Penn's Landing Corporation	1,100		--	
Pennsylvania Convention Center Authority	46,404		17,399	
Philadelphia Housing Development Corporation	27,766		--	
Philadelphia Parking Authority	--		35,693	
Philadelphia Authority for Industrial Development	47,238		6,231	
Redevelopment Authority of the City of Philadelphia	44,946			
Community Behavioral Health	334,344	501,798	--	77,323
Community Behavioral Health transfers represent activity for the fiscal period ended December 31, 1999 and is not compatible with the reporting period of other entities.		54,105		--
General Fund and Capital Improvement Fund transfers to Community College of Philadelphia reflected as Contribution Revenue in conformance with GAAP for educational institutions.		<u>21,118</u>		<u>--</u>
Total Interfund Transactions		<u>\$ 648,113</u>		<u>\$ 648,113</u>

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

IV. OTHER INFORMATION

1. 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 School District of Philadelphia, the Pennsylvania Convention Center Authority, and the Community College - participate in state administered cost-sharing multiple employer plans. In addition, two discretely presented component units - PHA and RDA - maintain their own single employer defined benefit plans.

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 two plans maintained by the City's component units are the Philadelphia Housing Authority Plan (PHA Plan) and the Redevelopment Authority of the City of Philadelphia Retirement Plan (RDA Plan).

Financial statements for the City, PGW, and RDA pension plans are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. All assets of the PHA pension plan are invested in an Immediate Participating Guaranteed (IPG) contract.

Required Supplementary Information calculated in accordance with GASB Statement No. 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.

(1) City Plan

(a) Plan Description

The Philadelphia Home Rule Charter (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. Each of these two plans has multiple divisions.

Retirement Benefits

An employee who meets the age and service requirements of the particular division in which he participates is entitled to an annual benefit, payable monthly for life, equal to the employee's average final compensation multiplied by a percentage that is determined by the employee's years of credited service. The formula for determining the percentage is different for each division. If fund earnings exceed the actuarial assumed rate by a sufficient amount, an enhanced benefit distribution to retirees, their beneficiaries, and their survivors shall be considered. A deferred vested benefit is available to an employee who has 10 years of credited service, has not withdrawn contributions to the system and has attained the appropriate service retirement age. Members of both plans may opt for early retirement with a reduced benefit. The **Deferred Retirement Option Plan (DROP)** was initiated on October 1, 1999. Under this plan employees that reach retirement age may accumulate their monthly service retirement benefit in an interest bearing account at the Board of Pensions for up to four (4) years and continue to be employed by the City of Philadelphia.

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Death Benefits

If an employee dies from the performance of duties, his/her spouse, children or dependent parents may be eligible for an annual benefit ranging from 15% to 80% of the employee's final average compensation. Depending on age and years of service, the beneficiary of an employee who dies other than from the performance of duties will be eligible for either a lump sum benefit only or a choice between a lump sum or an annual pension.

Disability Benefits

Employees disabled during the performance of duties are eligible for an immediate benefit equal to contributions plus a yearly benefit. If the employee subsequently becomes employed, the benefit is reduced by a percentage of the amount earned. Certain employees who are disabled other than during the performance of duties are eligible for an ordinary disability payment if they apply for the benefit within one year of termination. If the employee subsequently becomes employed, the benefit is reduced by a percentage of the amount earned.

Membership

Membership in the plan as of July 1, 1999 was as follows:

Retirees and beneficiaries currently receiving benefits	31,891
Terminated members entitled to benefits but not yet receiving them	814
Active members	30,985
Total Members	63,690

The Municipal Pension Fund issues a separate annual financial report. To obtain a copy, contact the Director of Finance of the City of Philadelphia.

(b) Funding Policy

Employee contributions are required by City Ordinance. For Plan 67 members, employees contribute 3¾% of their total compensation that is subject to Social Security Tax and 6% of compensation not subject to Social Security Tax. Plan 87 contribution rates are defined for the membership as a whole by Council ordinance. Rates for individuals are then determined annually by the actuary so that total individual contributions satisfy the overall rate set by Council.

The City is required to contribute the remaining amounts necessary to fund the Plan, using an acceptable actuarial basis as specified by the Home Rule Charter, City Ordinance and State Statute. Court decisions require that the City's annual employer contributions are sufficient to fund:

The accrued actuarially determined normal costs

Amortization of the unfunded actuarial accrued liability determined as of July 1, 1985. The portion of that liability attributable to a class action lawsuit by pension fund beneficiaries (the Dombrowski suit) is amortized in level installments, including interest, over 40 years through June 30, 2009. The remainder of the liability is amortized over 34 years with increasing payments expected to be level as a percentage of each year's aggregate payroll.

Amortization in level dollar payments of the changes to the July 1, 1985 liability due to the following causes over the stated period:

- nonactive member's benefit modifications (10 years)
- experience gains and losses (15 years)
- changes in actuarial assumptions (20 years)
- active members' benefit modifications (20 years)

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

The total required employer contribution for the City and other participating employers for the current year was 14% of covered payroll of \$1,176.9 million.

Administrative costs of the Plan are paid out of the Plan's assets.

(c) Annual Pension Cost

The actuarial valuation used to compute the current year's required contribution was performed as of July 1, 1998. Methods and assumptions used for that valuation include:

- the entry age actuarial cost method
- a five-year smoothed market value method for valuing investments
- a level percentage closed method for amortizing the unfunded liability
- an annual investment rate of return of 9%
- projected annual salary increases of 5% (including inflation)
- annual inflation of 3.5%
- no post-retirement benefit increases

For the current year, the City contributed the Annual Pension Cost of \$164.5 million and made an additional payment of \$15 million to reduce the unfunded liability.

The Annual Pension Cost and related percentage contributed for the three most recent fiscal years are as follows:

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u> (In Millions)	Percentage <u>Contributed</u>
1998	\$252.0	100.00%
1999	\$256.7	100.00%
2000	\$164.5	100.00%

(d) Summary of Significant Accounting Policies

Financial statements of the Plan are prepared using the accrual basis of accounting. Contributions of employees and employers are recognized as revenues in the period in which employee services are performed. Benefits and refunds paid are recognized when due and payable in accordance with the terms of the plan. Investments are valued as described in Footnote I.4.A.

(2) Gas Works Plan

(a) Plan Description

The Gas Works sponsors a public employee retirement system (PERS), a single-employer defined benefit plan to provide benefits for all its employees. The PGW Pension Plan provides retirement benefits as well as death and disability benefits. Retirement benefits vest after 10 years of credited service. Employees who retire at or after age 65 are entitled to receive an annual retirement benefit, payable monthly, in an amount equal to the greater of:

- 1.25% of the first \$6,600 of Final Average Earnings plus 1.75% of the excess of Final Average Earnings over \$6,600, times years of credited service, with a maximum of 60% of the highest annual earnings during the last 10 years of credited service, applicable to all participants

OR

- 2% of total earnings received during the period of credited service plus 22.5% of the first \$1200 of such amount, applicable only to participants who were employees on or prior to March 24, 1967.

Final-average earnings is the employee's average pay, over the highest 5 years of the last 10 years of credited service. Employees with 15 years of credited service may retire at or after age 55 and receive a reduced retirement benefit.

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Total membership of the PGW plan as of September 1, 1998 consisted of:

Retirees and beneficiaries currently receiving benefits and terminated members entitled to benefits but not yet receiving them	2,152
Current Employees	<u>1,977</u>
Total Members	<u><u>4,129</u></u>

The City of Philadelphia issues a publicly available financial report that includes financial statements and required supplementary information for the PGW Plan. The report may be obtained by writing to the Director of Finance of the City of Philadelphia.

(b) Funding Policy

Benefit and contribution provisions are established by City ordinance and may be amended only as allowed by City ordinance. Covered employees are not required to contribute to the PGW Pension Plan. The Gas Works is required by statute to contribute the amounts necessary to finance the Plan.

The funding policy of the PGW Plan provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. Level percentage of employer contribution rates are based on the actuarial accrued liability as determined by using the Projected Unit Credit actuarial funding method. The actuarial asset value is equal to the value of fund assets. The unfunded actuarial accrued liability is being amortized over 10 years. Contributions of \$787,000 (approximately 3.46% of covered payroll) were made to the PGW Plan during the year.

Historically, payments to beneficiaries of the PGW Plan are made by the Fund and not from the assets of the Plan. During the year, payments to beneficiaries exceeded the Fund's actuarially computed pension contribution and a withdrawal of \$26.5 million from the pension assets was necessary to meet beneficiary payment obligations.

(c) Annual Pension Cost

PGW's annual pension cost for the current year was \$787,000, equal to its required contribution. This represented the net of (a) \$5,927,000 for normal cost less \$5,140,000 amortization of the excess plan assets over the pension benefit obligation. The annual required contribution for the current year was determined as part of an interim actuarial valuation update performed as of September 1, 1998 using the projected credit unit method. Significant actuarial assumptions used include an annual rate of return on investments of 8.25%, projected salary increases of 4.25% per year (both of which include an inflation component of 3% and do not include post-retirement benefit increases) and age 62 as the assumed retirement age

The Annual Pension Cost and related percentage contributed for the three most recent fiscal years is as follows:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Fiscal Year Ended <u>August 31</u>	Annual Required <u>Contribution</u> (In Thousands)	Percentage <u>Contributed</u>
1997	\$4,590	100%
1998	\$3,334	100%
1999	\$ 787	100%

(d) Summary of Significant Accounting Policies

The financial statements of the Plan are prepared on the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed. Investment income is recognized as earned. Gains and losses on sales and exchanges are recognized on the transaction date. Plan investments are reported at fair value based on quoted market price for those similar investments.

(3) Component Unit - Philadelphia Housing Authority Plan

(a) Plan Description

The Philadelphia Housing Authority contributes to a single-employer Public Employees' Retirement System (PERS), administered by an insurance company (the PHA Pension Plan) covering all permanent employees. The PERS issues separate, stand-alone financial statements. The Authority's payroll for employees covered by the PHA Plan for the year was approximately \$75.7 million. The PHA Pension Plan provides retirement benefits as well as death and disability benefits. Employees who retire at or after age 65 receive an annual retirement benefit equal to 2.5% of average earnings multiplied by the years of service not to exceed 25 years, plus 1.25% of average earnings multiplied by years of service in excess of 25 years.

(b) Funding Policy

Funding policies are determined by collective bargaining agreements and employment policies. Covered employees are required to contribute 5.5% of pre-tax salary to the PHA Pension Plan. The Philadelphia Housing Authority is required to contribute an amount equal to employee contributions.

(c) Annual Pension Cost

Actuarially determined contributions are required to provide sufficient assets to pay benefits when due. The Authority's funding policy is set by collective bargaining agreements and employment policies. The policy is to contribute 5.5% to the PERS along with the employees' required contributions of 5.5% of total salary. Significant methods and assumptions used to calculate the actuarially required contributions are:

- the entry-age normal method
- annual rate of return on investments of 8%
- projected salary increases of 5.5% per year
- an annual rate of inflation of 3.5%
- no post-retirement benefit increases

The Authority's actuarially required contributions and percentage contributed for the last three fiscal years of the Plan are summarized below. The required contribution for the current year was approximately 5.3% of covered payroll.

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Fiscal Year Ended <u>October 31</u>	Annual Required <u>Contribution</u>	Percent <u>Contributed</u>
1997	\$2,951,006	116.7%
1998	\$3,162,422	116.8%
1999	\$3,274,378	122.5%

(4) Component Unit - Redevelopment Authority Plan

(a) Plan Description

The Redevelopment Authority contributes to the Redevelopment Authority of the City of Philadelphia Retirement Plan (the Plan) which is a single-employer defined benefit pension plan. The Plan does not issue a stand-alone financial report.

Substantially all full time Authority employees are eligible to participate in the Plan. Benefits vest after five years of service. Authority employees who retire at or after age 55 with five years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2.5% of their final monthly salary multiplied by the number of months of credited service up to 240 months plus 2% of final monthly compensation multiplied by months of credited service in excess of 240 months up to a maximum of 420 months. The Plan also provides death and disability benefits which are determined in a manner similar to the retirement benefits.

(b) Funding Policy

The plan's funding policy provides for actuarially determined periodic employer contributions which account for benefits that increase gradually over time so that sufficient assets will be available to pay benefits when due. The rate for the Authority's employee group as a whole has tended to remain level as a percentage of annual covered payroll. Authority employees are required to contribute 6% of their salary to the Plan. The Authority is required to contribute the remaining amounts necessary to fund the Plan as defined under Act 205 of the Commonwealth of Pennsylvania Code.

(c) Annual Pension Cost

The contribution for the Plan for fiscal 2000 of \$911,944 (approximately 14% of covered payroll, representing normal cost) was determined in accordance with actuarially determined requirements computed through the actuarial valuation performed as of January 1, 2000 using the entry age normal actuarial cost method. The Authority contributed \$566,428 (approximately 9% of current covered payroll) and the employees contributed \$345,516 (5% of current covered payroll).

Significant actuarial assumptions include a 7.75% rate of return on investment assets, projected salary increases of 6% per year (4% for merit and promotion, 2% for inflation) and no post-retirement benefit increases.

The net pension obligation at year end was \$61,724 computed as follows:

Annual Required Contribution	\$ 595,832
Interest On Net Pension Obligation	2,464
Adjustment to Annual Required Contribution	<u>(4,124)</u>
Annual Pension Cost	594,172
Contributions Made	<u>(566,428)</u>
(Increase) Decrease In Net Pension Obligation	27,744
Net Pension Obligation - Beginning of Year	<u>33,980</u>
Net Pension Obligation - End of Year	<u><u>\$ 61,724</u></u>

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

The Authority's actuarially required contributions and percentage contributed for the last three years (beginning with transition year 1998 from GASB No. 5 to GASB No. 27) are summarized below.

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percent <u>Contributed</u>	Net Pension <u>Obligation</u>
1998	\$503,398	104%	(\$108,229)
1999	\$555,702	74%	\$33,980
2000	\$594,172	95%	\$61,724

B. MULTIPLE EMPLOYERS PLANS

One of the City's blended component units and three of its discretely presented component units participate in two defined benefit plans (PSERS and SERS) and one (Community College) participates in two defined contribution plans (TIAA-CREF and Fidelity Investments) as described below.

The payroll for Community College employees covered by any of the four multiple employer plans was \$37.4 million and the total payroll was \$52.8 million. Contributions to the four plans by the College during the fiscal year totaled approximately \$3.5 million representing 9.33% of covered payroll. College employees contributed approximately \$1.9 million representing 5% of covered payroll.

(1) Public School Employee Retirement System (PSERS)

(a) Plan Description

School Districts and Community Colleges in the Commonwealth of Pennsylvania participate in the State administered Public School Employees Retirement System (PSERS) which is a cost-sharing multiple-employer defined benefit plan. PSERS provides retirement and disability benefits, legislatively mandated ad hoc cost-of-living adjustments and healthcare insurance premium assistance to qualifying annuitants. Authority to establish and amend benefit provisions rests in the Public School Employees' Retirement Code (the Code).

PSERS issues a comprehensive annual financial report which includes financial statements and required supplementary information for the plan. A copy of the report can be obtained by writing to :

Public School Employees' Retirement System
P.O. Box 125
Harrisburg, PA 17108-0125
Attn: Donna C. Peterson, Office of Financial Management & Budget

(b) Funding Policy

Contribution policy is established by the Code and requires contributions from active members, employers and the Commonwealth. Most active members contribute at 5.25% of qualifying compensation. Members joining the PSERS on or after July 22, 1983 contribute at 6.25%. The employer rate is actuarially determined. The rate for fiscal year 2000 was 4.36% for pension and 0.25% for health insurance premium assistance.

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

The School District's contributions for the last three years are as follows:

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
1998	\$87,216,980	100%
1999	\$63,377,697	100%
2000	\$47,875,041	100%

(2) State Employees Retirement System (SERS)

(a) Plan Description

PICA and Convention Center Authority employees and certain Community College employees are eligible to participate in the Pennsylvania State Employees Retirement System (SERS), which is a cost sharing multiple employer plan. The SERS provides pension, death and disability benefits. Retirement benefits vest after 10 years of credited service. Employees who retire at age 60 after 3 years of service or with 35 years of service if under age 60, are entitled to a normal annual retirement benefit. The general annual benefit is 2% of the member's highest three year average salary times years of service. The General Assembly has the authority to establish and amend benefits of the SERS. Ad hoc cost-of-living adjustments are provided at the discretion of the General Assembly.

(b) Funding Policy

The SERS funding policy is set by the SERS Board. Active members are required to contribute periodically at statutory rates, generally 5% of gross pay. The amount is recorded in an individually identified account that accumulates interest at 4% per year as mandated by statute. Accumulated employee contributions and credited interest vest immediately and are returned to the employee upon termination of service if the employee is not eligible for other benefits.

Employer contributions are an actuarially determined percentage of payroll such that they, along with employee contributions and an actuarially determined investment rate of return, are adequate to accumulate assets to pay benefits when due. The rate for fiscal year 2000 was 4.02%.

Contributions of the Convention Center Authority for the last three years were as follows:

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
1998	\$201,104	100%
1999	\$193,337	100%
2000	\$152,255	100%

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Contributions of PICA over the past three years were as follows:

Fiscal Year Ended <u>June 30</u>	Annual Required <u>Contribution</u>	Percentage <u>Contributed</u>
1998	\$28,064	100%
1999	\$29,017	100%
2000	\$23,745	100%

According to the retirement code, all obligations of the SERS will be assumed by the Commonwealth should the SERS terminate.

During the year and as of year end, the SERS did not hold securities issued by the City or other related parties.

The SERS issues a publicly available financial report that includes financial statements and required supplementary information which may be obtained by writing to:

State Employees' Retirement Board
Commonwealth of Pennsylvania
30 North Third Street
Harrisburg, PA 17108-1147

(3) Teacher's Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) and Fidelity Investments

(a) Plan Description

Community College employees are also eligible to participate in the Teacher's Insurance and Annuity Association - College Retirement Equities Fund (TIAA-CREF). TIAA-CREF is a defined contribution plan and, as such, benefits depend solely on amounts contributed to the plan plus investment earnings. Full-time faculty and administrative employees are eligible to participate from the date of employment, and clerical employees have a one year waiting period. Part-time faculty may participate after earning four (4) seniority units, as defined in the Collective Bargaining Agreement. College policy and collective bargaining agreements require that both the employee and the college contribute amounts, as set forth below, based on the employees earnings.

The College's contributions for each employee (and interest allocated to the employee's account) are fully vested. Participants who leave the employ of the college for reasons other than retirement or disability, and are not transferring to another institution with TIAA-CREF, may repurchase their contributions provided they have not participated in the program for more than 5 years. Death benefits in the amount of the full current value of accumulation is provided to the beneficiary of participants who die prior to retirement. A variety of payment options are available. The College has 899 employees participating in this plan.

(b) Funding Policy

The employer's contribution requirement for full-time faculty and administrators and other staff is 10% of the base contract amount. For visiting lecturers, the rate is 5% of the base contract. For Part-time faculty, the rate is 5% of all earnings. For all employees, the employee's contribution requirement is 5% of base salary.

2. 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. School District employees have an unlimited maximum accumulation and Gas

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Works' employees' sick leave is noncumulative. 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.

3. POST EMPLOYMENT BENEFITS

A. PRIMARY GOVERNMENT

In addition to providing pension benefits, the City provides certain post-employment health care and life insurance benefits for retired employees, dependents and/or beneficiaries through provisions of City ordinances, civil service regulations and agreements with its various employee bargaining units. The City provides these benefits for from one to four years after retirement depending upon the classification of the employee at his/her retirement. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. These and similar benefits for active employees are provided through a combination of a self-insurance program and insurance companies whose premiums are based on the benefits paid during the year. The cost of providing these health benefits and life insurance for approximately 2,885 eligible retirees amounted to \$16.6 million and \$3.7 million, respectively.

B. COMPONENT UNIT

The **School District** provides life insurance benefits for approximately 8,365 retired employees through a self-insurance program. A retired employee is eligible for this benefit if covered for 10 years as an active employee and retired at age 60 with 30 years of service or age 62 with 10 years of service or any age with 35 years of service. Benefits are recognized as expenditures in the School District General Fund when claims are paid. Total coverage as of year end amounted to \$16.0 million and the cost of life insurance for the year for retirees was \$662,239.

The **Gas Works** provides certain health care and life insurance benefits for approximately 1,968 retired employees and their dependents. The Gas Works recognizes the cost of providing these benefits by charging the annual insurance premiums to expense. Total premiums incurred for health care amounted to \$23.4 million, of which approximately 46% relates to retirees and their dependents. Total premiums for group life insurance amounted to \$984,000, of which approximately 28% relates to retirees.

4. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY (PICA)

The 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, the Authority 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, the President pro tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives each appoints one voting member of 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 to cause certain

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

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 2000 this transfer amounted to \$157.9 million.

5. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains several Enterprise Funds which provide water and sewer, airport and industrial and commercial development services. Segment information for the year is as follows:

	(Amounts in Thousands)			
	Water	Aviation	Industrial & Commercial Development	Total
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	
Operating Revenues	\$347,782	\$128,284	\$2,800	\$478,866
Depreciation and Amortization Expense	81,264	45,332	--	126,595
Operating Income/(Loss)	49,084	(12,971)	44	36,157
Operating Grants	7,378	21	173	7,572
Operating Transfers In/(Out)	(7,014)	21,894	--	14,880
Net Income/(Loss)	(40,047)	29,095	(1,785)	(12,736)
Current Capital:				
Contributions	6	--	107	113
Transfers	15,794	12,580	--	28,374
Property, Plant & Equipment Additions	(68,077)	(155,020)	--	(223,097)
Net Working Capital	12,139	(36,009)	24,569	699
Bonds and Other Long-Term Liabilities	1,533,495	929,673	--	2,463,168
Total Equity	585,096	468,219	25,859	1,079,174
Total Assets	2,232,092	1,514,849	26,281	3,773,222

6. 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 \$51.5 million to SEPTA. In addition, the City received \$3.9 million in fixed rental payments on certain properties leased to SEPTA. Through various agreements executed in 1968, SEPTA purchased the properties of Philadelphia Transportation Company (PTC). SEPTA issued \$55.0 million of revenue bonds principally to finance the acquisition and then leased the PTC properties to the City for annual rentals equivalent to the debt service on the SEPTA bonds. The City then leased these properties back to SEPTA together with all the City's transit properties for the same rentals (equivalent to the debt service on the SEPTA bonds). SEPTA is not obligated to pay the rent if they have insufficient earnings. The debt service on the SEPTA bonds paid by the City during the year amounted to \$4.7 million. The unpaid principal balance at year end was \$12.2 million. The SEPTA bonds require annual debt service payments through the year 2002.

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

B. OTHER ORGANIZATIONS

The City provides varying levels of subsidy and other support payments (which totaled \$35.8 million during the year) to the following organizations:

- Philadelphia Commercial Development Corporation
- Philadelphia Health Management Corporation
- Philadelphia Industrial Development Corporation

7. 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. Risk management activities, except those covered by insurance carriers, are currently reported in the City's General, Water, Aviation, and Pension Funds. The long-term portion of claims related to the General Fund are reported in the General Long-Term Debt Account Group. 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.

At June 30, the amount of these liabilities was \$139.0 million for the Primary Government. This liability is the City's best estimate based on available information. Changes in the reported liability since June 30, 1998 resulted from the following:

(Amounts in Millions)

	Beginning	Current Year	Claim	Ending
	Liability	Claims and Changes	Payments	Liability
		In Estimates		
Fiscal 1999	\$111.2	\$90.1	(\$71.5)	\$129.8
Fiscal 2000	\$129.8	\$80.0	(\$70.8)	\$139.0

The City's Unemployment Compensation and Workers' Compensation coverages are provided through its General Fund. Unemployment Compensation coverage is funded by a pro rata charge to the various funds. Payments for the year were \$1.8 million for Unemployment Compensation claims and \$34.4 million for Workers' Compensation claims.

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 losses have been settled with the purchase of annuity contracts.

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

B. COMPONENT UNITS

The City's Component Units are 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. They are principally insured through insurance carriers. Each entity has coverage considered by management to be sufficient to satisfy loss claims. 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.

At June 30, the combined amount of these liabilities was \$83.3 million for the City's Component Units. This liability is the best estimate based on available information. Changes in the reported liability since June 30, 1998 resulted from the following:

(Amounts in Millions)

	Beginning	Current Year	Claim	Ending
	<u>Liability</u>	<u>Claims and Changes</u>	<u>Payments</u>	<u>Liability</u>
		<u>In Estimates</u>		
Fiscal 1999	\$88.8	\$43.4	(\$49.6)	\$82.6
Fiscal 2000	\$82.6	\$55.2	(\$54.5)	\$83.3

The School District Weekly Indemnity, Unemployment Compensation and Workers' Compensation coverages are provided through its General Fund. The cost of Weekly Indemnity coverage is shared equally by the School District and covered employees. Unemployment Compensation coverage is funded by a pro rata charge to the various funds. Payments for the year were \$17.2 million for Weekly Indemnity, \$1.4 million for Unemployment Compensation claims and \$23.2 million for Workers' Compensation claims. Amounts collected in excess of claims incurred for the School District's Weekly Indemnity Plan are included in the School District General Fund as a Reservation of Fund Balance.

During the last three (3) fiscal years, no claim settlements have exceeded the level of insurance coverage for those components using third party carriers. None of the losses of any of the Component Units have been settled with the purchase of annuity contracts.

8. COMMITMENTS

A. PRIMARY GOVERNMENT

The City entered into a Lease and Service agreement with the Pennsylvania Convention Center Authority in December 1989 for a term of 50 years. Under the terms of this agreement, the City leases to the Authority the land on which the Authority constructed and operates a Convention Center. To this end, the Authority issued \$296.0 million in 1994 Series A Revenue Bonds, due September 1, 2019. Under its terms, the agreement cannot be terminated by the City and the obligation of the City to pay an annual service fee, out of current revenues, is absolute and unconditional as long as the Revenue Bonds are outstanding. Said service fee, which began in July 1992, will be sufficient to cover the debt service on the above-mentioned bonds net of certain other amounts and credits permitted. Without consideration for the additional payments and credits permitted, future Lease and Service payments by the City over the life of the bonds are as follows:

**CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Fiscal Year Ended	(Amounts In Millions)
<u>June 30</u>	<u>Commitments</u>
2001	\$ 24.3
2002	24.3
2003	24.3
2004	24.3
2005	24.3
Thereafter	<u>364.1</u>
Total	<u>\$ 485.6</u>

B. COMPONENT UNITS

- The School District's outstanding contractual commitments at year end for construction of new facilities, purchase of new equipment, and various alterations and improvements to facilities totaled \$118.6 million.
- The School District is also an Intermediate Unit (IU) established by the Commonwealth to provide programs for special education and certain non-public school services. Conceptually, the cost of operating an IU for a fiscal year is partially financed by Commonwealth appropriation. In certain instances (transportation and institutionalized special education) the School District reimburses the Commonwealth for the funds advanced in the previous year. The amount advanced for transportation of special education students is reimbursed in full less the Commonwealth's share of such cost as determined by a formula based on the number of students transported, route distances, and efficiency of vehicle utilization. The Commonwealth has agreed to defer a scheduled payment of \$21.3 million until fiscal year 2002. The amount advanced for instruction of special education students is partially reimbursed in an amount representative of the cost of educating an equivalent number of general education students.
- In April 1992 the Federal Energy Regulatory Commission (FERC) issued order No. 636 which requires the Gas Works' suppliers to, among other things, unbundle all services performed and to implement a straight fixed-variable rate design. FERC Order No. 636 also requires PGW to pay transition costs. At August 31, 1993 the pipelines had received FERC authorization to commence billing a portion of their costs. PGW's total exposure to costs stemming from this order is not fully determinable until pipeline suppliers file for cost recovery. Based on their approved filing and in anticipation of future filings for known costs, it is estimated that PGW's liability for transition costs on August 31, 1999 is approximately \$3.0 million. Therefore, PGW has recorded both a deferred debit and deferred credit on the Balance Sheet in that amount. As of August 31, 1999, PGW has paid approximately \$23.6 million of principal and interest for FERC Order No. 636 transition costs to its pipeline suppliers. Such amounts have been recovered through the normal Gas Cost Rate (GCR).
- At year-end, Penn's Landing Corporation reported as deferred revenue \$12.7 million in unexpended funds from a grant received from the Delaware River Port Authority for the demolition, construction, and purchase of specific assets.

9. 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

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

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. At year end the aggregate estimate of loss deemed to be probable is approximately \$124.7 million. Of this amount, \$6.2 million is charged to current operations of the Enterprise Funds. The remaining \$118.6 million pertaining to the General Fund has been recorded in the Long-Term Debt Account Group.

In addition to the above, there are other lawsuits against the City in which some amount of loss is reasonably possible. These lawsuits relate to General Fund and Enterprise Fund operations. The aggregate estimates of the loss which could result if unfavorable legal determinations were rendered against the City with respect to those lawsuits is approximately \$103.6 million to the General Fund and \$4.3 million to the Enterprise Funds.

Significant cases included in the current litigation against the City are as follows:

- The Local Economic Revitalization Tax Assistance Act ("LERTA") enables local governments to provide property owners with partial real estate tax exemptions when the property owner improves his property or engages in new construction. Pursuant to this authority, City Council amended the City Code to grant such tax exemptions to property owners. Until 1991, the Ordinance provided that the exemption begins in the year after the City issues the building permit and runs for five (5) years.

Erie County enacted an identical ordinance which a taxpayer challenged. Commonwealth Court invalidated that ordinance, holding that LERTA only empowers municipalities to enact ordinances which provide that the exemption begin to run the year after the property owner completes construction, rather than the year after the county issues the building permit.

From 1978 until 1991, the Board of Revision of Taxes, pursuant to its authority under the Code, granted real estate abatements to property owners who either engaged in new construction of or made improvements to commercial property. The abatements commenced in the year after the City issued a building permit and terminated five years later.

Taxpayers in several appeals have challenged the Board's termination of the real estate tax abatements, relying on the Erie County case, and requested that the Court invalidate that section of the Code. Common Pleas Court ruled that taxpayers had waited too long to challenge the real estate tax abatement. Commonwealth Court reversed this decision and ordered the abatements to be extended with no credit to the City for the earlier improper abatements. The Supreme Court granted permission to the City, School District and Board of Revision of Taxes to appeal. Oral argument was heard October 20, 1999 and the ruling is pending.

The Board of Revision of Taxes has determined that, if the abatement were to be invalidated, the taxpayers could be ordered to pay as much as \$18 million in back taxes, including interest. Taxpayers claim they are owed approximately \$17 million plus interest.

- In June, 2000, the Pennsylvania Supreme Court struck down the exemption set forth in Pennsylvania's personal property tax for stock holdings in corporations that pay Pennsylvania capital stock or franchise tax. The Court severed the exemption, and directed Montgomery County (the lead defendant) to provide the taxpayer with meaningful backward-looking relief, which could include, refunds or reassessment of the tax without the exemption against all taxpayers. The City of Philadelphia had previously imposed this tax until 1996, and is subject to timely refund claims for the years 1993 through 1996 totaling approximately \$36 million tax

**CITY OF PHILADELPHIA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

principal (total collections for those years was approximately \$64 million). The City is also a defendant in a putative class action, which is currently stayed pending their decision regarding backward-looking relief.

In November, 2000 the City determined to assess the tax without the exemption for 1996, and pay timely refund claims for 1993 through 1995. The City estimates that collections for 1996 should be sufficient to cover the cost of refunds for the three previous years.

- While not presently in litigation the City is in discussion with owners of homes that were destroyed in the 1985 Move confrontation and is seeking to end participation in all reconstruction of and repairs to all properties. Current repairs are estimated at \$8.5 million for 60 homes. The City has suspended repairs under the warranties originally given for these homes in order to seek an alternative solution with the homeowners. In the event these settlement discussions are unsuccessful, the homeowners may seek recovery. The City anticipates the cost for any claims could exceed \$10 million.

(2) Guaranteed Debt

The City has guaranteed certain debt payments of three of its component units. As such, the City's General Fund has a potential financial obligation toward the extinguishment of this debt, either by replacing the various reserve funds, if used, or the actual payment of principal or interest. At June 30, principal balances outstanding were as follows:

	(Amounts In Thousands)
Redevelopment Authority of the City of Philadelphia	\$ 3,835
Philadelphia Parking Authority	111,190
Philadelphia Authority for Industrial Development	<u>10,965</u>
	<u>\$ 125,990</u>

(3) Single Audit

The City and School District receive significant financial assistance from numerous federal, state and local governmental agencies in the form of grants and entitlements. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits and relating to the City or its component units could become a liability of the General Fund or other applicable funds. In the opinion of City officials the only significant contingent liabilities related to matters of compliance are the unresolved and questioned costs in the City's Single Audit of Federal Financial Assistance for the fiscal year ended June 30, 2000, which amounted to \$535.3 million for all open program years as of December 15, 2000. Of this amount, \$453.4 million represents unresolved cost due to the inability to obtain audit reports from subrecipients for the year ended June 30, 2000 due to timing differences in audit requirements, \$51.4 million represents questioned costs due to the inability to obtain subrecipient audit reports for the fiscal years June 30, 1999 and prior and \$30.5 million represents questioned costs related to specific compliance requirements which have yet to be resolved.

(4) HUD Section 108 Loans

As of the end of the fiscal year, the Federal Department of Housing and Urban Development (HUD) had disbursed \$181.4 million in loans to the Philadelphia Industrial Development Corporation (PIDC). The funds, which were used to establish a loan pool pursuant to a contract between the City and HUD, are being accounted for and administered by PIDC on behalf of the City. Pool funds are loaned to businesses for economic development purposes. Loan repayments and investment proceeds from unloaned funds are used to repay HUD. Collateral for repayment of the funds

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

includes future Community Development Block Grant entitlements due to the City from HUD. The total remaining principal to be repaid to HUD for all loans at the end of the year was \$169.6 million.

B. COMPONENT UNITS

- The School District is a party to various claims, legal actions, arbitrations and complaints arising in the ordinary course of business which aggregate to a total potential liability of \$6.3 million. In the opinion of the General Counsel of the School District, it is unlikely that final judgments or compromised settlements will approach the total potential liability. The School District annually budgets an amount that management believes is adequate, based on past experience, to provide for these claims when they become fixed and determinable in amount. In addition, the School District has recorded in its Long-Term Debt Group of Accounts the total cumulative potential liability of \$30.6 million for Workers' Compensation, \$3.4 million for Unemployment Compensation claims and \$22.5 million for claims and judgments.
- In Nine Penn Center et al. v. Board of Revision of Taxes et al., several property owners challenged the type of real estate tax abatement granted them by the Board of Revision of Taxes and sought nearly \$22 million in refunds, \$11 million of which would have been from the School District. The Common Pleas Court had upheld the Board's finding that the taxpayers were not entitled to the refunds. The taxpayers appealed the case to the Commonwealth Court where they were successful in winning a reversal. The City appealed the decision to the Supreme Court and in October, 2000, the court reversed the intermediate appeal court's judgment in favor of the taxpayers.
- In Mosaica Academy Charter School, et al. V. Commonwealth of Pennsylvania, School District of Philadelphia et.al. The Commonwealth Court rendered adversely to the School District in July, 2000 after determination that the School District lacked standing to challenge the Bensalem School District's granting of a charter. Approximately 60% of the schools enrollment of 450 students are Philadelphia residents. The cost to the district for fiscal year 2001 will be \$1.6 million. In August, 2000, the District appealed the decision to the Pennsylvania Supreme Court, however it was dismissed because the Commonwealth Court's decision was still pending. In December, 2000, the Commonwealth Court awarded Mosaica \$265,000 for the cost of attorney's fees. An additional appeal is pending.
- In 1973 the Pennsylvania Human Relations Commission (PHRC) brought suit against the School District in Pennsylvania Commonwealth court to end historical de facto racial segregation. Over the next 20 years the District implemented various reform plans, which the Court determined, from time to time, were inadequate to cure the problem of racial isolation in the schools. The district moved to join the City of Philadelphia and the Commonwealth in the action in 1995 as possible sources of the additional funding required to support the reforms.

In August, 1996, the Commonwealth Court filed an Opinion and Order entering judgment in favor of the School District and against the Commonwealth. The Commonwealth Court determined the School District was entitled to additional resources for 1996-97 of \$45.1 million and ordered the Commonwealth to submit a plan detailing the means by which these funds would be transmitted to the School District for fiscal year 1997 as well as in future years if necessary. The Pennsylvania Supreme Court, having previously assumed plenary jurisdiction, vacated the Commonwealth Court's Order in September, 1996 and stayed all further proceedings in the Commonwealth Court until further notice.

In May, 1999, the Supreme Court ruled that the Commonwealth Court had erred in joining the Commonwealth and the City as defendants in the lawsuit, because they were not parties in the original proceedings before the Commission. As a result, any increased state funding to support the desegregation effort through this litigation has been precluded. In August 1999, the District filed an extension status reporting addressing steps it had taken to comply with Commonwealth Court's 1996 remedial order. The Commonwealth requested additional information and an updated status report was submitted in May, 2000. In December, 2000, the Court requested information on contracts designed to increase safety in the schools and a response was filed the same month. All assessments of the fiscal impact of this case are pending.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

- The School District was notified by the Pennsylvania Department of Education (PDE) that the results of an audit conducted by the Auditor General for the years ending June 30, 1991, 1992 and 1993 revealed that the School District over-reported student enrollment in Fiscal Year 1991 which established the base for all school subsidies through Fiscal Year 1999. The determination of subsidy reimbursement from the PDE's Director, Bureau of Budget and Fiscal Management, was \$20 million through fiscal year 1999. The School District appealed. A similar audit was undertaken which concluded with the PDE asserting an additional \$20 million claim for alleged over reporting of enrollment in school years 1994-95 through 1996-97. The district denies the claim and is in the process of producing documentation. In May, 2000, in consideration of the District's agreement to stay funding litigation against the Commonwealth, the Commonwealth postponed all potential collection actions. However, in December, 2000, the PDE sent the School District a proposed settlement calling for payments equaling \$4.73 million per year for three years beginning during the 2001-2002 school year. A decision is pending.

10. PENSION OBLIGATION BONDS

In fiscal 1999, the Philadelphia Authority for Industrial Development (PAID) issued \$1.291 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. They are not obligations of the City. The City entered into a Service Agreement with PAID, whereby the City will pay directly to the trustee designated by PAID, amounts sufficient to make the required payments of principal and interest on the bonds. The City had recorded \$1.297 billion in its General Long-Term Debt Account Group as a result of the Pension Service Agreement.

Act 205 requires the City to budget its minimum municipal pension contribution for the following year. This minimum annual contribution is referred to as the "Minimum Municipal Obligation" or "MMO". The calculation of the MMO depends upon the actuarial cost components that are determined by the actuarial valuations. The components of the MMO are the City's projected normal costs, administrative expenses and amortization payments to fund the Unfunded Actuarial Accrued Liability. The City is authorized under Act 205 to reduce or eliminate the Unfunded Actuarial Accrued Liability, which was \$1.365 billion as of July 1, 1999, the date of the latest actuarial valuation.

The net proceeds of the bond sale of \$1.25 Billion were deposited with the Municipal Pension Fund. The proceeds were included as employer contributions in the accompanying statement of changes in net plan assets. The deposit of the proceeds reduced the Unfunded Actuarial Accrued Liability by that amount. The deposit resulted in reductions to the City's MMO payments for Fiscal Year 2000 and the City expects that such deposit will result in reductions of the City's MMO payments in future fiscal years.

11. SUBSEQUENT EVENTS

- In July, 2000, the City issued \$250 million of Tax and Revenue Anticipation Notes to supplement the receipts of the General Fund of the City for the purpose of paying general expenses of the City prior to the receipt of taxes and other revenues to be received in the current fiscal year. The proceeds will be invested until needed and repaid by the end of the fiscal year.
- In November 2000, City Council approved an ordinance authorizing a loan to the Philadelphia Gas Works to meet an unanticipated emergency created by a cash flow crisis. The loan of up to \$45 million will allow the company to bridge the gap between when the natural gas is purchased and when the revenue from a proposed rate increase would begin to be realized. To date, \$25 million has been loaned to PGW.

CITY OF PHILADELPHIA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

- In December 2000, the City issued an additional \$50 million of Tax and Revenue Anticipation Notes to supplement the receipts of the General Fund of the City for the purpose of paying general expenses of the city prior to receipt of taxes and other revenue to be received in the current fiscal year. The proceeds will be invested until needed and repaid by the end of the fiscal year.
- City Council authorized the Mayor to enter into agreements with the local professional baseball and football teams whereby the City agreed to make \$80 million in repairs and improvements to Veteran's Stadium and to pay \$23 million for a new football practice facility if the legislation necessary to finance, develop and construct two new stadiums was not in place by November 3, 2000. The deadline to finalize the stadium agreements was not met, however the City and the teams have continued negotiations extending the deadline. City Council has passed a series of ordinances relating to site acquisitions and additional legislation is pending.
- In January, 2001, the City sold \$295 million of general obligation bonds. The interest rates on the bonds range from 3.4% to 5.5%. The proceeds of the bonds will be used for general capital purposes.
- In November 2000, the School District made settlement on the issuance of \$153.0 million of General Obligation Bonds. The bonds were issued in two series. Series A bonds in the amount of \$130 million will finance Capital Improvement Programs. Series B interest free qualified zone academy bonds in the amount of \$23.0 million will finance specifically identified capital projects.

**CITY OF PHILADELPHIA
REQUIRED SUPPLEMENTARY INFORMATION
FISCAL YEAR ENDED JUNE 30, 2000**

PENSION PLANS - SCHEDULES OF FUNDING PROGRESS

City Plan

(Amounts In Millions)

Actuarial Valuation	Actuarial Value of	Actuarial Accrued	Unfunded AAL	Funded	Covered	UAAL as a Percent of Covered
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
	(a)	(b)	(b - a)	(a / b)	(c)	(b - a) / c
07/01/1997	\$2,660.9	\$5,318.1	\$2,657.2	50.03%	\$1,067.7	248.87%
07/01/1998	\$2,921.3	\$5,586.1	\$2,664.8	52.30%	\$1,128.2	236.20%
07/01/1999	\$4,496.8	\$5,862.1	\$1,365.3	76.71%	\$1,178.6	115.84%

Gas Works Plan

(Amounts In Thousands)

Actuarial Valuation	Actuarial Value of	Actuarial Accrued	Unfunded AAL	Funded	Covered	UAAL as a Percent of Covered
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
	(a)	(b)	(b - a)	(a / b)	(c)	(b - a) / c
09/01/1996	\$349,675	\$301,883	(\$47,792)	115.83%	\$98,549	-48.50%
09/01/1997	\$390,631	\$338,825	(\$51,806)	115.29%	\$96,380	-53.75%
09/01/1998	\$393,878	\$356,367	(\$37,511)	110.53%	\$94,735	-39.60%

PHA Plan

(Amounts In Thousands)

Actuarial Valuation	Actuarial Value of	Actuarial Accrued	Unfunded AAL	Funded	Covered	UAAL as a Percent of Covered
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
	(a)	(b)	(b - a)	(a / b)	(c)	(b - a) / c
10/31/1995	\$129,042	\$132,041	\$2,999	97.73%	\$54,098	5.54%
10/31/1996	\$129,042	\$132,041	\$2,999	97.73%	\$63,856	4.70%
10/31/1997	\$138,642	\$142,350	\$3,708	97.40%	\$65,608	5.65%

RDA Plan

(Amounts In Thousands)

Actuarial Valuation	Actuarial Value of	Actuarial Accrued	Unfunded AAL	Funded	Covered	UAAL as a Percent of Covered
<u>Date</u>	<u>Assets</u>	<u>Liability (AAL)</u>	<u>(UAAL)</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Payroll</u>
	(a)	(b)	(b - a)	(a / b)	(c)	(b - a) / c
01/01/1998	\$42,383	\$40,234	(\$2,149)	105.34%	\$4,705	-45.70%
01/01/1999	\$43,189	\$40,935	(\$2,254)	105.50%	\$5,088	-44.30%
01/01/2000	\$43,929	\$42,368	(\$1,561)	103.69%	\$5,010	-31.17%

FINANCIAL SECTION - PART II

GOVERNMENTAL FUND TYPES - COMBINING STATEMENTS

SPECIAL REVENUE FUNDS

This Section contains Statements of the Special Revenue Funds established to account for the proceeds of specific revenue sources that are restricted by law or administrative action to specific purposes. The primary accounting focus of these funds is determination of and changes in financial position and stewardship of resources.

The Funds included in this Section are:

1. **COUNTY LIQUID FUELS TAX FUND** - Established to facilitate the handling of moneys made available by the State Legislature under Public Law No. 149 as amended.
2. **SPECIAL GASOLINE TAX FUND** - Established to facilitate the handling of moneys made available by the State Legislature under Public Law No. 588.
3. **HEALTHCHOICES BEHAVIORAL HEALTH FUND** - Established to account for revenues received from the Commonwealth of Pennsylvania. These revenues are restricted to providing managed behavioral Health Care to Philadelphia residents.
4. **HOTEL ROOM RENTAL TAX FUND** - Established to account for revenues received from the hotel room rental tax. These revenues are restricted to promoting tourism in the City.
5. **GRANTS REVENUE FUND** - Established to account for revenues received from various federal, state and private grantor agencies. The revenues are restricted to accomplishing the various objectives of the grantor agencies.
6. **COMMUNITY DEVELOPMENT FUND** - Established to account for revenues received from the Department of Housing and Urban Development. These revenues are restricted to accomplishing the various objectives of the Community Block Grant Program, within specific target areas.
7. **MUNICIPAL AUTHORITY ADMINISTRATIVE FUND** - Established to account for all financial transactions of the Municipal Authority not accounted for in other funds.
8. **PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY ADMINISTRATIVE FUND** - Established to account for PICA revenues from taxes and deficit financing transactions.

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

	County Liquid Fuels Tax Fund	Special Gasoline Tax Fund	HealthChoices Behavioral Health Fund
<u>Assets</u>			
Cash on Deposit and on Hand	\$ -	\$ -	\$ -
Equity in Treasurer's Accounts	1,459,819	1,013,830	131,887,473
Investments	-	-	-
Due from Other Funds	-	-	-
Taxes Receivable	-	-	-
Accounts Receivable	-	-	-
Interest and Dividends Receivable	3,444	14,446	1,253,584
Due from Other Governmental Units	-	-	-
Allowance for Doubtful Accounts	-	-	-
Other Assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<u>Total Assets</u>	<u>\$ 1,463,263</u>	<u>\$ 1,028,276</u>	<u>\$ 133,141,057</u>
 <u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ 62,221	\$ 46,913	\$ 354,136
Accounts Payable	92,235	182,046	7,098,991
Salaries and Wages Payable	-	-	-
Notes Payable	-	-	-
Due to Other Funds	-	-	-
Due to Component Units	-	-	19,593,936
Funds Held in Escrow and Advance Deposits	-	-	-
Deferred Revenue	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>154,456</u>	<u>228,959</u>	<u>27,047,063</u>
 Fund Equity:			
Fund Balance:			
Reserved for Managed Care	-	-	30,880,735
Reserved for Encumbrances	472,457	713,774	-
Reserved for Intergovernmental Financing	-	-	-
Reserved for Intergovernmentally Financed Programs	-	-	-
Reserved for Public Safety Emergency Phone System	-	-	-
Unreserved:			
Designated for Behavioral Health Programs	-	-	75,213,259
Undesignated Fund Balance	836,350	85,543	-
	<u> </u>	<u> </u>	<u> </u>
Total Unreserved Fund Balances	<u>836,350</u>	<u>85,543</u>	<u>75,213,259</u>
	<u> </u>	<u> </u>	<u> </u>
Total Fund Equity	<u>1,308,807</u>	<u>799,317</u>	<u>106,093,994</u>
	<u> </u>	<u> </u>	<u> </u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 1,463,263</u>	<u>\$ 1,028,276</u>	<u>\$ 133,141,057</u>

<u>Hotel Room Rental Tax Fund</u>	<u>Grants Revenue Fund</u>	<u>Community Development Fund</u>	<u>Municipal Authority Administrative Fund</u>	<u>PICA Administrative Fund</u>	<u>Totals</u>
\$ -	\$ 79,000	\$ -	\$ 353,608	\$ 14,399,268	\$ 14,831,876
5,814,981	82,332,774	-	-	-	222,508,877
-	-	-	104,283	59,805,778	59,910,061
-	-	-	-	235,448	235,448
254,941	-	-	-	3,619,922	3,874,863
-	886,781	1,892,078	1,458,588	-	4,237,447
1,046	370,195	-	2,382	236,299	1,881,396
-	67,953,719	15,601,935	-	-	83,555,654
(154,666)	-	(743,483)	-	-	(898,149)
-	-	-	-	11,545	11,545
<u>\$ 5,916,302</u>	<u>\$ 151,622,469</u>	<u>\$ 16,750,530</u>	<u>\$ 1,918,861</u>	<u>\$ 78,308,260</u>	<u>\$ 390,149,018</u>
\$ 297,619	\$ 9,184,199	\$ 1,270,099	\$ -	\$ -	\$ 11,215,187
288,419	38,348,447	7,600,319	1,815,132	71,969	55,497,558
-	1,415,783	80,616	-	332,986	1,829,385
-	-	1,358,435	-	-	1,358,435
-	-	5,366,091	-	3,861,164	9,227,255
5,229,989	847,847	1,074,970	-	-	26,746,742
-	5,426,357	-	9,080	-	5,435,437
100,275	63,121,379	-	-	-	63,221,654
<u>5,916,302</u>	<u>118,344,012</u>	<u>16,750,530</u>	<u>1,824,212</u>	<u>4,266,119</u>	<u>174,531,653</u>
-	-	-	-	-	30,880,735
-	-	-	-	-	1,186,231
-	-	-	-	73,689,810	73,689,810
-	29,274,373	-	-	-	29,274,373
-	4,004,084	-	-	-	4,004,084
-	-	-	-	-	75,213,259
-	-	-	94,649	352,331	1,368,873
-	-	-	94,649	352,331	76,582,132
-	33,278,457	-	94,649	74,042,141	215,617,365
<u>\$ 5,916,302</u>	<u>\$ 151,622,469</u>	<u>\$ 16,750,530</u>	<u>\$ 1,918,861</u>	<u>\$ 78,308,260</u>	<u>\$ 390,149,018</u>

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	County Liquid Fuels Tax Fund	Special Gasoline Tax Fund	HealthChoices Behavioral Health Fund
Revenues:			
Tax Revenue	\$ -	\$ -	\$ -
Locally Generated Non-Tax Revenue	44,804	150,870	9,609,020
Revenue from Other Governments	<u>4,549,976</u>	<u>19,787,555</u>	<u>338,778,583</u>
<u>Total Revenues</u>	<u>4,594,780</u>	<u>19,938,425</u>	<u>348,387,603</u>
Expenditures:			
Economic Development	-	-	-
Transportation	3,829,360	22,015,024	-
Judiciary and Law Enforcement	-	-	-
Conservation of Health	-	-	10,759,274
Housing and Neighborhood Development	-	-	-
Cultural and Recreational	-	-	-
Improvement of General Welfare	-	-	-
Services to Property	-	-	-
General Management and Support	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>3,829,360</u>	<u>22,015,024</u>	<u>10,759,274</u>
Excess of Revenues Over (Under) Expenditures	<u>765,420</u>	<u>(2,076,599)</u>	<u>337,628,329</u>
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	-	-	-
Operating Transfers to Component Units	<u>-</u>	<u>-</u>	<u>(388,449,386)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(388,449,386)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	765,420	(2,076,599)	(50,821,057)
Other Changes in Unreserved Fund Balance:			
(Increase) Decrease in Reserve for Encumbrances	(347,909)	1,252,072	-
Decrease in Reserve for Intergovernmental Financing	-	-	-
Decrease in Reserve for Intergovernmentally Financed Programs	-	-	-
Decrease in Reserve for Public Safety Emergency Phone System	-	-	-
Increase in Reserve for Managed Care	<u>-</u>	<u>-</u>	<u>(11,629,015)</u>
Net Change in Unreserved Fund Balance for the Year	417,511	(824,527)	(62,450,072)
Fund Balance - Unreserved, July 1, 1999	<u>418,839</u>	<u>910,070</u>	<u>137,663,331</u>
Fund Balance - Unreserved, June 30, 2000	<u>\$ 836,350</u>	<u>\$ 85,543</u>	<u>\$ 75,213,259</u>

Hotel Room Rental <u>Tax Fund</u>	Grants Revenue <u>Fund</u>	Community Development <u>Fund</u>	Municipal Authority Administrative <u>Fund</u>	PICA Administrative <u>Fund</u>	<u>Totals</u>
\$ 25,944,976	\$ -	\$ -	\$ -	\$ 259,059,205	\$ 285,004,181
213,647	36,203,347	279,560	9,830,060	5,139,348	61,470,656
-	638,578,925	81,018,786	-	-	1,082,713,825
<u>26,158,623</u>	<u>674,782,272</u>	<u>81,298,346</u>	<u>9,830,060</u>	<u>264,198,553</u>	<u>1,429,188,662</u>
8,926,000	1,163,016	-	-	-	10,089,016
-	-	-	-	-	25,844,384
-	54,333,788	-	-	-	54,333,788
-	495,254,914	-	-	-	506,014,188
-	11,385,506	42,109,186	-	-	53,494,692
-	15,553,051	-	-	-	15,553,051
-	36,120,968	-	-	-	36,120,968
-	69,953	-	-	-	69,953
-	18,653,532	91,410	9,816,898	1,228,762	29,790,602
<u>8,926,000</u>	<u>632,534,728</u>	<u>42,200,596</u>	<u>9,816,898</u>	<u>1,228,762</u>	<u>731,310,642</u>
<u>17,232,623</u>	<u>42,247,544</u>	<u>39,097,750</u>	<u>13,162</u>	<u>262,969,791</u>	<u>697,878,020</u>
-	-	-	-	1,090,000	1,090,000
-	(16,620,924)	-	-	(277,098,662)	(293,719,586)
<u>(17,232,623)</u>	<u>(33,614,747)</u>	<u>(39,097,750)</u>	<u>-</u>	<u>-</u>	<u>(478,394,506)</u>
<u>(17,232,623)</u>	<u>(50,235,671)</u>	<u>(39,097,750)</u>	<u>-</u>	<u>(276,008,662)</u>	<u>(771,024,092)</u>
-	(7,988,127)	-	13,162	(13,038,871)	(73,146,072)
-	-	-	-	-	904,163
-	-	-	-	12,969,257	12,969,257
-	4,368,034	-	-	-	4,368,034
-	3,620,093	-	-	-	3,620,093
-	-	-	-	-	(11,629,015)
-	-	-	13,162	(69,614)	(62,913,540)
-	-	-	81,487	421,945	139,495,672
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,649</u>	<u>\$ 352,331</u>	<u>\$ 76,582,132</u>

CITY OF PHILADELPHIA
SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

County Liquid Fuels Tax Fund

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Tax Revenue	\$ -	\$ -	\$ -
Locally Generated Non-Tax Revenue	25,000	44,804	19,804
Revenue from Other Governments	<u>4,585,000</u>	<u>4,549,976</u>	<u>(35,024)</u>
Total Revenues	4,610,000	4,594,780	(15,220)
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
(Increase) in Financed Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues and Other Sources</u>	<u>4,610,000</u>	<u>4,594,780</u>	<u>(15,220)</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	2,584,000	2,584,000	-
Pension Contributions	-	-	-
Other Employee Benefits	<u>-</u>	<u>-</u>	<u>-</u>
Sub-total	2,584,000	2,584,000	-
Purchase of Services	118,390	118,390	-
Materials and Supplies	1,476,516	1,413,007	63,509
Equipment	105,094	105,094	-
Contributions, Indemnities and Taxes	-	-	-
Payments to Other Funds	15,000	12,920	2,080
Advances, Subsidies, Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures and Encumbrances</u>	<u>4,299,000</u>	<u>4,233,411</u>	<u>65,589</u>
Operating Surplus (Deficit) for the Year	<u>\$ 311,000</u>	<u>361,369</u>	<u>\$ 50,369</u>
Fund Balance Available for Appropriation, July 1, 1999		418,839	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		56,142	
Revenue Adjustments - Net		-	
Prior Period Adjustments		<u>-</u>	
Adjusted Fund Balance, July 1, 1999		<u>474,981</u>	
Fund Balance Available for Appropriation, June 30, 2000		<u>\$ 836,350</u>	

Special Gasoline Tax Fund			HealthChoices Behavioral Health Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
215,000	150,870	(64,130)	10,928,000	9,609,020	(1,318,980)
<u>19,750,000</u>	<u>19,787,555</u>	<u>37,555</u>	<u>350,541,000</u>	<u>338,778,583</u>	<u>(11,762,417)</u>
19,965,000	19,938,425	(26,575)	361,469,000	348,387,603	(13,081,397)
-	-	-	-	5,715,686	5,715,686
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,629,015)</u>	<u>(11,629,015)</u>
<u>19,965,000</u>	<u>19,938,425</u>	<u>(26,575)</u>	<u>361,469,000</u>	<u>342,474,274</u>	<u>(18,994,726)</u>
12,108,867	12,108,867	-	-	-	-
500,000	500,000	-	-	-	-
<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
13,108,867	13,108,867	-	-	-	-
3,528,603	3,528,603	-	428,840,892	404,673,039	24,167,853
4,494,700	4,491,521	3,179	-	-	-
30,488	30,488	-	300,000	-	300,000
-	-	-	-	-	-
31,342	31,342	-	859,108	678,746	180,362
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>21,194,000</u>	<u>21,190,821</u>	<u>3,179</u>	<u>430,000,000</u>	<u>405,351,785</u>	<u>24,648,215</u>
\$ <u>(1,229,000)</u>	<u>(1,252,396)</u>	\$ <u>(23,396)</u>	\$ <u>(68,531,000)</u>	<u>(62,877,511)</u>	\$ <u>5,653,489</u>
	910,070			137,663,331	
	427,869			427,439	
	<u>-</u>			<u>-</u>	
	<u>1,337,939</u>			<u>138,090,770</u>	
	\$ <u>85,543</u>			\$ <u>75,213,259</u>	

SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
 CHANGES IN FUND BALANCES (Continued)
 BUDGET (LEGAL BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Hotel Room Rental Tax Fund		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Tax Revenue	\$ 24,900,000	\$ 25,944,976	\$ 1,044,976
Locally Generated Non-Tax Revenue	168,000	213,647	45,647
Revenue from Other Governments	-	-	-
	25,068,000	26,158,623	1,090,623
Total Revenues			
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	-	-
(Increase) in Financed Reserves	-	-	-
	-	-	-
<u>Total Revenues and Other Sources</u>	25,068,000	26,158,623	1,090,623
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	68,000	68,000	-
Pension Contributions	-	-	-
Other Employee Benefits	-	-	-
Sub-total	68,000	68,000	-
Purchase of Services	-	-	-
Materials and Supplies	-	-	-
Equipment	-	-	-
Contributions, Indemnities and Taxes	25,000,000	26,641,050	(1,641,050)
Payments to Other Funds	-	-	-
Advances, Subsidies, Miscellaneous	-	-	-
	-	-	-
<u>Total Expenditures and Encumbrances</u>	25,068,000	26,709,050	(1,641,050)
Operating Surplus (Deficit) for the Year	\$ -	(550,427)	\$ (550,427)
Fund Balance Available for Appropriation, July 1, 1999		-	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		-	
Revenue Adjustments - Net		-	
Prior Period Adjustments		550,427	
Adjusted Fund Balance, July 1, 1999		550,427	
Fund Balance Available for Appropriation, June 30, 2000		\$ -	

Grants Revenue Fund			Community Development Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42,671,586	35,977,442	(6,694,144)	600,000	279,560	(320,440)
<u>641,042,731</u>	<u>554,629,173</u>	<u>(86,413,558)</u>	<u>69,313,000</u>	<u>71,595,107</u>	<u>2,282,107</u>
683,714,317	590,606,615	(93,107,702)	69,913,000	71,874,667	1,961,667
-	(24,327,803)	(24,327,803)	-	(3,106,266)	(3,106,266)
-	7,988,127	7,988,127	-	-	-
<u>683,714,317</u>	<u>574,266,939</u>	<u>(109,447,378)</u>	<u>69,913,000</u>	<u>68,768,401</u>	<u>(1,144,599)</u>
85,524,336	70,936,572	14,587,764	5,783,873	5,342,428	441,445
6,211,907	5,042,956	1,168,951	896,261	766,811	129,450
<u>10,978,030</u>	<u>9,166,843</u>	<u>1,811,187</u>	<u>1,417,287</u>	<u>1,329,130</u>	<u>88,157</u>
102,714,273	85,146,371	17,567,902	8,097,421	7,438,369	659,052
595,304,081	485,031,986	110,272,095	61,325,759	61,077,992	247,767
14,121,625	9,769,243	4,352,382	242,695	221,079	21,616
12,751,520	6,094,473	6,657,047	47,125	37,030	10,095
298,313	298,313	-	-	-	-
17,625,080	17,335,576	289,504	200,000	26,840	173,160
<u>25,455,634</u>	<u>-</u>	<u>25,455,634</u>	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>
<u>768,270,526</u>	<u>603,675,962</u>	<u>164,594,564</u>	<u>89,913,000</u>	<u>68,801,310</u>	<u>21,111,690</u>
\$ <u>(84,556,209)</u>	<u>(29,409,023)</u>	\$ <u>55,147,186</u>	\$ <u>(20,000,000)</u>	<u>(32,909)</u>	\$ <u>19,967,091</u>
	-			-	
	30,497,740			46,278	
	(1,240,887)			-	
	<u>152,170</u>			<u>(13,369)</u>	
	<u>29,409,023</u>			<u>32,909</u>	
	\$ <u>-</u>			\$ <u>-</u>	

SPECIAL REVENUE FUNDS (EXCEPT MUNICIPAL AUTHORITY AND PICA FUNDS)
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND
 CHANGES IN FUND BALANCES (Continued)
 BUDGET (LEGAL BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Totals		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Tax Revenue	\$ 24,900,000	\$ 25,944,976	\$ 1,044,976
Locally Generated Non-Tax Revenue	54,607,586	46,275,343	(8,332,243)
Revenue from Other Governments	1,085,231,731	989,340,394	(95,891,337)
Total Revenues	1,164,739,317	1,061,560,713	(103,178,604)
Other Sources:			
Increase (Decrease) in Unreimbursed Commitments	-	(21,718,383)	(21,718,383)
(Increase) in Financed Reserves	-	(3,640,888)	(3,640,888)
<u>Total Revenues and Other Sources</u>	1,164,739,317	1,036,201,442	(128,537,875)
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	106,069,076	91,039,867	15,029,209
Pension Contributions	7,608,168	6,309,767	1,298,401
Other Employee Benefits	12,895,317	10,995,973	1,899,344
Sub-total	126,572,561	108,345,607	18,226,954
Purchase of Services	1,089,117,725	954,430,010	134,687,715
Materials and Supplies	20,335,536	15,894,850	4,440,686
Equipment	13,234,227	6,267,085	6,967,142
Contributions, Indemnities and Taxes	25,298,313	26,939,363	(1,641,050)
Payments to Other Funds	18,730,530	18,085,424	645,106
Advances, Subsidies, Miscellaneous	45,455,634	-	45,455,634
<u>Total Expenditures and Encumbrances</u>	1,338,744,526	1,129,962,339	208,782,187
Operating Surplus (Deficit) for the Year	\$ (174,005,209)	(93,760,897)	\$ 80,244,312
Fund Balance Available for Appropriation, July 1, 1999		138,992,240	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		31,455,468	
Revenue Adjustments - Net		(1,240,887)	
Prior Period Adjustments		689,228	
Adjusted Fund Balance, July 1, 1999		169,896,049	
Fund Balance Available for Appropriation, June 30, 2000		\$ 76,135,152	

FINANCIAL SECTION - PART II (Continued)

GOVERNMENTAL FUND TYPES - COMBINING STATEMENTS

DEBT SERVICE FUNDS

This Section contains Statements of the Debt service funds established for the purpose of accumulating resources for the payment of principal of on general obligation term bonds and to function as a conduit for the debt service payments to fiscal agents. The primary accounting focus of these funds is determination of and changes in financial position and stewardship of resources.

The Funds included in this Section are:

1. **CITY DEBT SERVICE FUND** - Established to account for the debt service activities of the City not reflected in proprietary funds operations.
2. **MUNICIPAL AUTHORITY DEBT SERVICE FUND** - Established to account for the debt service activities related to the equipment and facilities financed through the Philadelphia Municipal Authority.
3. **PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY DEBT SERVICE FUND** - Established to account for the debt service activities related to the deficit financing provided by PICA.

CITY OF PHILADELPHIA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

	City Debt Service <u>Fund</u>	Municipal Authority Debt Service <u>Fund</u>	PICA Debt Service <u>Fund</u>	<u>Totals</u>
<u>Assets</u>				
Equity in Treasurer's Account	\$ 47	\$ -	\$ -	\$ 47
Investments	-	8,729,004	90,665,061	99,394,065
Interest Receivable	-	4,533,569	282,548	4,816,117
<u>Total Assets</u>	<u>\$ 47</u>	<u>\$ 13,262,573</u>	<u>\$ 90,947,609</u>	<u>\$ 104,210,229</u>
<u>Liabilities and Fund Equity</u>				
Accounts Payable	\$ -	\$ 2,257,724	\$ -	\$ 2,257,724
Due to Other Funds	-	-	235,448	235,448
<u>Total Liabilities</u>	<u>-</u>	<u>2,257,724</u>	<u>235,448</u>	<u>2,493,172</u>
Fund Equity:				
Fund Balance:				
Reserved for Debt Service				
Principal	-	11,004,849	88,796,161	99,801,010
Reserved for Debt Service				
Interest	47	-	-	47
Unreserved:				
Undesignated Fund Balance	-	-	1,916,000	1,916,000
<u>Total Fund Equity</u>	<u>47</u>	<u>11,004,849</u>	<u>90,712,161</u>	<u>101,717,057</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 47</u>	<u>\$ 13,262,573</u>	<u>\$ 90,947,609</u>	<u>\$ 104,210,229</u>

CITY OF PHILADELPHIA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT II-A-5

	City Debt Service Fund	Municipal Authority Debt Service Fund	PICA Debt Service Fund	Totals
Revenues:				
Locally Generated Non-Tax Revenue	\$ 9,885	\$ 7,748,785	\$ 9,549,500	\$ 17,308,170
Expenditures:				
Debt Service:				
Principal	40,753,019	24,578,897	54,675,000	120,006,916
Interest	39,331,350	23,890,386	52,396,149	115,617,885
<u>Total Expenditures</u>	<u>80,084,369</u>	<u>48,469,283</u>	<u>107,071,149</u>	<u>235,624,801</u>
Excess of Revenues (Under) Expenditures	<u>(80,074,484)</u>	<u>(40,720,498)</u>	<u>(97,521,649)</u>	<u>(218,316,631)</u>
Other Financing Sources (Uses):				
Operating Transfers In	79,436,317	45,375,022	100,312,277	225,123,616
<u>Total Other Financing Sources (Uses)</u>	<u>79,436,317</u>	<u>45,375,022</u>	<u>100,312,277</u>	<u>225,123,616</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(638,167)	4,654,524	2,790,628	6,806,985
Other Changes in Unreserved Fund Balance: (Increase) Decrease in Reserve for Debt Service	<u>638,167</u>	<u>(4,654,524)</u>	<u>(1,964,628)</u>	<u>(5,980,985)</u>
Net Change in Unreserved Fund Balance for the Year	-	-	826,000	826,000
Fund Balance - Unreserved, July 1, 1999	-	-	1,090,000	1,090,000
Fund Balance - Unreserved, June 30, 2000	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,000</u>	<u>\$ 1,916,000</u>



FINANCIAL SECTION - PART II (Continued)

GOVERNMENTAL FUND TYPES - COMBINING STATEMENTS

CAPITAL IMPROVEMENT FUNDS

This Section contains Statements of the Capital Improvement Funds established to account for financial resources to be used for the acquisition or construction of the major capital facilities other than those financed by proprietary fund operations.

The Funds included in this Section are:

1. **CITY CAPITAL IMPROVEMENT FUND** - Established to account for capital additions and improvements to the City's facilities and infrastructure and finance through general obligation bond issues and grants from federal, state and local agencies.
2. **MUNICIPAL AUTHORITY CAPITAL IMPROVEMENT FUND** - Established to account for the acquisition of vehicles and the construction of major facilities for the city.

CITY OF PHILADELPHIA
CAPITAL IMPROVEMENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT II-A-6

	<u>City Capital Improvement Fund</u>	<u>Municipal Authority Capital Improvement Fund</u>	<u>Totals</u>
<u>Assets</u>			
Equity in Treasurer's Account	\$ 75,636,973	\$ -	\$ 75,636,973
Investments	-	12,698,871	12,698,871
Accounts Receivable	185,630	-	185,630
Interest and Dividends Receivable	218,394	65,569	283,963
Due from Component Units	410,131	-	410,131
Due from Other Governmental Units	17,134,665	-	17,134,665
Allowance for Doubtful Accounts	(185,630)	-	(185,630)
	<u>\$ 93,400,163</u>	<u>\$ 12,764,440</u>	<u>\$ 106,164,603</u>
<u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ 14,148,982	\$ -	\$ 14,148,982
Accounts Payable	4,482,699	828,144	5,310,843
Salaries and Wages Payable	142,069	-	142,069
Funds Held in Escrow	17,873,125	-	17,873,125
	<u>36,646,875</u>	<u>828,144</u>	<u>37,475,019</u>
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	126,879,953	-	126,879,953
Unreserved:			
Undesignated Fund Balance	(70,126,665)	11,936,296	(58,190,369)
	<u>56,753,288</u>	<u>11,936,296</u>	<u>68,689,584</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 93,400,163</u>	<u>\$ 12,764,440</u>	<u>\$ 106,164,603</u>

CITY OF PHILADELPHIA
CAPITAL IMPROVEMENT FUNDS

EXHIBIT II-A-7

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	City Capital Improvement Fund	Municipal Authority Capital Improvement Fund	Totals
Revenues:			
Locally Generated Non-Tax Revenue	\$ -	\$ 1,965,026	\$ 1,965,026
Revenue from Other Governments	21,285,440	-	21,285,440
Other Revenues	<u>2,715,593</u>	<u>1,488,035</u>	<u>4,203,628</u>
<u>Total Revenues</u>	<u>24,001,033</u>	<u>3,453,061</u>	<u>27,454,094</u>
Expenditures:			
Capital Outlay	<u>154,705,454</u>	<u>3,766,520</u>	<u>158,471,974</u>
Excess of Revenues Over (Under) Expenditures	<u>(130,704,421)</u>	<u>(313,459)</u>	<u>(131,017,880)</u>
Other Financing Sources (Uses):			
Operating Transfers In	52,203,098	-	52,203,098
Operating Transfers Out	-	(26,203,376)	(26,203,376)
Operating Transfers Out to Component Units	<u>(1,850,000)</u>	<u>-</u>	<u>(1,850,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>50,353,098</u>	<u>(26,203,376)</u>	<u>24,149,722</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(80,351,323)	(26,516,835)	(106,868,158)
Other Changes in Unreserved Fund Balance:			
Increase in Reserve for Encumbrances	<u>(51,691,758)</u>	<u>-</u>	<u>(51,691,758)</u>
Net Change in Unreserved Fund Balance for the Year	(132,043,081)	(26,516,835)	(158,559,916)
Fund Balance - Unreserved, July 1, 1999	<u>61,916,416</u>	<u>38,453,131</u>	<u>100,369,547</u>
Fund Balance - Unreserved, June 30, 2000	<u>\$ (70,126,665)</u>	<u>\$ 11,936,296</u>	<u>\$ (58,190,369)</u>



FINANCIAL SECTION - PART II (Continued)
PROPRIETARY FUND TYPES - COMBINING STATEMENTS

ENTERPRISE FUNDS

This Section contains Statements of the Enterprise Funds which account for operations which are intended to be self-supporting through a user charge basis. The primary accounting objective of these funds is income determination.

The Funds included in this Section are:

1. **WATER FUND** - Established to account for the operation of the City's water and sewage systems.
2. **AVIATION FUND** - Established to account for the operation of the City's airports.
3. **INDUSTRIAL AND COMMERCIAL DEVELOPMENT FUND** - Established to account for acquisitions and dispositions of property for the industrial and commercial development program of the City.

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

EXHIBIT II-B-1

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
<u>Assets</u>				
Current Assets:				
Cash on Deposit and on Hand	\$ 30,000	\$ -	\$ -	\$ 30,000
Equity in Treasurer's Account	39,064,056	70,175,040	5,287,827	114,526,923
Due from Other Governmental Units	-	(2,138)	-	(2,138)
Accounts Receivable:				
Utility and Aviation Charges	165,061,498	2,630,674	-	167,692,172
Other	7,996,288	6,627,258	394,410	15,017,956
	<hr/>	<hr/>	<hr/>	<hr/>
Total Accounts Receivable	173,057,786	9,257,932	394,410	182,710,128
Allowance for Doubtful Accounts	(100,311,658)	(313,457)	-	(100,625,115)
Inventories	13,561,287	1,830,245	19,308,953	34,700,485
Other Current Assets	238,946	-	-	238,946
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	125,640,417	80,947,622	24,991,190	231,579,229
Restricted Assets:				
Equity in Treasurer's Account	367,893,702	150,366,902	-	518,260,604 *
Sinking Funds and Reserves Applicable to Revenue Bonds	148,643,557	58,223,121	-	206,866,678
Grants from Other Governments for Capital Purposes	-	1,796,354	-	1,796,354
Amount Held by Fiscal Agent	-	351,933,522	-	351,933,522 *
Accounts Receivable	-	8,345,081	1,290,000	9,635,081
Interest Receivable	3,132,188	2,758,401	-	5,890,589
	<hr/>	<hr/>	<hr/>	<hr/>
Total Restricted Assets	519,669,447	573,423,381	1,290,000	1,094,382,828
Property, Plant and Equipment:				
In Service	2,681,023,078	1,167,170,350	-	3,848,193,428
Less Accumulated Depreciation and Amortization	(1,207,017,165)	(462,104,425)	-	(1,669,121,590)
Under Construction	112,776,005	155,411,923	-	268,187,928
	<hr/>	<hr/>	<hr/>	<hr/>
Total Property, Plant and Equipment	1,586,781,918	860,477,848	-	2,447,259,766
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	<u>\$ 2,232,091,782</u>	<u>\$ 1,514,848,851</u>	<u>\$ 26,281,190</u>	<u>\$ 3,773,221,823</u>

*Presented as Restricted Assets - Cash and Cash Equivalents on Exhibit I-A-1.

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 2000

EXHIBIT II-B-1

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
<u>Liabilities and Fund Equity</u>				
Current Liabilities:				
Vouchers Payable	\$ 4,821,505	\$ 1,667,994	\$ 22,219	\$ 6,511,718
Accounts Payable	7,006,634	5,912,420	400,000	13,319,054
Salaries and Wages Payable	3,546,349	801,305	-	4,347,654
Construction Contracts Payable	7,246,628	37,234,280	-	44,480,908
Accrued Expenses	23,082,887	18,910,309	-	41,993,196
Deferred Revenue	6,352,039	21,619,896	-	27,971,935
Current Maturities of Long-Term Bonded Debt	61,445,115	30,810,694	-	92,255,809 **
Total Current Liabilities	113,501,157	116,956,898	422,219	230,880,274
Long-Term Liabilities:				
General Obligation Bonds	13,182,650	11,316,642	-	24,499,292 **
Revenue Bonds - Principal Amount	1,679,623,234	942,985,000	-	2,622,608,234 **
Unamortized Loss - Refunded Debt	(131,779,303)	(6,247,701)	-	(138,027,004)
Unamortized Discount on Revenue Bonds	(38,243,102)	(22,674,583)	-	(60,917,685)
Other Long-Term Liabilities	10,711,397	4,293,637	-	15,005,034 **
Total Long-Term Liabilities	1,533,494,876	929,672,995	-	2,463,167,871
Total Liabilities	1,646,996,033	1,046,629,893	422,219	2,694,048,145
Fund Equity:				
Contributed Capital - Local Sources	28,681,661	44,041,977	20,206,676	92,930,314
Contributed Capital - Other Sources	420,044,103	180,033,851	-	600,077,954
Retained Earnings:				
Reserved for Capital Purposes	-	55,451,366	-	55,451,366
Reserved for Rate Stabilization	183,948,979	-	-	183,948,979
Unreserved	(47,578,994)	188,691,764	5,652,295	146,765,065
Total Fund Equity	585,095,749	468,218,958	25,858,971	1,079,173,678
<u>Total Liabilities and Fund Equity</u>	\$ 2,232,091,782	\$ 1,514,848,851	\$ 26,281,190	\$ 3,773,221,823

** The Long-Term Liabilities are combined with the corresponding Short-Term portion for presentation on Exhibit I-A-1 as follows:

General Obligation Bonds	\$ 46,009,407
Revenue Bonds	2,693,353,928
Other Liabilities	15,005,034

CITY OF PHILADELPHIA
ENTERPRISE FUNDS

EXHIBIT II-B-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN UNRESERVED RETAINED EARNINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
Operating Revenues:				
Charges for Goods and Services	\$ 343,884,976	\$ 46,147,410	\$ -	\$ 390,032,386
Sales of Land and Improvements	-	-	2,019,100	2,019,100
Rentals and Concessions	-	79,528,448	-	79,528,448
Miscellaneous Operating Revenues	<u>3,896,899</u>	<u>2,608,472</u>	<u>780,789</u>	<u>7,286,160</u>
<u>Total Operating Revenues</u>	<u>347,781,875</u>	<u>128,284,330</u>	<u>2,799,889</u>	<u>478,866,094</u>
Operating Expenses:				
Personal Services	95,702,215	35,373,728	-	131,075,943
Purchase of Services	57,947,583	41,530,405	-	99,477,988
Materials and Supplies	21,252,548	3,968,833	-	25,221,381
Employee Benefits	39,381,732	12,349,841	-	51,731,573
Indemnities and Taxes	3,150,377	2,700,676	-	5,851,053
Depreciation and Amortization	81,263,635	45,331,560	-	126,595,195
Cost of Goods Sold	<u>-</u>	<u>-</u>	<u>2,756,238</u>	<u>2,756,238</u>
<u>Total Operating Expenses</u>	<u>298,698,090</u>	<u>141,255,043</u>	<u>2,756,238</u>	<u>442,709,371</u>
Operating Income (Loss)	<u>49,083,785</u>	<u>(12,970,713)</u>	<u>43,651</u>	<u>36,156,723</u>
Non-Operating Revenues (Expenses):				
Operating Grants	7,378,057	20,590	173,015	7,571,662
Passenger Facility Charges	-	33,602,771	-	33,602,771
Other Income	-	3,255,900	-	3,255,900
Interest Income	32,049,488	6,834,999	252,576	39,137,063
Debt Service - Interest	(91,344,556)	(20,049,481)	-	(111,394,037)
Other Expenses	<u>(30,199,671)</u>	<u>(3,492,797)</u>	<u>(2,253,865)</u>	<u>(35,946,333)</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(82,116,682)</u>	<u>20,171,982</u>	<u>(1,828,274)</u>	<u>(63,772,974)</u>
Income (Loss) Before Operating Transfers	(33,032,897)	7,201,269	(1,784,623)	(27,616,251)
Operating Transfers In (Out)	(4,137,590)	-	-	(4,137,590)
Operating Transfers To Component Units	(2,876,119)	-	-	(2,876,119)
Operating Transfers From Component Units	<u>-</u>	<u>21,894,091</u>	<u>-</u>	<u>21,894,091</u>
<u>Net Income (Loss)</u>	<u>(40,046,606)</u>	<u>29,095,360</u>	<u>(1,784,623)</u>	<u>(12,735,869)</u>
Other Changes in Unreserved Retained Earnings:				
Credit Arising from Transfer of Depreciation to Contributed Capital - Other Sources	15,794,148	12,580,196	-	28,374,344
Increase in Reserve for Capital Purposes	-	(2,686,637)	-	(2,686,637)
Decrease in Reserve for Rate Stabilization	<u>13,464,922</u>	<u>-</u>	<u>-</u>	<u>13,464,922</u>
Net Change in Unreserved Retained Earnings for the Year	(10,787,536)	38,988,919	(1,784,623)	26,416,760
Retained Earnings - Unreserved, July 1, 1999	<u>(36,791,458)</u>	<u>149,702,845</u>	<u>7,436,918</u>	<u>120,348,305</u>
Retained Earnings - Unreserved, June 30, 2000	<u>\$ (47,578,994)</u>	<u>\$ 188,691,764</u>	<u>\$ 5,652,295</u>	<u>\$ 146,765,065</u>

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT II-B-3

	Water Fund	Aviation Fund	Industrial & Commercial Development Fund	Totals
Cash Flows from Operating Activities:				
Operating Income (Loss)	\$ 49,083,785	\$ (12,970,713)	\$ 43,651	\$ 36,156,723
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization	81,263,635	45,331,560	-	126,595,195
Provision for Uncollectible Accounts	(1,453,307)	(260,416)	-	(1,713,723)
Changes in Assets and Liabilities:				
(Increase) Decrease in Receivables	6,638,458	(1,163,323)	18,420	5,493,555
(Increase) Decrease in Inventories	(719,051)	(139,639)	1,187,707	329,017
Increase (Decrease) in Payables	(2,347,785)	(3,738,729)	(522,381)	(6,608,895)
Increase (Decrease) in Accrued Expenses	(1,002,070)	(2,182,788)	-	(3,184,858)
Increase (Decrease) in Deferred Revenue	(2,172,427)	(669,265)	-	(2,841,692)
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>129,291,238</u>	<u>24,206,687</u>	<u>727,397</u>	<u>154,225,322</u>
Cash Flows from Non-Capital Financing Activities:				
Operating Grants Received	7,378,057	149,112	173,015	7,700,184
Other Non-Capital Financing Expenses	(26,109,813)	-	(2,253,865)	(28,363,678)
Operating Transfers (Out) To Other Funds	(4,137,590)	-	-	(4,137,590)
Operating Transfers (Out) To Component Units	(2,876,119)	-	-	(2,876,119)
Operating Transfers In From Component Units	-	21,894,091	-	21,894,091
Changes in Assets and Liabilities:				
Increase (Decrease) in Other Liabilities	-	(38,545)	-	(38,545)
<u>Net Cash Provided (Used) in Non-Capital Financing Activities</u>	<u>(25,745,465)</u>	<u>22,004,658</u>	<u>(2,080,850)</u>	<u>(5,821,657)</u>
Cash Flows from Capital and Related Financing Activities:				
Proceeds from Sale of Bonds	33,040,000	-	-	33,040,000
Bond Issuance Expenses	(411,476)	-	-	(411,476)
Principal Paid on Debt Instruments	(90,375,907)	(24,180,062)	-	(114,555,969)
Interest Paid on Debt Instruments	(91,344,556)	(54,605,907)	-	(145,950,463)
Acquisition and Construction of Capital Assets	(68,077,003)	(155,020,445)	-	(223,097,448)
Capital Grants	-	4,764,246	-	4,764,246
Contributions Received	5,906	-	107,000	112,906
Passenger Facility Charge	-	32,950,934	-	32,950,934
Changes in Assets and Liabilities:				
(Increase) Decrease in Restricted Assets	(271,940)	4,856,815	-	4,584,875
Increase (Decrease) in Other Liabilities	5,444,466	-	-	5,444,466
<u>Net Cash Provided (Used) in Capital and Related Financing Activities</u>	<u>(211,990,510)</u>	<u>(191,234,419)</u>	<u>107,000</u>	<u>(403,117,929)</u>
Cash Flows from Investing Activities:				
Interest and Dividends on Investments	32,049,488	36,897,764	252,576	69,199,828
<u>Net Cash Provided by Investing Activities</u>	<u>32,049,488</u>	<u>36,897,764</u>	<u>252,576</u>	<u>69,199,828</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(76,395,249)	(108,125,310)	(993,877)	(185,514,436)
Cash and Cash Equivalents, July 1, 1999	483,383,007	680,600,774	6,281,704	1,170,265,485
<u>Cash and Cash Equivalents, June 30, 2000</u>	<u>\$ 406,987,758</u>	<u>\$ 572,475,464</u>	<u>\$ 5,287,827</u>	<u>\$ 984,751,049</u>
Reconciliation to Combining Balance Sheet:				
Current Assets	\$ 39,064,056	\$ 70,175,040	\$ 5,287,827	\$ 114,526,923
Equity in Treasurer's Account	-	-	-	-
Cash on Deposit	30,000	-	-	30,000
Restricted Assets	367,893,702	150,366,902	-	518,260,604
Equity in Treasurer's Account	-	351,933,522	-	351,933,522
Amount Held by Fiscal Agent	-	-	-	-
<u>Cash and Cash Equivalents, June 30, 2000</u>	<u>\$ 406,987,758</u>	<u>\$ 572,475,464</u>	<u>\$ 5,287,827</u>	<u>\$ 984,751,049</u>



FINANCIAL SECTION - PART II (Continued)

FIDUCIARY FUND TYPES - COMBINING STATEMENTS

TRUST AND AGENCY FUNDS

This Section contains Statements of the Trust and Agency funds. The primary objective of these funds is to account for the assets in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

The Funds included in this Section are:

1. **PENSION TRUST FUNDS:**

- a. **GAS WORKS RETIREMENT RESERVE FUND** - Established to account for contributions made by the Philadelphia Gas Works to provide for the payment of retirement benefits to its employees under its non-contributory pension plan.
- b. **MUNICIPAL PENSION FUND** - Established to provide pensions for City employees and employees of certain other governmental and quasi governmental organizations. The principal revenues of this fund are contributions from the city, from employees, from the Commonwealth of Pennsylvania, from other governmental and quasi governmental organizations and from earnings on accumulated assets.

2. **NON-EXPENDABLE TRUST FUNDS** - Used to account for trusts which require maintenance of principal and whose activities are accounted for in a manner similar to proprietary funds.

- a. **DEPARTMENTAL NON-EXPENDABLE TRUST FUND** - Established to account for trusts of the Free Library and Fairmount Park.

3. **EXPENDABLE TRUST AND AGENCY FUNDS** - Used to account for cash or other assets held by the City in the capacity of trustee, custodian or agent for individuals, other City funds, governmental entities and non public organizations.

- a. **RIVERVIEW RESIDENTS FUND** - Established to maintain a commissary and provide other benefits for the residents.
- b. **PHILADELPHIA PRISONS FUND** - Established to operate a workshop and to provide benefits with for the prison inmates
- c. **ARBITRATION APPEALS FUND** - Established to account for certain court fees and provide funds to pay for services of chairman and panelists of the arbitration board.
- d. **DEPARTMENTAL EXPENDABLE TRUST FUND** - Established to account for employee tuition fees, and youth programs as well as various activities of the Free Library and Fairmount Park.
- e. **ESCROW FUND** - Established to account for the receipt and disbursement of money belonging to others in the City's capacity as agent.
- f. **EMPLOYEE HEALTH AND WELFARE FUND** - Established to account for employees and pensioners payroll deductions as well as City funds until payment to the appropriate governmental agency or insurance carrier is made.
- g. **DEPARTMENTAL CUSTODIAL FUNDS** - Established to account for the funds held by the various City departments in their capacity as trustee, custodian or agent.

CITY OF PHILADELPHIA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2000

Expendable Trust Funds

	<u>Departmental Non-Expendable Trust Fund</u>	<u>Riverview Residents Fund</u>	<u>Philadelphia Prisons Fund</u>
<u>Assets</u>			
Cash on Deposit and on Hand	\$ 282,317	\$ -	\$ -
Equity in Treasurer's Account	-	239,885	1,680,243
Investments	7,409,663	-	-
Due from Other Funds	-	-	-
Due from Other Governmental Units	-	-	-
Accounts Receivable	114,495	-	-
Interest and Dividends Receivable	11,654	-	-
Inventories	-	12,387	55,737
Other Assets	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<u>Total Assets</u>	<u>\$ 7,818,129</u>	<u>\$ 252,272</u>	<u>\$ 1,735,980</u>
<u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ 50,131	\$ 3,529	\$ 32,997
Accounts Payable	-	12,632	20,450
Salaries and Wages Payable	-	-	-
Payroll Taxes Payable	-	-	-
Funds Held in Escrow and Advance Deposits	-	-	682,801
Due to Other Governmental Units	-	12,588	-
Accrued Expenses	-	-	-
Deferred Revenue	-	-	-
Other Liabilities	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<u>Total Liabilities</u>	<u>50,131</u>	<u>28,749</u>	<u>736,248</u>
Fund Equity:			
Fund Balances:			
Reserved for Inventories	-	12,387	55,737
Reserved for Encumbrances	-	42,036	223,062
Reserved for Employees Pension Benefits	-	-	-
Reserved for Trust Principal	4,292,827	-	-
Unreserved:			
Designated for Trust Purposes	<u>3,475,171</u>	<u>169,100</u>	<u>720,933</u>
	<u> </u>	<u> </u>	<u> </u>
<u>Total Fund Equity</u>	<u>7,767,998</u>	<u>223,523</u>	<u>999,732</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 7,818,129</u>	<u>\$ 252,272</u>	<u>\$ 1,735,980</u>

Expendable Trust Funds

Arbitration Appeals Fund	Departmental Expendable Trust Fund	Total Expendable Trust Funds
\$ -	\$ 1,409,656	\$ 1,409,656
-	115,399	2,035,527
-	3,999,433	3,999,433
-	-	-
-	-	-
-	97,455	97,455
-	657	657
-	-	68,124
-	-	-
<u>\$ -</u>	<u>\$ 5,622,600</u>	<u>\$ 7,610,852</u>
\$ -	\$ 75,130	\$ 111,656
-	627,724	660,806
-	-	-
-	-	-
-	321,400	1,004,201
-	-	12,588
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>1,024,254</u>	<u>1,789,251</u>
-	-	68,124
-	25,082	290,180
-	-	-
-	5,572	5,572
<u>-</u>	<u>4,567,692</u>	<u>5,457,725</u>
<u>-</u>	<u>4,598,346</u>	<u>5,821,601</u>
<u>\$ -</u>	<u>\$ 5,622,600</u>	<u>\$ 7,610,852</u>

CITY OF PHILADELPHIA
TRUST AND AGENCY FUNDS
COMBINING BALANCE SHEET (Continued)
JUNE 30, 2000

	Agency Funds		
	<u>Escrow Fund</u>	<u>Employee Health & Welfare Fund</u>	<u>Departmental Custodial Accounts</u>
<u>Assets</u>			
Cash on Deposit and on Hand	\$ -	\$ -	\$ 32,727,552
Equity in Treasurer's Account	7,826,358	17,011,568	-
Investments	-	-	33,608,806
Due from Other Funds	-	-	698,754
Due from Other Governmental Units	-	-	-
Accounts Receivable	-	-	-
Interest and Dividends Receivable	-	-	-
Inventories	-	-	-
Other Assets	-	-	-
	<u>\$ 7,826,358</u>	<u>\$ 17,011,568</u>	<u>\$ 67,035,112</u>
<u>Liabilities and Fund Equity</u>			
Vouchers Payable	\$ 9,133	\$ 132,600	\$ -
Accounts Payable	-	-	-
Salaries and Wages Payable	-	-	-
Payroll Taxes Payable	-	12,034,688	-
Funds Held in Escrow and Advance Deposits	7,817,225	4,844,280	67,035,112
Due to Other Governmental Units	-	-	-
Accrued Expenses	-	-	-
Deferred Revenue	-	-	-
Other Liabilities	-	-	-
	<u>7,826,358</u>	<u>17,011,568</u>	<u>67,035,112</u>
Fund Equity:			
Fund Balances:			
Reserved for Inventories	-	-	-
Reserved for Encumbrances	-	-	-
Reserved for Employees Pension Benefits	-	-	-
Reserved for Trust Principal	-	-	-
Unreserved:			
Designated for Trust Purposes	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Equity	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 7,826,358</u>	<u>\$ 17,011,568</u>	<u>\$ 67,035,112</u>

EXHIBIT II-C-1

	Total Agency Funds	Total Pension Trust Funds	Total Trust and Agency Funds
\$	32,727,552	\$ -	\$ 34,419,525
	24,837,926	5,513,582,416	5,540,455,869
	33,608,806	-	45,017,902
	698,754	-	698,754
	-	704,390	704,390
	-	7,665,387	7,877,337
	-	26,316,125	26,328,436
	-	-	68,124
	-	632,956,702	632,956,702
	<u>91,873,038</u>	<u>\$ 6,181,225,020</u>	<u>\$ 6,288,527,039</u>
\$	141,733	\$ 210,965	\$ 514,485
	-	3,811,038	4,471,844
	-	45,126	45,126
	12,034,688	-	12,034,688
	79,696,617	-	80,700,818
	-	-	12,588
	-	696,516	696,516
	-	6,366,078	6,366,078
	-	753,642,494	753,642,494
	<u>91,873,038</u>	<u>764,772,217</u>	<u>858,484,637</u>
	-	-	68,124
	-	-	290,180
	-	5,416,452,803	5,416,452,803
	-	-	4,298,399
	-	-	8,932,896
	<u>-</u>	<u>5,416,452,803</u>	<u>5,430,042,402</u>
\$	<u>91,873,038</u>	<u>\$ 6,181,225,020</u>	<u>\$ 6,288,527,039</u>

CITY OF PHILADELPHIA
PENSION TRUST FUNDS
COMBINING STATEMENT OF PLAN NET ASSETS
JUNE 30, 2000

EXHIBIT II-C-2

	<u>Gas Works Retirement Reserve Fund</u>	<u>Municipal Pension Fund</u>	<u>Total Pension Trust Funds</u>
<u>Assets</u>			
Equity in Treasurer's Account	\$ 438,484,373	\$ 5,075,098,043	\$ 5,513,582,416
Securities Lending Collective Investment Pool	-	586,937,447	586,937,447 **
Accounts Receivable	-	7,665,387	7,665,387
Due from Brokers for Securities Sold	-	46,008,035	46,008,035 **
Interest and Dividends Receivable	2,383,920	23,932,205	26,316,125
Due from Other Governmental Units	-	704,390	704,390
Other Assets	-	11,220	11,220 **
	<hr/>	<hr/>	<hr/>
<u>Total Assets</u>	<u>\$ 440,868,293</u>	<u>\$ 5,740,356,727</u>	<u>\$ 6,181,225,020</u>
<u>Liabilities</u>			
Vouchers Payable	\$ -	\$ 210,965	\$ 210,965
Accounts Payable	828,331	2,982,707	3,811,038
Salaries and Wages Payable	-	45,126	45,126
Due on Return of Securities Loaned	-	586,937,447	586,937,447 ***
Due to Brokers for Securities Purchased	-	166,068,381	166,068,381 ***
Accrued Expenses	-	696,516	696,516
Deferred Revenue	-	6,366,078	6,366,078
Other Liabilities	-	636,666	636,666 ***
	<hr/>	<hr/>	<hr/>
<u>Total Liabilities</u>	<u>\$ 828,331</u>	<u>\$ 763,943,886</u>	<u>\$ 764,772,217</u>
 Net Assets Held in Trust for Pension Benefits	 <u>\$ 440,039,962</u>	 <u>\$ 4,976,412,841</u>	 <u>\$ 5,416,452,803 ****</u>

The Accounts Receivable of the Municipal Pension Fund consists of Employee Contributions Receivable in the amount of \$1,299,309 and Installment Repurchase Agreements Receivable in the amount of \$6,366,078.

** Securities Lending and Due from Brokers are combined with Other Assets for presentation on Exhibits I-A-1 & II-C-1

*** Due on Securities Loaned and Due to Brokers are combined with Other Liabilities for presentation on Exhibits I-A-1 & II-C-1

**** Net Assets Held is presented as Fund Balance-Reserved on Exhibits I-A-1 & II-C-1

CITY OF PHILADELPHIA
EXPENDABLE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN UNRESERVED FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT II-C-3

	Riverview Residents <u>Fund</u>	Philadelphia Prisons <u>Fund</u>	Arbitration Appeals <u>Fund</u>	Departmental Expendable <u>Trust Fund</u>	Total Expendable Trust <u>Funds</u>
Revenues:					
Locally Generated Non-Tax Revenue	\$ 109,581	\$ 1,038,740	\$ 625,200	\$ 7,717,584	\$ 9,491,105
Expenditures:					
Judiciary and Law Enforcement	-	892,656	-	-	892,656
Cultural and Recreational	-	-	-	6,271,657	6,271,657
Improvement of General Welfare	102,408	-	-	-	102,408
General Management and Support	-	-	625,200	106,971	732,171
	<u>102,408</u>	<u>892,656</u>	<u>625,200</u>	<u>6,378,628</u>	<u>7,998,892</u>
<u>Total Expenditures</u>					
Excess of Revenues Over (Under) Expenditures	<u>7,173</u>	<u>146,084</u>	<u>-</u>	<u>1,338,956</u>	<u>1,492,213</u>
Other Financing Sources (Uses):					
Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>854,513</u>	<u>854,513</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	7,173	146,084	-	2,193,469	2,346,726
Other Changes in Unreserved Fund Balance: (Increase) Decrease in Reserve for Encumbrances	<u>13,212</u>	<u>(10,567)</u>	<u>-</u>	<u>26,221</u>	<u>28,866</u>
Net Change in Unreserved Fund Balance for the Year	20,385	135,517	-	2,219,690	2,375,592
Fund Balance - Unreserved, July 1, 1999	<u>148,715</u>	<u>585,416</u>	<u>-</u>	<u>2,348,002</u>	<u>3,082,133</u>
Fund Balance - Unreserved, June 30, 2000	<u>\$ 169,100</u>	<u>\$ 720,933</u>	<u>\$ -</u>	<u>\$ 4,567,692</u>	<u>\$ 5,457,725</u>

CITY OF PHILADELPHIA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT II-C-4

	Balance <u>7-1-1999</u>	Additions	Deductions	Balance <u>6-30-2000</u>
<u>Escrow Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	\$ <u>13,222,970</u>	\$ <u>260,589,941</u>	\$ <u>265,986,553</u>	\$ <u>7,826,358</u>
<u>Liabilities</u>				
Funds Held in Escrow	\$ 7,221,323	\$ 260,597,451	\$ 260,001,549	\$ 7,817,225
Vouchers Payable	<u>6,001,647</u>	<u>519,910</u>	<u>6,512,424</u>	<u>9,133</u>
<u>Total Liabilities</u>	<u>\$ 13,222,970</u>	<u>\$ 261,117,361</u>	<u>\$ 266,513,973</u>	<u>\$ 7,826,358</u>
<u>Employee Health and Welfare Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	\$ <u>8,151,899</u>	\$ <u>624,331,415</u>	\$ <u>615,471,746</u>	\$ <u>17,011,568</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 311,852	\$ 2,047,463	\$ 2,226,715	\$ 132,600
Payroll Taxes Payable	2,874,566	355,254,876	346,094,754	12,034,688
Funds Held in Escrow	<u>4,965,481</u>	<u>269,071,186</u>	<u>269,192,387</u>	<u>4,844,280</u>
<u>Total Liabilities</u>	<u>\$ 8,151,899</u>	<u>\$ 626,373,525</u>	<u>\$ 617,513,856</u>	<u>\$ 17,011,568</u>
<u>Departmental Custodial Accounts</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	\$ 45,502,176	\$ 157,621,077	\$ 170,395,701	\$ 32,727,552
Investments	15,175,024	19,044,864	611,082	33,608,806
Due from Other Funds	<u>698,754</u>	<u>-</u>	<u>-</u>	<u>698,754</u>
<u>Total Assets</u>	<u>\$ 61,375,954</u>	<u>\$ 176,665,941</u>	<u>\$ 171,006,783</u>	<u>\$ 67,035,112</u>
<u>Liabilities</u>				
Funds Held in Escrow	\$ <u>61,375,954</u>	\$ <u>176,665,941</u>	\$ <u>171,006,783</u>	\$ <u>67,035,112</u>
<u>Totals - Agency Funds</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	\$ 45,502,176	\$ 157,621,077	\$ 170,395,701	\$ 32,727,552
Equity in Treasurer's Account	21,374,869	884,921,356	881,458,299	24,837,926
Investments	15,175,024	19,044,864	611,082	33,608,806
Due from Other Funds	<u>698,754</u>	<u>-</u>	<u>-</u>	<u>698,754</u>
<u>Total Assets</u>	<u>\$ 82,750,823</u>	<u>\$ 1,061,587,297</u>	<u>\$ 1,052,465,082</u>	<u>\$ 91,873,038</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 6,313,499	\$ 2,567,373	\$ 8,739,139	\$ 141,733
Payroll Taxes Payable	2,874,566	355,254,876	346,094,754	12,034,688
Funds Held in Escrow	<u>73,562,758</u>	<u>706,334,578</u>	<u>700,200,719</u>	<u>79,696,617</u>
<u>Total Liabilities</u>	<u>\$ 82,750,823</u>	<u>\$ 1,064,156,827</u>	<u>\$ 1,055,034,612</u>	<u>\$ 91,873,038</u>

FINANCIAL SECTION - PART III

ACCOUNT GROUP STATEMENTS

This Section contains Statements for the General Fixed Assets and General Long-Term Debt Account Groups. These account groups report on the governmental funds' general fixed assets and long term liabilities. Because the focus of governmental funds is on the flow of current financial resources, balance sheets reflect only financial assets or liabilities that require the use of currently available resources. Account Groups are not funds and do not report the results of operations.

The Funds included in this Section are:

1. **CITY GENERAL FIXED ASSETS AND LONG-TERM DEBT** - Established to account for the fixed assets of the City, except those accounted for in proprietary funds, and the long-term debt of the City backed by general fund revenues.
2. **MUNICIPAL AUTHORITY GENERAL FIXED ASSETS AND LONG-TERM DEBT** - Established to account for the fixed assets of the Municipal Authority and the long-term debt of the Municipal Authority payable from leasing agreements with the city.
3. **PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY LONG TERM DEBT** - Established to account for the long-term debt of the Authority.

CITY OF PHILADELPHIA
SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION
JUNE 30, 2000

	<u>Land</u>	<u>Buildings</u>	Improvements Other Than <u>Buildings</u>
<u>City-Related Assets</u>			
Economic Development	\$ 94,530,706	\$ 71,494,175	\$ 42,080,695
Transportation	-	-	-
Judiciary and Law Enforcement	7,850,535	120,302,174	3,297,858
Conservation of Health	2,041,379	50,546,177	236,858
Housing and Neighborhood Development	27,366	88,441	-
Cultural and Recreational	248,179,443	547,641,546	165,490,306
Improvement of General Welfare	8,631,887	137,072,573	3,385,245
Services to Property	3,787,594	76,596,078	4,914,976
General Management and Support	<u>43,360,958</u>	<u>207,598,760</u>	<u>42,582,572</u>
<u>Totals - City-Related</u>	<u>\$ 408,409,868</u>	<u>\$ 1,211,339,924</u>	<u>\$ 261,988,510</u>
 <u>Municipal Authority-Related Assets</u>			
Judiciary and Law Enforcement	\$ -	\$ -	\$ -
General Management and Support	<u>-</u>	<u>-</u>	<u>-</u>
<u>Totals - Municipal Authority-Related</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Totals</u>	<u>\$ 408,409,868</u>	<u>\$ 1,211,339,924</u>	<u>\$ 261,988,510</u>

EXHIBIT III-A-1

<u>Equipment</u>	<u>Transit</u>	<u>Construction Work in Process</u>	<u>Total</u>
\$ 7,187,916	\$ -	\$ 5,926,892	\$ 221,220,384
541,430	172,931,096	306,665	173,779,191
52,703,108	-	1,756,869	185,910,544
9,997,697	-	235,649	63,057,760
1,749,041	-	-	1,864,848
120,928,958	-	2,031,471	1,084,271,724
16,651,294	-	912,748	166,653,747
9,465,739	-	1,739,662	96,504,049
<u>283,453,418</u>	<u>-</u>	<u>1,877,086</u>	<u>578,872,794</u>
\$ <u>502,678,601</u>	\$ <u>172,931,096</u>	\$ <u>14,787,042</u>	\$ <u>2,572,135,041</u>
\$ -	\$ -	\$ 276,101,342	\$ 276,101,342
<u>-</u>	<u>-</u>	<u>57,342,552</u>	<u>57,342,552</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>333,443,894</u>	\$ <u>333,443,894</u>
\$ <u>502,678,601</u>	\$ <u>172,931,096</u>	\$ <u>348,230,936</u>	\$ <u>2,905,578,935</u>

CITY OF PHILADELPHIA
SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 2000

EXHIBIT III-A-2

	<u>City Related Assets</u>	<u>Municipal Authority Related Assets</u>	<u>Total General Fixed Assets</u>
General Fixed Assets:			
Land	\$ 408,409,868	\$ -	\$ 408,409,868
Buildings	1,211,339,924	-	1,211,339,924
Other Improvements	261,988,510	-	261,988,510
Equipment	502,678,601	-	502,678,601
Transit Facilities	172,931,096	-	172,931,096
Construction Work in Process	<u>14,787,042</u>	<u>333,443,894</u>	<u>348,230,936</u>
 <u>Total General Fixed Assets</u>	 <u>\$ 2,572,135,041</u>	 <u>\$ 333,443,894</u>	 <u>\$ 2,905,578,935</u>
Investment in General Fixed Assets by Source:			
Capital Projects Funds	\$ 1,064,833,826	\$ 333,443,894	\$ 1,398,277,720
Other Funds	592,766,510	-	592,766,510
Donations	249,989,571	-	249,989,571
Foreclosures	41,708	-	41,708
Unclassified Sources	<u>664,503,426</u>	<u>-</u>	<u>664,503,426</u>
 <u>Total Investment in General Fixed Assets</u>	 <u>\$ 2,572,135,041</u>	 <u>\$ 333,443,894</u>	 <u>\$ 2,905,578,935</u>

CITY OF PHILADELPHIA
 SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

EXHIBIT III-A-3

	<u>Adjusted Balance 7-1-1999</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6-30-2000</u>
<u>City-Related Assets</u>				
Economic Development	\$ 214,323,807	\$ 6,899,079	\$ (2,502)	\$ 221,220,384
Transportation	173,472,527	306,664	-	173,779,191
Judiciary and Law Enforcement	178,045,931	10,391,940	(2,527,327)	185,910,544
Conservation of Health	58,500,830	4,626,293	(69,363)	63,057,760
Housing and Neighborhood Development	72,260,167	90,077	(70,485,396)	1,864,848
Cultural and Recreational	1,045,566,647	39,064,165	(359,088)	1,084,271,724
Improvement of General Welfare	152,027,602	14,714,437	(88,292)	166,653,747
Services to Property	91,771,523	5,173,799	(441,273)	96,504,049
General Management and Support	<u>535,688,954</u>	<u>45,082,072</u>	<u>(1,898,232)</u>	<u>578,872,794</u>
<u>Totals - City-Related</u>	<u>\$ 2,521,657,988</u>	<u>\$ 126,348,526</u>	<u>\$ (75,871,473)</u>	<u>\$ 2,572,135,041</u>
<u>Municipal Authority-Related Assets</u>				
Judiciary and Law Enforcement	\$ 255,082,872	\$ 21,018,470	\$ -	\$ 276,101,342
General Management and Support	<u>53,624,850</u>	<u>3,717,702</u>	<u>-</u>	<u>57,342,552</u>
<u>Totals - Municipal Authority Related Assets</u>	<u>\$ 308,707,722</u>	<u>\$ 24,736,172</u>	<u>\$ -</u>	<u>\$ 333,443,894</u>
<u>Totals</u>	<u>\$ 2,830,365,710</u>	<u>\$ 151,084,698</u>	<u>\$ (75,871,473)</u>	<u>\$ 2,905,578,935</u>

CITY OF PHILADELPHIA
 COMBINING SCHEDULE OF CHANGES IN GENERAL LONG-TERM DEBT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Balance 7-1-1999	General Obligation Bonds Issued	General Obligation Bonds Retired	Pension Service Agreement
<u>City-Related Debt</u>				
Amount to be Provided for Retirement of Long-Term Debt	\$ 2,260,277,173	\$ -	\$ (40,753,019)	\$ 5,545,559
General Obligation Debt Payable:				
Term Bonds	\$ 197,600,000	\$ -	\$ -	\$ -
Refunding Bonds	304,907,600	-	(24,959,938)	-
Serial Bonds	186,958,082	-	(15,793,081)	-
Total General Obligation Debt Payable	689,465,682	-	(40,753,019)	-
Lease Commitments Payable	58,910,000	-	-	-
Other Long-Term Obligations Payable	1,511,901,491	-	-	5,545,559
Total City-Related General Long-Term Debt Payable	\$ 2,260,277,173	\$ -	\$ (40,753,019)	\$ 5,545,559
<u>Municipal Authority Debt</u>				
Amount Available in Debt Service Funds	\$ 6,350,325	\$ -	\$ -	\$ -
Amount to be Provided for Retirement of Long-Term Debt	380,342,791	-	(21,078,897)	-
Total Available and to be Provided	\$ 386,693,116	\$ -	\$ (21,078,897)	\$ -
General Obligation Debt Payable:				
Term Bonds	\$ 176,694,325	\$ -	\$ (2,005,000)	\$ -
Serial Bonds	200,898,791	-	(19,073,897)	-
Total General Obligation Debt Payable	377,593,116	-	(21,078,897)	-
Lease Commitments Payable	9,100,000	-	-	-
Total Municipal Authority Long-Term Debt Payable	\$ 386,693,116	\$ -	\$ (21,078,897)	\$ -
<u>PICA Debt</u>				
Amount Available in Debt Service Funds	\$ 86,831,533	\$ -	\$ -	\$ -
Amount to be Provided for Retirement of Long-Term Debt	927,263,467	-	(54,675,000)	-
Total Available and to be Provided	\$ 1,014,095,000	\$ -	\$ (54,675,000)	\$ -
General Obligation Debt Payable:				
Term Bonds	\$ 1,014,095,000	\$ -	\$ (54,675,000)	\$ -
Total PICA Long-Term Debt Payable	\$ 1,014,095,000	\$ -	\$ (54,675,000)	\$ -
Total General Long-Term Debt Payable	\$ 3,661,065,289	\$ -	\$ (116,506,916)	\$ 5,545,559

EXHIBIT III-A-4

Lease Commitments Retired	Indemnity Claims	Worker's Compensation Claims	Termination Compensation Payable	Debt Service Funds Operations	Balance 6-30-2000
\$ <u>(995,000)</u>	\$ <u>16,124,022</u>	\$ <u>(3,096,759)</u>	\$ <u>9,782,617</u>	\$ <u>-</u>	\$ <u>2,246,884,593</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,600,000
-	-	-	-	-	279,947,662
-	-	-	-	-	171,165,001
-	-	-	-	-	648,712,663
(995,000)	-	-	-	-	57,915,000
<u>-</u>	<u>16,124,022</u>	<u>(3,096,759)</u>	<u>9,782,617</u>	<u>-</u>	<u>1,540,256,930</u>
\$ <u>(995,000)</u>	\$ <u>16,124,022</u>	\$ <u>(3,096,759)</u>	\$ <u>9,782,617</u>	\$ <u>-</u>	\$ <u>2,246,884,593</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,654,524	\$ 11,004,849
<u>(3,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,654,524)</u>	<u>351,109,370</u>
\$ <u>(3,500,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>362,114,219</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,689,325
-	-	-	-	-	181,824,894
-	-	-	-	-	356,514,219
<u>(3,500,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,600,000</u>
\$ <u>(3,500,000)</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>362,114,219</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,964,628	\$ 88,796,161
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,964,628)</u>	<u>870,623,839</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>959,420,000</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>959,420,000</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>959,420,000</u>
\$ <u>(4,495,000)</u>	\$ <u>16,124,022</u>	\$ <u>(3,096,759)</u>	\$ <u>9,782,617</u>	\$ <u>-</u>	\$ <u>3,568,418,812</u>

CITY OF PHILADELPHIA
 COMBINING STATEMENT OF GENERAL LONG-TERM DEBT
 JUNE 30, 2000

EXHIBIT III-A-5

	<u>City Related General Long-Term Debt</u>	<u>Municipal Authority General Long-Term Debt</u>	<u>PICA General Long-Term Debt</u>	<u>Totals</u>
<u>Amounts Available and to be Provided</u>				
Amount Available in Debt Service Funds	\$ -	\$ 11,004,849	\$ 88,796,161	\$ 99,801,010
Amount to be Provided for Retirement of Long-Term Debt	<u>2,246,884,593</u>	<u>351,109,370</u>	<u>870,623,839</u>	<u>3,468,617,802</u>
Total Available and to be Provided	<u>\$ 2,246,884,593</u>	<u>\$ 362,114,219</u>	<u>\$ 959,420,000</u>	<u>\$ 3,568,418,812</u>
 <u>Long-Term Debt</u>				
General Obligation Bonds	\$ 648,712,663	\$ 356,514,219	\$ 959,420,000	\$ 1,964,646,882
Obligations - Under Capital Leases	57,915,000	5,600,000	-	63,515,000
Other Long-Term Obligations Payable	<u>1,540,256,930</u>	<u>-</u>	<u>-</u>	<u>1,540,256,930</u>
<u>Total Debt Payable</u>	<u>\$ 2,246,884,593</u>	<u>\$ 362,114,219</u>	<u>\$ 959,420,000</u>	<u>\$ 3,568,418,812</u>

SUPPORTING SCHEDULES

The Supporting Schedules presented in this Section are:

1. **Summary Schedule of Investments**
City Related Fund Types and Accounts
2. **Schedule of Bonded Debt Outstanding**
City Related
3. **Schedule of Actual and Estimated Revenues**
City Related General Funds -Legal Basis
4. **Schedule of Budgeted and Actual Expenditures and Encumbrances by Department**
City Related General Fund - Legal Basis
5. **Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance**
Water Fund - Budget (Legal Basis) and Actual
6. **Schedule of Revenues, Expenditures, Encumbrances and Changes in Fund Balance**
Aviation Fund - Budget (Legal Basis) and Actual
7. **Schedule of Actual and Estimated Revenues**
City Related Enterprise Funds - Legal Basis
8. **Schedule of Budgeted and Actual Expenditures and Encumbrances by Department**
City Related Enterprise Funds - Legal Basis



CITY OF PHILADELPHIA
CITY RELATED FUND TYPES AND ACCOUNTS
SUMMARY SCHEDULE OF INVESTMENTS
JUNE 30, 2000

	<u>Par Value</u>	<u>Cost</u>	<u>Fair Value 6-30-2000</u>
Fiduciary Fund Types:			
Non-Expendable Trust Funds:			
<u>Departmental Non-Expendable Trust Fund:</u>			
U.S. Government Securities	\$ 465,000	\$ 1,992,482	\$ 1,981,558
U.S. Government Agencies	225,000	1,094,579	1,080,865
Common Stock	-	3,135,962	4,036,580
Other Investments	-	310,660	310,660
	<u>690,000</u>	<u>6,533,683</u>	<u>7,409,663</u>
<u>Total Non-Expendable Trust Funds</u>			
Expendable Trust Funds:			
<u>Departmental Expendable Trust Fund:</u>			
U.S. Government Securities	-	135,157	134,444
Corporate Bonds	-	56,954	56,585
Common Stock	-	974,100	979,427
Other Investments	-	2,828,977	2,828,977
	<u>-</u>	<u>3,995,188</u>	<u>3,999,433</u>
<u>Total Expendable Trust Funds</u>			
Agency Funds:			
<u>Departmental Custodial Accounts:</u>			
U.S. Government Securities	10,284,551	10,284,551	10,230,686
U.S. Government Agencies	23,337,470	23,337,470	23,378,121
Other Investments	-	-	-
	<u>33,622,021</u>	<u>33,622,021</u>	<u>33,608,807</u>
<u>Total Agency Funds</u>			
	<u>34,312,021</u>	<u>44,150,892</u>	<u>45,017,903</u>
<u>Total Fiduciary Fund Types</u>			
Treasurer's Account:*			
U.S. Government Securities	816,097,404	859,866,814	856,403,354
U.S. Government Agency Securities	1,044,623,772	998,806,063	992,578,363
Corporate Bonds	987,456,061	996,525,902	986,317,110
Common Stock	-	2,792,663,240	3,313,450,709
Mortgage Obligations	73,934,291	58,064,094	56,822,638
Closed End Mutual Funds	-	-	-
Short Term Investments	127,136,691	139,546,125	139,546,125
Real Estate	47,154,761	47,154,761	25,361,685
Financial Agreements	-	108,463,368	125,143,481
Other Bonds and Investments	119,173,635	201,172,001	203,366,104
	<u>3,215,576,615</u>	<u>6,202,262,368</u>	<u>6,698,989,569</u>
<u>Total Treasurer's Account</u>			
	<u>\$ 3,249,888,636</u>	<u>\$ 6,246,413,260</u>	<u>\$ 6,744,007,472</u>
<u>Total All Fund Types and Accounts</u>			

* Investments of the Treasurer's Account represent a portion of the Equity in Treasurer's Account Balances of the City Funds.

CITY OF PHILADELPHIA
CITY RELATED SCHEDULE OF BONDED DEBT OUTSTANDING
JUNE 30, 2000

SCHEDULE IV-A-2

	Original Authorization	Date of Issuance	Issued	Fiscal 2000 Outstanding	Maturities	Interest Rates	Fiscal 2001 Debt Service Requirements	
							Interest	Principal
General Obligation Bonds:								
Term Bonds								
	\$ 34,966,006	(1) 12/01/1995	\$ 28,516,101	\$ 28,516,101	05/2014 to 05/2025	5.00	\$ 1,425,805	\$ -
		(1) 11/15/1998	6,449,905	6,449,905	03/2019 to 03/2028	5.00	322,495	-
	72,135,877	(1) 12/01/1995	36,358,899	36,358,899	05/2014 to 05/2025	5.00	1,817,945	-
		(1) 11/15/1998	35,776,978	35,776,978	03/2019 to 03/2028	5.00	1,788,849	-
	68,194,869	(1) 11/15/1998	68,194,869	68,194,869	03/2019 to 03/2028	5.00	3,409,744	-
	22,303,248	(1) 11/15/1998	22,303,248	22,303,248	03/2019 to 03/2028	5.00	1,115,162	-
Total Term Bonds	197,600,000		197,600,000	197,600,000			9,880,000	
Refunding Issues								
	86,000,000	07/01/1987	86,000,000	4,865,000	08/2000	11.50	279,737	4,865,000
	97,645,000	07/15/1993	97,645,000	76,740,000	05/2001 to 05/2005	5.00 to 6.00	3,996,693	1,820,000
	101,505,000	06/15/1994	101,505,000	47,530,000	11/2000 to 11/2004	5.20 to 6.25	1,966,605	25,995,000
	178,240,000	12/01/1998	178,240,000	173,755,000	05/2001 to 05/2020	4.75 to 5.25	8,684,581	5,940,000
Total Refunding Bonds	463,390,000		463,390,000	302,890,000			14,927,616	38,620,000
Serial Bonds								
	6,000,000	02/16/1956	6,000,000	720,000	01/2001 to 01/2006	1.00 to 2.75	13,500	120,000
	44,200,000	03/01/1970	44,200,000	2,685,000	07/2000	7.75	104,044	2,685,000
	12,000,000	03/01/1970	9,500,000	770,000	07/2000	7.75	29,838	770,000
	87,330,000	08/01/1970	12,330,000	975,000	01/2001	7.50	73,125	975,000
		01/15/1971	13,000,000	2,005,000	07/2001	7.75	117,800	970,000
		12/17/1971	10,000,000	1,385,000	01/2001 to 01/2002	6.75	93,488	670,000
	25,000,000	08/01/1970	12,500,000	985,000	01/2001	7.50	73,875	985,000
		01/15/1971	7,500,000	1,150,000	07/2000 to 07/2001	7.75	67,619	555,000
	27,700,000	01/15/1971	27,700,000	1,180,000	07/2000 to 07/2001	4.00 to 7.75	46,462	590,000
	8,400,000	01/15/1971	1,200,000	80,000	07/2000 to 07/2001	4.00 to 7.75	3,150	40,000
	20,000,000	NA	20,000,000	13,687,764	07/2000 to 06/2013	1.00	131,867	1,095,114
	73,033,994	06/15/1994	47,500,000	22,590,000	11/2000 to 11/2014	5.10 to 6.00	1,227,397	1,750,000
		(1) 12/01/1995	19,834,899	9,863,603	05/2001 to 05/2025	4.90 to 6.00	540,790	865,922
		(1) 11/15/1998	5,699,095	5,638,107	03/2001 to 03/2018	3.70 to 5.25	278,317	234,476
	56,902,420	(1) 12/01/1995	25,290,101	12,576,397	05/2001 to 05/2025	4.90 to 6.00	689,524	1,104,078
		(1) 11/15/1998	31,612,319	31,274,025	03/2001 to 03/2018	3.70 to 5.25	1,543,795	1,300,613
	60,256,571	(1) 11/15/1998	60,256,571	59,611,745	03/2001 to 03/2018	3.70 to 5.25	2,942,643	2,479,113
	19,707,015	(1) 11/15/1998	19,707,015	19,496,123	03/2001 to 03/2018	3.70 to 5.25	962,396	810,798
Total Serial Bonds	440,530,000		373,830,000	186,672,764			8,939,630	18,000,114
Total General Obligation Bonds	1,101,520,000		1,034,820,000	687,162,764			33,747,246	56,620,114
Revenue Bonds:								
Water and Sewer Revenue Bonds:								
14th Series	\$ 158,265,000	(2) 05/15/1989	\$ 158,265,000	\$ 60,400,000	10/2005 to 10/2008	NA	\$ -	\$ -
15th Series	176,005,000	(2) 05/15/1989	176,005,000	76,670,000	10/2000 to 10/2004	NA	-	15,435,000
16th Series	297,175,000	05/15/1991	297,175,000	10,610,000	08/2000 to 08/2021	7.50 to 7.60	609,818	5,105,000
Series 1993	1,157,585,000	08/01/1993	1,010,025,000	754,635,000	06/2001 to 06/2023	4.875 to 7.00	42,670,563	31,535,000
Series 1993		08/26/1993	147,560,000	118,960,000	06/2004 to 06/2012	5.15 to 10.00	8,223,300	-
Series 1995	221,630,000	04/15/1995	221,630,000	203,880,000	08/2000 to 08/2018	4.90 to 6.75	12,107,422	1,175,000
Series 1997 A	350,000,000	10/15/1997	250,000,000	246,010,000	08/2000 to 08/2027	5.00 to 5.25	12,379,393	4,070,000
Series 1997 B		(3) 11/25/1997	100,000,000	98,300,000	08/2000 to 08/2027	Variable rates	3,330,465	1,800,000
Series 1998	135,185,000	12/25/1998	135,185,000	135,185,000	12/2011 to 12/2014	5.25	7,097,212	-
Series 1999	33,040,000	07/07/1999	33,040,000	33,040,000	12/2004 to 12/2006	5.00	1,652,000	-
Series 1999 A	6,700,000	N.A.	1,053,234	1,053,234	07/2002 to 03/2020	1.41 to 2.73	14,808	-
Revenue Bonds	2,535,585,000		2,529,938,234	1,738,743,234			88,084,981	59,120,000
Aviation Revenue Bonds:								
5th Series	209,690,000	06/15/1995	209,690,000	205,465,000	06/2001 to 06/2025	5.20 to 6.10	12,274,768	3,845,000
Series 1997 A and B	222,265,000	07/01/1997	222,265,000	196,900,000	06/2001 to 06/2027	4.50 to 6.00	10,906,325	10,220,000
Series 1998 A	123,405,000	03/17/1998	123,405,000	116,105,000	06/2001 to 06/2018	5.25 to 6.00	6,432,931	3,890,000
Series 1998 B	443,700,000	07/01/1998	443,700,000	443,700,000	06/2001 to 06/2028	4.50 to 5.375	1,525,735	1,230,000
Total Aviation Revenue Bonds	999,060,000		999,060,000	962,170,000			31,139,759	19,185,000
Total Revenue Bonds	3,534,645,000		3,528,998,234	2,700,913,234			119,224,740	78,305,000
Total All Bonds	\$ 4,636,165,000		\$ 4,563,818,234	\$ 3,388,075,998	(4)		\$ 152,971,986	\$ 134,925,114

CITY OF PHILADELPHIA
CITY RELATED SCHEDULE OF BONDED DEBT OUTSTANDING
JUNE 30, 2000

SCHEDULE IV-A-2

NOTES:

- (1) These General Obligation Authorizations were issued as both Term and Serial Bonds.
- (2) The balance outstanding on these issues includes zero discount bonds and compound interest bonds as follows:

<u>Outstanding</u>	<u>Maturity Value</u>	<u>Discount</u>
\$ 60,400,000	\$ 60,400,000	\$ 43,268,160
76,670,000	76,670,000	45,494,017

- (3) Based on latest available estimated rates.
- (4) A summary of all Bonds Outstanding is as follows:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total Bonds</u>
General Fund Types:			
General Fund	\$ 648,712,663	\$ -	\$ 648,712,663
Proprietary Fund Types:			
Water Fund	15,507,764	1,738,743,234	1,754,250,998
Aviation Fund	22,942,337	962,170,000	985,112,337
<u>Total Proprietary Funds</u>	38,450,101	2,700,913,234	2,739,363,335
<u>Total All Funds</u>	\$ 687,162,764	\$ 2,700,913,234	\$ 3,388,075,998

CITY OF PHILADELPHIA
CITY RELATED GENERAL FUND
SCHEDULE OF ACTUAL AND ESTIMATED REVENUES
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	Fiscal 2000 Budget <u>Estimate</u>	Fiscal 2000 <u>Actual</u>	Variance Favorable (Unfavorable)	Fiscal 1999 <u>Actual</u>
Taxes:				
Real Property Tax:				
Current	\$ 316,842,000	\$ 315,890,360	\$ (951,640)	\$ 311,940,540
Prior Years	32,000,000	37,694,029	5,694,029	30,695,646
<u>Total Real Property Tax</u>	<u>348,842,000</u>	<u>353,584,389</u>	<u>4,742,389</u>	<u>342,636,186</u>
Wage and Earnings Taxes:				
Current	920,608,000	949,584,138	28,976,138	916,165,752
Prior Years	16,000,000	23,426,136	7,426,136	18,155,282
<u>Total Wage and Earnings Taxes</u>	<u>936,608,000</u>	<u>973,010,274</u>	<u>36,402,274</u>	<u>934,321,034</u>
Business Taxes:				
Business Privilege Taxes:				
Current	237,467,000	251,743,717	14,276,717	233,861,743
Prior Years	20,000,000	38,377,721	18,377,721	20,662,126
<u>Total Business Privilege Tax</u>	<u>257,467,000</u>	<u>290,121,438</u>	<u>32,654,438</u>	<u>254,523,869</u>
Net Profits Tax:				
Current	13,017,000	9,914,416	(3,102,584)	13,091,108
Prior Years	2,200,000	2,776,741	576,741	2,404,802
<u>Total Net Profits Tax</u>	<u>15,217,000</u>	<u>12,691,157</u>	<u>(2,525,843)</u>	<u>15,495,910</u>
<u>Total Business Taxes</u>	<u>272,684,000</u>	<u>302,812,595</u>	<u>30,128,595</u>	<u>270,019,779</u>
Other Taxes:				
Sales Tax	103,915,000	103,697,857	(217,143)	101,380,081
Amusement Tax	10,300,000	11,710,799	1,410,799	9,899,083
Real Property Transfer Tax	75,000,000	77,709,195	2,709,195	74,875,470
Parking Lot Tax	33,500,000	34,058,480	558,480	32,107,525
Miscellaneous Taxes	1,000,000	3,046	(996,954)	1,392,297
<u>Total Other Taxes</u>	<u>223,715,000</u>	<u>227,179,377</u>	<u>3,464,377</u>	<u>219,654,456</u>
<u>Total Taxes</u>	<u>1,781,849,000</u>	<u>1,856,586,635</u>	<u>74,737,635</u>	<u>1,766,631,455</u>

CITY OF PHILADELPHIA
 CITY RELATED GENERAL FUND
 SCHEDULE OF ACTUAL AND ESTIMATED REVENUES
 (LEGAL BASIS)
 FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	Fiscal 2000 Budget <u>Estimate</u>	Fiscal 2000 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Fiscal 1999 <u>Actual</u>
Locally Generated Non-Tax Revenue:				
Rentals from Leased City-Owned Properties	\$ 16,041,000	\$ 17,061,133	\$ 1,020,133	\$ 18,550,487
Licenses and Permits	34,118,000	32,654,969	(1,463,031)	34,588,034
Fines, Forfeits, Penalties, Confiscated Money and Property	23,050,000	20,939,772	(2,110,228)	23,975,503
Interest Income	23,800,000	31,759,028	7,959,028	24,620,698
Service Charges and Fees	60,672,000	62,867,289	2,195,289	61,300,264
Other	<u>27,776,000</u>	<u>29,664,877</u>	<u>1,888,877</u>	<u>30,106,059</u>
Total Locally Generated <u>Non-Tax Revenue</u>	<u>185,457,000</u>	<u>194,947,068</u>	<u>9,490,068</u>	<u>193,141,045</u>
Revenue from Other Governments:				
United States Government:				
Grants and Reimbursements	198,684,000	216,504,396	17,820,396	180,650,768
Commonwealth of Pennsylvania:				
Grants and Other Payments	289,633,000	264,087,173	(25,545,827)	243,130,256
Other Governmental Units	<u>187,995,000</u>	<u>197,375,496</u>	<u>9,380,496</u>	<u>182,632,441</u>
Total Revenue from <u>Other Governments</u>	<u>676,312,000</u>	<u>677,967,065</u>	<u>1,655,065</u>	<u>606,413,465</u>
Revenue from Other Funds of the City	<u>24,075,000</u>	<u>25,999,330</u>	<u>1,924,330</u>	<u>61,920,930</u>
<u>Totals</u>	<u>\$ 2,667,693,000</u>	<u>\$ 2,755,500,098</u>	<u>\$ 87,807,098</u>	<u>\$ 2,628,106,895</u>

CITY OF PHILADELPHIA SCHEDULE IV-A-4
CITY RELATED GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES AND ENCUMBRANCES BY DEPARTMENT
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	Fiscal 2000 Budget <u>Estimate</u>	Fiscal 2000 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Fiscal 1999 <u>Actual</u>
General Government:				
City Council	\$ 11,099,584	\$ 10,702,235	\$ 397,349	\$ 9,766,060
Mayor's Office:				
Mayor's Office	3,035,978	3,035,902	76	2,152,947
Scholarships	200,000	199,995	5	199,280
Labor Relations	484,838	461,278	23,560	436,308
Mayor's Office of Information Services	13,238,457	13,012,059	226,398	14,264,789
Capital Program Office	2,454,845	2,205,254	249,591	2,265,089
Mayor's Office of Community Services	1,262,190	1,163,348	98,842	946,208
Law	15,009,437	14,312,632	696,805	14,825,944
City Planning Commission	2,523,047	2,536,952	(13,905)	2,400,276
Commission on Human Relations	2,130,151	2,107,328	22,823	2,010,729
Board of Revision of Taxes	7,680,546	7,145,163	535,383	7,090,272
<u>Total General Government</u>	<u>59,119,073</u>	<u>56,882,146</u>	<u>2,236,927</u>	<u>56,357,902</u>
Operation of Service Departments:				
Housing	4,700,380	4,700,346	34	4,077,476
Managing Director	6,532,491	6,437,978	94,513	6,553,900
Police	408,160,476	408,360,714	(200,238)	382,701,157
Streets	120,245,550	118,051,092	2,194,458	113,583,780
Fire	139,159,800	138,729,130	430,670	136,406,013
Public Health	116,148,190	102,903,194	13,244,996	102,884,445
Recreation	38,796,974	38,174,180	622,794	35,419,814
Fairmount Park Commission	15,111,402	15,111,395	7	13,632,441
Atwater Kent Museum	264,769	254,689	10,080	194,161
Camp William Penn	322,853	306,767	16,086	305,772
Public Property	171,442,922	161,888,569	9,554,353	162,753,788
Department of Human Services	418,284,529	407,920,194	10,364,335	364,126,919
Philadelphia Prisons	133,619,004	132,016,601	1,602,403	119,214,869
Office of Emergency Services	15,324,998	15,131,484	193,514	12,741,684
Office of Fleet Management	57,742,598	55,918,034	1,824,564	60,817,949
Licenses and Inspections	33,166,486	33,230,346	(63,860)	33,375,449
Board of Licenses and Inspections				
Review	185,863	149,214	36,649	182,432
Board of Building Standards	113,934	86,467	27,467	90,357
Zoning Board of Adjustment	466,134	387,926	78,208	448,946
Records	4,974,157	4,619,750	354,407	8,790,589
Philadelphia Historical Commission	258,507	240,897	17,610	254,050
Art Museum	2,338,821	2,338,821	-	2,270,938
Philadelphia Civic Center	205,480	170,048	35,432	144,376
Philadelphia Free Library	33,854,679	33,081,748	772,931	31,510,377
<u>Total Operation of Service Departments</u>	<u>1,721,420,997</u>	<u>1,680,209,584</u>	<u>41,211,413</u>	<u>1,592,481,682</u>
Financial Management:				
Office of Director of Finance	33,761,556	33,435,971	325,585	16,300,975
Department of Revenue	18,789,962	18,710,591	79,371	16,733,105
Sinking Fund Commission	135,705,270	135,705,269	1	122,361,124
Procurement	4,527,300	4,527,299	1	4,660,198
City Treasurer	941,619	801,783	139,836	908,863
<u>Total Director of Finance</u>	<u>193,725,707</u>	<u>193,180,913</u>	<u>544,794</u>	<u>160,964,265</u>

CITY OF PHILADELPHIA SCHEDULE IV-A-4
CITY RELATED GENERAL FUND
SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES AND ENCUMBRANCES BY DEPARTMENT
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	Fiscal 2000 Budget <u>Estimate</u>	Fiscal 2000 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Fiscal 1999 <u>Actual</u>
Audit of City Operations	\$ 6,913,444	\$ 6,815,119	\$ 98,325	\$ 6,628,593
<u>Total Financial Management</u>	<u>200,639,151</u>	<u>199,996,032</u>	<u>643,119</u>	<u>167,592,858</u>
City-Wide Appropriations Under the Director of Finance:				
Fringe Benefits	496,359,757	493,790,808	2,568,949	488,108,287
Community College of Philadelphia	19,267,924	19,267,924	-	19,267,924
Legal Services	25,255,023	25,237,704	17,319	24,050,308
Hero Award	36,575	9,600	26,975	9,600
Refunds	29,347	29,346	1	160,306
Indemnities	1,686,210	1,686,209	1	2,326,183
Witness Fees	235,775	119,373	116,402	169,635
Risk Management	1,676,158	1,629,759	46,399	1,474,216
Contribution to School District	-	-	-	29,581,250
<u>Total City-Wide Appropriations Under the Director of Finance</u>	<u>544,546,769</u>	<u>541,770,723</u>	<u>2,776,046</u>	<u>565,147,709</u>
Promotion and Public Relations:				
City Representative	68,315,412	68,271,309	44,103	72,829,062
Personnel:				
Civic Service Commission	154,957	133,948	21,009	138,240
Personnel Director	5,147,220	5,147,218	2	5,092,014
<u>Total Personnel</u>	<u>5,302,177</u>	<u>5,281,166</u>	<u>21,011</u>	<u>5,230,254</u>
Administration of Justice:				
Clerk of Quarter Sessions	\$ 4,197,271	\$ 4,077,911	\$ 119,360	\$ 3,940,891
Register of Wills	2,827,726	2,777,505	50,221	2,708,920
District Attorney	24,704,671	24,707,701	(3,030)	23,241,465
Sheriff	11,927,167	11,927,166	1	10,979,592
First Judicial District	106,674,208	105,472,700	1,201,508	106,087,725
<u>Total Administration of Justice</u>	<u>150,331,043</u>	<u>148,962,983</u>	<u>1,368,060</u>	<u>146,958,593</u>
City-Wide Appropriations Under the First Judicial District:				
Juror Fees	1,599,900	1,592,660	7,240	1,669,866
Conduct of Elections:				
City Commissioners	8,278,952	8,278,149	803	8,314,773
<u>Totals</u>	<u>\$ 2,759,553,474</u>	<u>\$ 2,711,244,752</u>	<u>\$ 48,308,722</u>	<u>\$ 2,616,582,699</u>

CITY OF PHILADELPHIA
WATER FUND

SCHEDULE IV-A-5

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
BUDGET (LEGAL BASIS) AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Revenues:			
Locally Generated Non-Tax Revenue	\$ 353,365,000	\$ 354,339,654	\$ 974,654
Revenue from Other Governments	6,500,000	5,833,239	(666,761)
Revenue from Other Funds	<u>50,279,000</u>	<u>42,791,522</u>	<u>(7,487,478)</u>
<u>Total Revenues</u>	<u>410,144,000</u>	<u>402,964,415</u>	<u>(7,179,585)</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	91,559,380	88,215,566	3,343,814
Pension Contributions	15,562,183	15,535,681	26,502
Other Employee Benefits	<u>23,733,717</u>	<u>22,470,133</u>	<u>1,263,584</u>
Sub-total	130,855,280	126,221,380	4,633,900
Purchase of Services	66,870,508	65,852,324	1,018,184
Materials and Supplies	27,424,613	26,950,439	474,174
Equipment	4,083,313	3,832,852	250,461
Contributions, Indemnities and Taxes	6,522,000	5,148,795	1,373,205
Debt Service - Principal	61,391,737	58,999,142	2,392,595
Debt Service - Interest	93,410,297	90,732,568	2,677,729
Short Term Interest	500,000	-	500,000
Payments to Other Funds	<u>41,379,252</u>	<u>36,425,455</u>	<u>4,953,797</u>
<u>Total Expenditures and Encumbrances</u>	<u>432,437,000</u>	<u>414,162,955</u>	<u>18,274,045</u>
Operating Surplus (Deficit) for the Year	\$ <u>(22,293,000)</u>	<u>(11,198,540)</u>	\$ <u>11,094,460</u>
Fund Balance Available for Appropriation, July 1, 1999		-	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		11,114,528	
Revenue Adjustments - Net		-	
Other Adjustments		<u>84,012</u>	
Adjusted Fund Balance, July 1, 1999		<u>11,198,540</u>	
Fund Balance Available for Appropriation, June 30, 2000		\$ <u>-</u>	

CITY OF PHILADELPHIA
 AVIATION FUND

SCHEDULE IV-A-6

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES
 BUDGET (LEGAL BASIS) AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Locally Generated Non-Tax Revenue	\$ 155,854,000	\$ 153,803,413	\$ (2,050,587)
Revenue from Other Governments	-	149,112	149,112
Revenue from Other Funds	<u>407,000</u>	<u>378,976</u>	<u>(28,024)</u>
<u>Total Revenues</u>	<u>156,261,000</u>	<u>154,331,501</u>	<u>(1,929,499)</u>
Expenditures and Encumbrances:			
Personal Services:			
Personal Services	36,113,849	33,908,935	2,204,914
Pension Contributions	6,965,108	5,553,552	1,411,556
Other Employee Benefits	8,125,892	8,008,856	117,036
Sub-total	<u>51,204,849</u>	<u>47,471,343</u>	<u>3,733,506</u>
Purchase of Services	48,767,417	47,933,296	834,121
Materials and Supplies	5,168,851	4,916,914	251,937
Equipment	6,615,390	2,714,913	3,900,477
Contributions, Indemnities and Taxes	4,907,255	2,649,439	2,257,816
Debt Service - Principal	25,800,061	24,180,062	1,619,999
Debt Service - Interest	27,689,224	24,322,884	3,366,340
Payments to Other Funds	13,756,953	7,698,490	6,058,463
Advances, Subsidies, Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures and Encumbrances</u>	<u>183,910,000</u>	<u>161,887,341</u>	<u>22,022,659</u>
Operating Surplus (Deficit) for the Year	<u>\$ (27,649,000)</u>	<u>(7,555,840)</u>	<u>\$ 20,093,160</u>
Fund Balance Available for Appropriation, July 1, 1999		35,898,953	
Adjustments to Prior Fiscal Year Revenues, Expenditures and Encumbrances:			
Commitments Cancelled - Net		3,781,541	
Revenue Adjustments - Net		-	
Other Adjustments		<u>2,218,080</u>	
Adjusted Fund Balance, July 1, 1999		<u>41,898,574</u>	
Fund Balance Available for Appropriation, June 30, 2000		<u>\$ 34,342,734</u>	

CITY OF PHILADELPHIA
CITY RELATED ENTERPRISE FUNDS
SCHEDULE OF ACTUAL AND ESTIMATED REVENUES
(LEGAL BASIS)
FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	Fiscal 2000 Revised Budget Estimate	Fiscal 2000 Actual	Variance Favorable (Unfavorable)	Fiscal 1999 Actual
<u>Water Fund</u>				
Locally Generated Non-Tax Revenue:				
Sales and Charges - Current	\$ 245,248,200	\$ 260,225,459	\$ 14,977,259	\$ 254,317,052
Sales and Charges - Prior Years	49,098,100	35,927,127	(13,170,973)	36,184,950
Fire Service Connections	627,000	662,237	35,237	653,618
Surcharges	7,212,400	7,195,003	(17,397)	6,305,331
Miscellaneous Charges	4,401,200	3,950,424	(450,776)	3,666,835
Charges to Other Municipalities	23,400,000	23,511,744	111,744	24,165,569
Licenses and Permits	1,010,000	1,022,823	12,823	1,082,671
Interest Income	14,033,100	14,424,632	391,532	19,967,438
Fleet Management - Sale of Vehicles & Equipment	135,000	101,060	(33,940)	112,205
Contributions from Sinking Fund Reserve	8,200,000	7,319,145	(880,855)	6,639,761
<u>Total Locally Generated Non-Tax Revenue</u>	<u>353,365,000</u>	<u>354,339,654</u>	<u>974,654</u>	<u>353,095,430</u>
Revenue from Other Governments:				
State	6,500,000	5,833,239	(666,761)	8,327,269
Revenue from Other Funds	50,279,000	42,791,522	(7,487,478)	34,784,791
<u>Total Revenues</u>	<u>\$ 410,144,000</u>	<u>\$ 402,964,415</u>	<u>\$ (7,179,585)</u>	<u>\$ 396,207,490</u>
<u>Aviation Fund</u>				
Locally Generated Non-Tax Revenue:				
Concessions	\$ 16,616,000	\$ 17,605,396	\$ 989,396	\$ 14,921,386
Space Rentals	47,230,000	41,924,097	(5,305,903)	42,410,537
Landing Fees	30,780,000	34,143,733	3,363,733	30,494,621
Parking	21,275,000	21,894,091	619,091	20,466,349
Car Rentals	14,382,000	15,421,616	1,039,616	13,191,109
Payment in Aid - Terminal Building	5,048,000	3,817,172	(1,230,828)	5,800,123
Interest Earnings	3,300,000	4,354,911	1,054,911	3,723,688
Sale of Utilities	3,790,000	3,451,012	(338,988)	3,791,290
Overseas Terminal Facility Charges	318,000	304,200	(13,800)	341,100
Terminal Unit A	9,210,000	8,217,593	(992,407)	9,688,161
Other Locally Generated Revenue	3,905,000	2,669,592	(1,235,408)	2,116,377
<u>Total Locally Generated Non-Tax Revenue</u>	<u>155,854,000</u>	<u>153,803,413</u>	<u>(2,050,587)</u>	<u>146,944,741</u>
Revenue from Other Governments:				
State	-	149,112	149,112	148,902
Federal	-	-	-	44,252
<u>Total Revenue from Other Governments</u>	<u>-</u>	<u>149,112</u>	<u>149,112</u>	<u>193,154</u>
Revenue from Other Funds	407,000	378,976	(28,024)	384,312
<u>Total Revenues</u>	<u>\$ 156,261,000</u>	<u>\$ 154,331,501</u>	<u>\$ (1,929,499)</u>	<u>\$ 147,522,207</u>

CITY OF PHILADELPHIA

SCHEDULE IV-A-8

CITY RELATED ENTERPRISE FUNDS

SCHEDULE OF BUDGETED AND ACTUAL EXPENDITURES AND ENCUMBRANCES BY DEPARTMENT

(LEGAL BASIS)

FOR THE FISCAL YEARS ENDED JUNE 30, 2000 AND 1999

	Fiscal 2000 Budget <u>Estimate</u>	Fiscal 2000 <u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Fiscal 1999 <u>Actual</u>
<u>Water Fund</u>				
Mayor's Office of Information Services	\$ 886,844	\$ 866,932	\$ 19,912	\$ 686,218
Public Property	3,019,572	3,019,572	-	2,939,572
Office of Fleet Management	6,385,518	5,006,475	1,379,043	4,829,360
Water Department	204,522,401	197,080,723	7,441,678	192,438,940
Office of the Director of Finance	127,161	126,624	537	123,312
City-Wide Appropriation Under the Director of Finance:				
Pension Contributions	15,562,183	15,535,681	26,502	16,721,736
Other Employee Benefits	23,742,717	22,470,133	1,272,584	21,365,998
Contributions, Indemnities and Taxes	1,678,205	320,546	1,357,659	342,886
Department of Revenue	18,442,398	17,244,793	1,197,605	17,520,598
Sinking Fund Commission	155,302,034	149,731,709	5,570,325	149,711,312
Procurement Department	52,165	46,871	5,294	45,692
Law	<u>2,715,802</u>	<u>2,712,896</u>	<u>2,906</u>	<u>2,642,436</u>
<u>Totals</u>	<u>\$ 432,437,000</u>	<u>\$ 414,162,955</u>	<u>\$ 18,274,045</u>	<u>\$ 409,368,060</u>
<u>Aviation Fund</u>				
Police	\$ 7,219,331	\$ 6,733,300	\$ 486,031	\$ 6,934,429
Fire	3,998,400	3,806,968	191,432	3,817,975
Public Property	10,972,500	10,844,504	127,996	9,473,904
Office of Fleet Management	6,421,159	3,422,985	2,998,174	4,021,053
City-Wide Appropriation Under the Director of Finance:				
Pension Contributions	6,965,108	5,553,552	1,411,556	7,358,922
Other Employee Benefits	8,125,892	8,008,856	117,036	6,851,621
Purchase of Services	1,000,000	594,059	405,941	615,023
Contributions, Indem- nities and Taxes	1,965,712	-	1,965,712	-
Sinking Fund Commission	53,489,285	48,502,946	4,986,339	39,107,282
Commerce	82,732,143	73,452,944	9,279,199	61,830,663
Law	<u>1,020,470</u>	<u>967,227</u>	<u>53,243</u>	<u>920,105</u>
<u>Totals</u>	<u>\$ 183,910,000</u>	<u>\$ 161,887,341</u>	<u>\$ 22,022,659</u>	<u>\$ 140,930,977</u>



Statistical Section

City, School District and
Gas Works Related

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED REVENUES BY MAJOR SOURCE
(LEGAL BASIS)
FOR THE FISCAL YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

TABLE 1

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
General Property Taxes	\$ 326.5	\$ 343.3	\$ 345.2	\$ 346.0	\$ 339.5	\$ 346.6	\$ 358.2	\$ 333.9	\$ 342.6	\$ 353.6
Wage, Earnings and Net Profits Taxes (a)	974.6	815.9	820.0	840.8	857.6	877.5	885.4	926.9	949.8	985.7
Business Privilege Taxes (a)	217.3	200.3	215.1	221.6	230.2	237.5	246.4	237.4	254.5	290.1
Other Taxes	80.4	129.4	153.2	171.3	177.8	174.5	202.5	234.1	240.5	253.1
Total Taxes	1,598.8	1,488.9	1,533.5	1,579.7	1,605.1	1,636.1	1,692.5	1,732.3	1,787.4	1,882.5
Water and Sewer Charges (b)	217.7	268.8	294.8	288.1	288.9	296.2	291.7	289.6	291.2	296.8
Airport Charges	84.6	103.3	109.0	113.0	109.1	117.6	121.8	123.8	141.1	146.8
Other Locally Generated Revenue	162.3	178.0	198.7	206.2	262.2	271.8	270.1	290.1	306.0	305.8
Total Local Revenue	2,063.4	2,039.0	2,136.0	2,187.0	2,265.3	2,321.7	2,376.1	2,435.8	2,525.7	2,631.9
Revenue From Other Governments (c)	573.4	1,006.4	959.2	966.4	991.6	1,092.4	1,276.5	1,490.9	1,592.5	1,673.3
Transfers Between Funds	42.7	25.5	31.8	38.6	31.1	33.2	44.1	46.1	97.1	69.2
Sub-Totals	2,679.5	3,070.9	3,127.0	3,192.0	3,288.0	3,447.3	3,696.7	3,972.8	4,215.3	4,374.4
Gas Works Fund (d)	484.3	474.8	500.4	541.5	581.3	508.6	564.1	557.7	502.6	495.1
Totals	\$ 3,163.8	\$ 3,545.7	\$ 3,627.4	\$ 3,733.5	\$ 3,869.3	\$ 3,955.9	\$ 4,260.8	\$ 4,530.5	\$ 4,717.9	\$ 4,869.5
Summary of Revenues by Fund:										
General Fund	\$ 2,026.6	\$ 2,310.4	\$ 2,325.9	\$ 2,311.7	\$ 2,275.7	\$ 2,364.8	\$ 2,424.8	\$ 2,497.2	\$ 2,628.1	\$ 2,755.5
County Liquid Fuels Tax Fund	4.1	3.9	4.1	4.1	2.6	6.1	4.4	4.0	4.8	4.6
Special Gasoline Tax Fund	15.6	15.7	16.5	16.5	17.0	17.3	17.6	19.8	20.5	19.9
HealthChoices Behavioral Health Fund (e)	-	-	-	-	-	-	103.8	333.3	343.0	348.4
Hotel Tax Fund	7.7	7.9	7.9	10.5	12.0	14.5	17.4	17.6	21.1	26.2
Grants Revenue Fund	180.3	211.7	234.5	331.4	423.0	463.0	536.8	503.6	582.4	590.6
Community Development Fund	59.4	59.2	53.9	52.2	65.0	79.3	77.9	67.5	71.7	71.9
Sub-Total Governmental Funds	2,293.7	2,608.8	2,642.8	2,726.4	2,795.3	2,945.0	3,182.7	3,443.0	3,671.6	3,817.1
Water Fund	285.6	344.3	359.3	349.1	376.8	377.7	384.0	398.7	396.2	403.0
Convention and Civic Center Fund (f)	7.9	8.7	10.1	-	-	-	-	-	-	-
Aviation Fund	92.3	109.1	114.8	116.5	115.9	124.6	130.0	131.1	147.5	154.3
Gas Works Fund (d)	484.3	474.8	500.4	541.5	581.3	508.6	564.1	557.7	502.6	495.1
Sub-Total Proprietary Funds	870.1	936.9	984.6	1,007.1	1,074.0	1,010.9	1,078.1	1,087.5	1,046.3	1,052.4
Totals	\$ 3,163.8	\$ 3,545.7	\$ 3,627.4	\$ 3,733.5	\$ 3,869.3	\$ 3,955.9	\$ 4,260.8	\$ 4,530.5	\$ 4,717.9	\$ 4,869.5

NOTES:

- (a) Effective July 1, 1999 rates for City residents for Wage, Earnings and Net Profits Taxes decreased from 4.69% to 4.61%. Effective January 1, 2000 the Business Privilege Tax Rate decreased from .2775% to .2650%. Pursuant to a Fiscal Year 1992 agreement with the Pennsylvania Inter-Governmental Cooperation Authority (PICA), PICA receives 1.5% of Wage, Earnings and Net Profits Taxes collected from City residents.
- (b) Water and Sewer Charges were increased January 1, 1991.
- (c) In Fiscal 1992, the increase in Revenue from Other Governments is due to deficit financing received from PICA and PICA tax collections transferred to the City.
- (d) The Gas Works Fund fiscal year ends on August 31.
- (e) The HealthChoices Behavioral Health Fund began in February, 1997.
- (f) Beginning with Fiscal Year 1994, the operations of the Philadelphia Civic and Convention Center were transferred to Governmental type funds.

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED GENERAL REVENUES
FOR THE FISCAL YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Local:										
Taxes:										
Real Estate	\$ 372.5	\$ 397.7	\$ 397.9	\$ 399.5	\$ 398.8	\$ 401.9	\$ 420.7	\$ 403.2	\$ 413.4	\$ 414.8
Use and Occupancy	95.1	100.9	97.1	93.1	83.4	84.5	81.4	80.8	82.9	90.6
General Business (1)	0.1	0.2	-	-	-	-	-	-	-	-
Other	23.6	23.9	23.5	23.7	30.3	42.1	85.3	45.4	48.0	51.9
Total Taxes	491.3	522.7	518.5	516.3	512.5	528.5	587.4	529.4	544.3	557.3
City Contributions	-	-	-	-	-	15.0	15.0	15.0	30.0	-
Other	26.7	23.6	22.7	21.1	34.7	47.3	56.1	67.9	58.3	70.2
Total Locally Generated	518.0	546.3	541.2	537.4	547.2	590.8	658.5	612.3	632.6	627.5
State Subsidies	654.3	709.8	717.8	739.0	764.1	834.7	851.0	848.7	854.1	896.3
Federal Grants	121.2	143.9	160.0	136.5	129.4	132.8	144.9	151.5	161.7	188.9
Other Financing Sources (2)	148.9	40.0	211.1	160.1	-	213.1	154.5	-	257.4	177.5
Total General Revenues and Other Sources	<u>\$ 1,442.4</u>	<u>\$ 1,440.0</u>	<u>\$ 1,630.1</u>	<u>\$ 1,573.0</u>	<u>\$ 1,440.7</u>	<u>1,771.4</u>	<u>\$ 1,808.9</u>	<u>\$ 1,612.5</u>	<u>\$ 1,905.8</u>	<u>\$ 1,890.2</u>
Summary by Fund:										
General Fund (3)	\$ 939.3	\$ 1,092.0	\$ 1,119.0	\$ 1,122.9	\$ 1,131.7	1,257.1	\$ 1,324.0	\$ 1,302.9	\$ 1,335.1	\$ 1,354.9
Intermediate Unit Fund	155.0	99.1	68.1	72.4	75.3	72.9	65.8	67.5	52.4	54.6
Categorical Funds	135.7	152.6	173.0	156.9	152.3	163.0	178.5	187.0	181.4	216.1
Debt Service Fund (4)	132.2	53.1	265.2	58.3	74.5	114.3	124.2	37.8	179.0	144.6
Capital Improvements Fund	80.2	43.2	4.8	162.5	6.9	164.1	116.4	17.3	157.9	120.0
Total General Revenues and Other Sources	<u>\$ 1,442.4</u>	<u>\$ 1,440.0</u>	<u>\$ 1,630.1</u>	<u>\$ 1,573.0</u>	<u>\$ 1,440.7</u>	<u>1,771.4</u>	<u>\$ 1,808.9</u>	<u>\$ 1,612.5</u>	<u>\$ 1,905.8</u>	<u>\$ 1,890.2</u>

NOTES:

- (1) This tax was discontinued in May of 1984. Most revenues in subsequent fiscal years represent delinquent collections.
- (2) Includes \$0.5 of lease purchase financing sources in 1991.
- (3) Includes \$2.2 in 1995 for the Annenberg Grant Fund.
- (4) Revenues include cash with fiscal agent and its related activities.

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED EXPENDITURES AND ENCUMBRANCES BY PROGRAM
(LEGAL BASIS)
FOR THE FISCAL YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Economic Development	\$ 67.9	\$ 69.2	\$ 82.6	\$ 109.6	\$ 95.5	\$ 133.2	\$ 140.4	\$ 115.3	\$ 164.9	\$ 186.8
Transportation	107.8	110.3	109.3	103.0	105.8	121.8	121.2	120.0	120.2	117.1
Judiciary and Law Enforcement	539.1	561.3	560.0	544.2	561.2	618.1	681.8	682.9	714.0	757.4
Conservation of Health	319.5	350.8	378.1	412.1	436.8	445.9	514.7	726.6	835.5	932.7
Housing and Neighborhood Development	56.7	73.0	83.0	85.4	118.4	105.7	126.4	121.2	138.4	112.9
Cultural and Recreational	80.2	85.9	84.5	80.4	82.7	86.1	91.7	96.1	99.5	105.8
Improvement of General Welfare	254.7	292.7	321.2	341.6	376.4	390.5	403.9	433.6	465.1	514.7
Services to Property	353.6	369.2	377.5	380.3	361.5	388.3	407.9	421.2	391.0	399.5
General Management and Support	1,014.0	1,090.8	1,115.5	1,226.6	1,196.0	1,175.8	1,189.6	1,219.7	1,283.2	1,290.4
Sub-Totals	2,793.5	3,003.2	3,111.7	3,283.2	3,334.3	3,465.4	3,677.6	3,936.6	4,211.8	4,417.3
Gas Works Fund (c)	462.7	450.3	465.9	497.7	561.6	483.3	550.4	552.0	519.7	515.4
Totals	\$ 3,256.2	\$ 3,453.5	\$ 3,577.6	\$ 3,780.9	\$ 3,895.9	\$ 3,948.7	\$ 4,228.0	\$ 4,488.6	\$ 4,731.5	\$ 4,932.7
Summary of Obligations by Fund:										
General Fund	\$ 2,126.7	\$ 2,255.6	\$ 2,280.4	\$ 2,346.0	\$ 2,267.2	\$ 2,371.0	\$ 2,463.9	\$ 2,479.6	\$ 2,616.6	\$ 2,711.2
County Liquid Fuels Tax Fund	3.8	4.2	4.4	5.0	4.4	4.6	4.7	5.0	4.8	4.2
Special Gasoline Tax Fund	15.4	16.0	18.3	17.4	15.7	20.1	19.3	21.6	22.2	21.2
HealthChoices Behavioral Health Fund (a)	-	-	-	-	-	-	42.6	240.8	342.6	405.4
Hotel Tax Fund	7.8	7.8	7.9	10.6	11.9	16.4	20.8	22.5	23.6	26.7
Grants Revenue Fund	174.1	213.1	251.9	340.1	459.3	466.0	532.2	553.9	583.5	603.7
Community Development Fund	51.3	56.0	60.4	66.1	73.9	74.4	71.9	69.8	68.2	68.8
Sub-Total Governmental Funds	2,379.1	2,552.7	2,623.3	2,785.2	2,832.4	2,952.5	3,155.4	3,393.2	3,661.5	3,841.2
Water Fund	308.9	323.6	357.5	379.2	391.1	387.4	394.3	411.0	409.4	414.2
Convention and Civic Center Fund (b)	10.4	9.6	9.6	-	-	-	-	-	-	-
Aviation Fund	95.1	117.3	121.3	118.8	110.8	125.5	127.9	132.4	140.9	161.9
Gas Works Fund (c)	462.7	450.3	465.9	497.7	561.6	483.3	550.4	552.0	519.7	515.4
Sub-Total Proprietary Funds	877.1	900.8	954.3	995.7	1,063.5	996.2	1,072.6	1,095.4	1,070.0	1,091.5
Totals	\$ 3,256.2	\$ 3,453.5	\$ 3,577.6	\$ 3,780.9	\$ 3,895.9	\$ 3,948.7	\$ 4,228.0	\$ 4,488.6	\$ 4,731.5	\$ 4,932.7

NOTE:

- (a) The HealthChoices Behavioral Health Fund began in February, 1997.
- (b) Beginning with Fiscal Year 1994, the operations of the Philadelphia Civic and Convention Center were transferred to Governmental type funds.
- (c) The Gas Works Fund fiscal year ends on August 31.

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
FOR THE FISCAL YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

TABLE 4

	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Instructional	\$ 846.1	\$ 904.7	\$ 988.5	\$ 934.2	\$ 943.1	\$ 1,085.9	\$ 1,145.2	\$ 1,111.1	\$ 1,117.4	\$ 1,050.4
Support and Administration	258.1	261.8	267.8	254.4	255.0	231.8	236.0	257.5	269.4	378.6
Basic Building Services	156.8	161.1	181.7	196.3	202.8	234.7	284.2	289.5	319.1	366.1
Debt Service and Temporary Borrowing	70.3	69.8	66.4	56.6	67.6	72.4	83.6	43.9	84.5	89.6
Net Transfers/Uses (1)	78.8	5.0	213.3	2.7	1.9	56.7	51.0	-	103.7	74.9
<u>Expenditures/Uses</u>	<u>\$ 1,410.1</u>	<u>\$ 1,402.4</u>	<u>\$ 1,717.7</u>	<u>\$ 1,444.2</u>	<u>\$ 1,470.4</u>	<u>\$ 1,681.5</u>	<u>\$ 1,800.0</u>	<u>\$ 1,702.0</u>	<u>\$ 1,894.1</u>	<u>\$ 1,959.6</u>
Summary of Expenditures/Uses by Fund:										
General Fund	\$ 918.0	\$ 963.9	\$ 1,021.5	\$ 984.8	\$ 993.9	\$ 1,111.9	\$ 1,166.3	\$ 1,143.2	\$ 1,173.5	\$ 1,228.0
Intermediate Unit Fund	164.8	173.2	183.8	175.9	180.8	196.4	197.6	196.3	198.4	199.2
Categorical Fund	157.6	176.4	201.0	178.0	173.0	182.7	192.7	200.6	195.5	233.8
Debt Service Fund	136.9	58.6	271.4	50.6	59.0	119.9	124.9	43.9	178.4	154.8
Capital Improvement Fund	32.8	30.3	40.0	54.9	63.7	70.6	118.5	118.0	148.3	143.8
<u>Expenditures/Uses</u>	<u>\$ 1,410.1</u>	<u>\$ 1,402.4</u>	<u>\$ 1,717.7</u>	<u>\$ 1,444.2</u>	<u>\$ 1,470.4</u>	<u>\$ 1,681.5</u>	<u>\$ 1,800.0</u>	<u>\$ 1,702.0</u>	<u>\$ 1,894.1</u>	<u>\$ 1,959.6</u>
Total General Governmental Expenditures Restated on a Constant Dollar Basis: (2)										
1991 as Base Year	<u>\$ 1,410.1</u>	<u>\$ 1,347.8</u>	<u>\$ 1,552.9</u>	<u>\$ 1,331.1</u>	<u>\$ 1,315.0</u>	<u>\$ 1,464.8</u>	<u>\$ 1,530.9</u>	<u>\$ 1,423.9</u>	<u>\$ 1,560.3</u>	<u>\$ 1,574.7</u>
2000 as Base Year	<u>\$ 1,754.7</u>	<u>\$ 1,677.1</u>	<u>\$ 2,014.0</u>	<u>\$ 1,656.4</u>	<u>\$ 1,636.3</u>	<u>\$ 1,822.8</u>	<u>\$ 1,905.0</u>	<u>\$ 1,771.8</u>	<u>\$ 1,941.7</u>	<u>\$ 1,959.6</u>

NOTES:

- (1) Includes bond defeasement costs of \$74.8 million in 1991, \$210.2 million in 1993, \$56.7 million in 1996, \$51.0 million in 1997, \$103.7 in 1999 and \$74.9 in 2000.
- (2) Source: Bureau of Labor Statistics, United States Department of Labor.

CITY OF PHILADELPHIA
 ASSESSED AND MARKET VALUE OF TAXABLE REALTY IN PHILADELPHIA
 FOR THE CALENDAR YEARS 1991 THROUGH 2000
 (Amounts in Millions of Dollars)

Calendar Year	Assessed Value Adjusted to 6-30-2000(a)		Market Value on Basis of STEB Ratio			Estimated Market Value Based on Sales		
	Amount	Percentage Increase (Decrease) Over Prior Year	Assessment Ratio of State Tax Equalization Board (b)	Amount	Percentage Increase (Decrease) Over Prior Year	Assessment Ratio as Determined by Sales (d)	Amount	Percentage Increase (Decrease) Over Prior Year
1991	8,794	4.49%	0.300	29,333	4.42%	0.246	35,806	1.22%
1992	8,925	1.49%	0.300	29,770	1.49%	0.252	35,459	-0.97%
1993	8,866	-0.66%	0.300	29,573	-0.66%	0.251	35,295	-0.46%
1994	9,009	1.61%	0.300	30,050	1.61%	0.273	33,061	-6.33%
1995	8,897	-1.24%	0.299	29,756	-0.98%	0.270	32,915	-0.44%
1996	8,899	0.02%	0.300	29,683	-0.24%	0.271	32,874	-0.13%
1997	8,973	0.83%	0.303	29,633	-0.17%	0.264	33,937	3.23%
1998	9,046	0.81%	0.302	29,964	1.11%	0.244	37,089	9.29%
1999	9,212	1.84%	0.304	30,353	1.30%	0.230	40,052	7.99%
2000 (c)	9,396	2.00%	0.304	30,959	2.00%	N/A	NA	NA
Total Increase 1991 - 2000	602	6.85%						
Compounded Annual Average Rate of Increase 1991 - 2000		0.74%						

NOTES:

- (a) The adjustment reflects reductions in assessments pursuant to established procedures for review of assessments.
- (b) The State Tax Equalization Board (STEB) annually determines a ratio of assessed valuation to true value for each municipality in the Commonwealth. The ratio is used for the purpose of equalizing certain state school aid distribution.
- (c) At June 30, 2000
- (d) The Assessment Ratio as presented has not been adjusted to allow for the effects of large or unusual sales.

TABLE 6

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED REAL ESTATE TAX LEVIES AND COLLECTIONS

CALENDAR YEARS 1991 THROUGH 2000

<u>Fiscal Year</u>	<u>Adjusted Total Tax Levy</u>	<u>Total of Tax Levy Collected Within Year of Levy</u>	<u>% of Levy Collected Within Year of Levy</u>	<u>Prior Year Tax Collections</u>	<u>Total Collections as a Percent of Adjusted Amount Collectible</u>
1991	408,906,825	356,305,547	87.14%	25,626,796	93.40%
1992	412,587,182	373,901,079	90.62%	27,749,393	97.35%
1993	412,435,660	366,603,825	88.89%	29,880,004	96.13%
1994	413,905,393	370,565,458	89.53%	28,321,845	96.37%
1995	414,145,699	371,162,970	89.62%	31,490,371	97.23%
1996	407,351,166	365,406,636	89.70%	40,225,544	99.58%
1997	405,557,831	369,734,710	91.17%	48,828,395 (A)	103.21%
1998	408,489,256	366,011,354	89.60%	35,944,095	98.40%
1999	414,421,340 (B)	378,390,320	91.31%	34,362,564	99.60%
2000	420,353,401 (C)	NA	NA	NA	NA

(A) Increased prior years' tax collections are attributable primary to the tax lien sale of June, 1997.

(B) Certified by Board of Revision of Taxes including revisions through December 31, 1999.

(C) Certified by Board of Revision of Taxes including revisions through June 30, 2000.

FISCAL YEARS 1991 THROUGH 2000

<u>Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Prior Year Tax Collections</u>	<u>Total Tax Collections</u>
1991	351,327,108	21,212,533	372,539,641
1992	369,412,169	28,277,900	397,690,069
1993	366,957,556	30,973,560	397,931,116
1994	367,903,253	31,595,860	399,499,113
1995	371,569,290	27,184,665	398,753,955
1996	361,007,775	40,910,646	401,918,421
1997	369,630,680	51,091,731	420,722,411
1998	365,680,605	37,474,158	403,154,763
1999	375,953,332	37,462,348	413,415,680
2000	379,062,773	35,761,682	414,824,455

CITY OF PHILADELPHIA
REAL PROPERTY TAXES LEVIED AND COLLECTED
FOR THE CALENDAR YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

TABLE 7

Calendar Year of Levy (a)	Original Assessed Value (b) (1)	Assessed Value of Taxable Real Property Adjusted to 6-30-2000(c) (2)	Amount Collectible in Year of Levy (3)	Amount Collected in Year of Levy (d) (4)	Collections Within Year of Levy as a Percent of Amount Collectible (4) / (3) (5)	Net Levy Adjusted to 6-30-2000 (6)	Net Collections of Delinquent Taxes Relating to Year of Levy (7)	Total Collections (4) + (7) (8)	Total Collections as a Percent of Adjusted Amount Collectible (8) / (6) (9)
1991	\$9,604	\$8,794	\$330.4	\$297.6	90.1	\$331.2	\$28.1	\$325.7	98.3
1992	\$9,681	\$8,925	\$338.9	\$306.4	90.4	\$337.1	\$24.1	\$330.5	98.0
1993	\$9,676	\$8,866	\$337.2	\$307.1	91.1	\$338.0	\$24.1	\$331.2	98.0
1994	\$9,516	\$9,009	\$335.6	\$305.9	91.2	\$337.0	\$21.8	\$327.7	97.2
1995	\$9,410	\$8,897	\$338.5	\$307.1	90.7	\$336.4	\$22.2	\$329.3	97.9
1996	\$9,266	\$8,899	\$337.7	\$308.2	91.3	\$338.6	\$17.8	\$326.0	96.3
1997	\$9,275	\$8,973	\$336.2	\$310.8	92.4	\$337.4	\$14.4	\$325.2	96.4
1998	\$9,220	\$9,046	\$338.6	\$311.9	92.1	341.6	\$12.0	\$323.9	94.8
1999	\$9,273	\$9,212	\$343.6	\$316.2	92.0	346.7	\$6.4	\$322.6	93.0
2000	\$9,527	\$9,396	\$348.5	\$306.4 (e)	87.9	NA	NA	NA	NA

NOTES:

- (a) Real property tax bills are sent out in December and are payable at one percent discount until February 28, and the face amount is due on or before March 31, without interest or penalty.
- (b) Includes \$546.9 million in 1991, \$415.6 million in 1992, \$334.1 million in 1993, \$189.8 million in 1994, \$95.2 million in 1995, \$64.9 million in 1996, \$52.7 million in 1997, \$13.7 million in 1998, \$23.3 million in 1999 and \$57.7 million in 2000 classified as exempt under ordinance (Bill 1130) approved February 8, 1978 which provides relief from real estate taxes on improvements to deteriorated industrial, commercial or other business property for a period of five years. Bill 982 (approved July 9, 1990) changed the exemption period from five years to three years. Also Includes, \$30.9 million in 1991, \$40.4 million in 1992, \$35.8 million in 1993, \$11.8 million in 1994, \$13.1 million in 1995, \$10.4 million in 1996, \$4.3 million in 1997, \$5.9 million in 1998, \$9.0 million in 1999 and \$15.3 million in 2000 classified as exempt under ordinance (Bill 1456-A) as approved January 28, 1983 which provides for a maximum three year tax abatement for owner-occupants of newly constructed residential property; and Legislative Act 5020-205 as amended, approved October 11, 1984 which provides for a maximum thirty month tax abatement to developers of residential property. Includes \$2.3 million in 2000 classified as exempt under ordinance (Bill #970274) approved July 1, 1997 which provides a maximum ten year tax abatement for conversion of eligible deteriorated, commercial, or other business property to commercial non-owner occupied residential property.
- (c) The adjustment reflects reductions or increases in assessments pursuant to established procedures for review of assessments.
- (d) Amounts shown as collected include amounts allowed as discounts for payments during the discount period.
- (e) Includes collections through June 30, 2000, while the other years include collection through December 31, of the year of the levy. It is estimated that approximately 91% of the net levy for Fiscal 2000 will be collected within the year of levy, resulting in approximately \$317.1 million by December 31, 2000.

TAX RATES OF THE CITY OF PHILADELPHIA
AND SCHOOL DISTRICT REAL ESTATE TAX RATES
FOR THE TEN-YEAR PERIOD 1991 THROUGH 2000

TABLE 8

Tax Classification	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Real Property: (% on Assessed Valuation)										
City	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%	3.745%
School District	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%	4.519%
Total Real Property Tax	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%	8.264%
Assessment Ratio as Determined by Sales	24.60%	25.20%	25.10%	27.30%	27.00%	27.07%	26.44%	24.39%	23.00%	NA
Effective Tax Rate (Real Estate Tax Rate x Assessment Ratio)	2.033%	2.083%	2.074%	2.256%	2.231%	2.237%	2.185%	2.016%	1.901%	NA
Wage, Earnings and Net Profits Taxes:										
Residents	4.96%	4.96% (a)	4.96%	4.96%	4.96%	4.86% (b)	4.84% (c)	4.79% (d)	4.69% (e)	4.61% (f)
Non-Residents	4.3125%	4.3125%	4.3125%	4.3125%	4.3125%	4.2256% (b)	4.208% (c)	4.165% (d)	4.075% (e)	4.011% (f)
Real Property Transfer Tax	3.92% (g)	3.69% (g)	3.46% (g)	3.23% (g)	3.00% (g)	3.00%	3.00%	3.00%	3.00%	3.00%
Personal Property Tax (% on Taxable Intangible Items) (h)	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	NA	NA	NA	NA
Business Privilege Taxes (% on Gross Receipts)	0.325%	0.325%	0.325%	0.325%	0.325%	0.300% (i)	0.295% (j)	0.2875% (k)	0.2775% (l)	0.2650% (m)
(% on Net Income) (n)	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Sales and Use Tax	-	1.00% (o)	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Amusement Tax	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Parking Lot Tax (On Gross Receipts from Parking Operators)	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Sound Reproduction Tax (On Gross Income)	5.0%	5.0%	- (p)	-	-	-	-	-	-	-
Bowling Alley Tax (Annual Per Alley)	\$25	\$25	- (p)	-	-	-	-	-	-	-
Mechanical Amusement Device Tax (Annual Per Device) (q)	\$100	\$100	\$100	-	-	-	-	-	-	-
Hotel Room Rental Tax (% on Cost of Room Rental) (r)	5.0%	5.0%	5.0%	6.0% (s)	6.0%	6.0%	6.0%	6.0%	6.0%	7.0% (t)

NOTES:

- (a) Effective July 1, 1991, pursuant to an agreement with the Pennsylvania Intergovernmental Cooperation Authority (PICA), PICA's share of the Wage, Earnings and Net Profits Taxes for City residents is 1.5% and the City receives the remainder.
- (b) Tax decrease effective January 1, 1996. The City share is 3.36% while PICA receives 1.5%.
- (c) Tax decrease effective January 1, 1997. The City share is 3.34% while PICA receives 1.5%.
- (d) Tax decrease effective July 1, 1997. The City share is 3.29% while PICA receives 1.5%.
- (e) Tax decrease effective July 1, 1998. The City share is 3.19% while PICA receives 1.5%.
- (f) Tax decrease effective July 1, 1999. The City share is 3.11% while PICA receives 1.5%.
- (g) Phased decreases effective July 1, 1990.
- (h) The City ceased the collection of the Personal Property Tax during FY 1997.
- (i) Tax decrease effective January 1, 1996.
- (j) Tax decrease effective January 1, 1997.
- (k) Tax decrease effective January 1, 1998.
- (l) Tax decrease effective January 1, 1999.
- (m) Tax decrease effective January 1, 2000.
- (n) 60% of Net Income Tax portion paid is credited against Net Profits Tax Payable.
- (o) Effective September 28, 1991.
- (p) These taxes were repealed in Fiscal 1993.
- (q) The City converted this tax to a Licensing Fee in Fiscal 1994.
- (r) Tax to be deposited into a special account established solely for the purposes of the tourist promotion agency and the PA Convention Center Authority and not available for general purposes.
- (s) Increase effective July, 1993.
- (t) Increase effective July 1, 1999

CITY OF PHILADELPHIA
CITY AND SCHOOL DISTRICT NET TAX SUPPORTED DEBT AND DEBT SERVICE RATIOS
FOR THE FISCAL YEARS 1991 THROUGH 2000

TABLE 9

Line No.	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
<u>Net Tax Supported Debt (Millions)</u>										
<u>City:</u>										
1	\$ 855.4	823.9	792.6	490.2	451.4	522.6	486.1	453.7	674.7	640.2
2	1,326.8	1,682.0	1,817.3	1,754.1	1,796.3	1,799.8	1,836.3	734.1	3,124.9	3,113.8
3	<u>\$ 2,182.2</u>	<u>2,505.9</u>	<u>2,609.9</u>	<u>2,244.3</u>	<u>2,247.7</u>	<u>2,322.4</u>	<u>2,322.4</u>	<u>1,187.8</u>	<u>3,799.6</u>	<u>3,754.0</u>
<u>Overlapping School District Debt:</u>										
4	\$ 400.5	411.4	400.7	533.1	498.7	628.2	704.0	697.2	784.3	870.4
5	369.8	392.0	381.3	403.3	420.6	436.5	436.2	458.2	447.2	483.7
6	<u>\$ 770.3</u>	<u>803.4</u>	<u>782.0</u>	<u>936.4</u>	<u>919.3</u>	<u>1,064.7</u>	<u>1,140.2</u>	<u>1,155.4</u>	<u>1,231.5</u>	<u>1,354.1</u>
7	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>1,156.7</u>	<u>1,237.5</u>	<u>1,146.2</u>	<u>1,102.4</u>	<u>1,055.0</u>	<u>1,014.1</u>	<u>959.4</u>
8	<u>\$ 2,952.5</u>	<u>3,309.3</u>	<u>3,391.9</u>	<u>4,337.4</u>	<u>4,404.5</u>	<u>4,533.3</u>	<u>4,565.0</u>	<u>3,398.2</u>	<u>6,045.2</u>	<u>6,067.5</u>
9	Estimated Population (Thousands) (d)	1,573	1,553	1,539	1,524	1,499	1,478	1,451	1,436	1,418
10	Assessed Valuation (Millions) (e)	\$ 8,794	8,925	8,866	9,009	8,897	8,899	8,973	9,046	9,212
11	Estimated Market Value (Millions) (e)	\$ 35,806	35,459	35,295	33,061	32,915	32,874	33,937	37,089	40,052
		NA								
<u>City Net Tax Supported Annual Debt Service:</u>										
12	\$ 124.8	225.4	176.4	168.0	69.1	67.6	68.1	61.4	62.6	73.0
13	88.1	97.9	96.1	132.2	115.0	87.2	104.4	108.1	64.1	120.9
14	<u>\$ 212.9</u>	<u>323.3</u>	<u>272.5</u>	<u>300.2</u>	<u>184.1</u>	<u>154.8</u>	<u>172.5</u>	<u>169.5</u>	<u>126.7</u>	<u>193.9</u>
15	\$ 2,379.1	2,552.7	2,623.3	2,785.2	2,832.4	2,952.5	3,155.5	3,393.2	3,661.5	3,841.2
<u>Net Tax Supported Debt per Capita:</u>										
16	\$ 543.8	530.5	515.0	321.7	301.1	353.6	335.0	315.9	475.8	451.5
17	1,387.3	1,613.6	1,695.8	1,472.6	1,499.5	1,571.3	1,600.6	827.2	2,679.5	2,647.4
18	489.7	517.3	508.1	614.4	613.3	720.4	785.8	804.6	868.5	954.9
19	-	-	-	759.0	825.6	775.5	759.8	734.7	715.2	676.6
20	<u>\$ 1,877.0</u>	<u>2,130.9</u>	<u>2,204.0</u>	<u>2,846.1</u>	<u>2,938.3</u>	<u>3,067.2</u>	<u>3,146.1</u>	<u>2,366.4</u>	<u>4,263.2</u>	<u>4,278.9</u>
<u>Net Tax Supported Debt as a Percentage of Assessed Valuation:</u>										
21	9.73	9.23	8.94	5.44	5.07	5.87	5.42	5.02	7.32	6.81
22	24.81	28.08	29.44	24.91	25.26	26.10	25.88	13.13	41.25	39.95
23	8.76	9.00	8.82	10.39	10.33	11.96	12.71	12.77	13.37	14.41
24	<u>33.57</u>	<u>37.08</u>	<u>38.26</u>	<u>35.31</u>	<u>35.60</u>	<u>38.06</u>	<u>38.59</u>	<u>25.90</u>	<u>54.61</u>	<u>54.36</u>
<u>Net Tax Supported Debt as a Percentage of Estimated Market Value:</u>										
25	2.39	2.32	2.25	1.48	1.37	1.59	1.43	1.22	1.68	NA
26	6.09	7.07	7.39	6.79	6.83	7.06	6.84	3.20	9.49	NA
27	2.15	2.27	2.22	2.83	2.79	3.24	3.36	3.12	3.07	NA
28	<u>8.25</u>	<u>9.33</u>	<u>9.61</u>	<u>9.62</u>	<u>9.62</u>	<u>10.30</u>	<u>10.20</u>	<u>6.32</u>	<u>12.56</u>	<u>NA</u>
<u>City Net Tax Supported Debt Service as a Percentage of City General Governmental Obligations:</u>										
29	5.25	8.83	6.72	6.03	2.44	2.29	2.16	1.81	1.71	1.90
30	8.95	12.67	10.39	10.78	6.50	5.24	5.47	5.00	3.46	5.05

NOTES:

- (a) See Table 13
- (b) agreement.
- (c) Consists of amounts due the Commonwealth of PA for vocational education, the State Public Building Authority and leasing obligations and accrued Terminal and Severance Pays.
- (d) Source: U.S. Department of Commerce, Bureau of the Census and Wharton Econometric Forecasting Associates
- (e) See Table 5
- (f) Consists of General Fund and Special Revenue Funds, all of which account for general governmental functions. See Table 3

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED BORROWING BASE AND DEBT LIMITS
JUNE 30, 2000

Borrowing Base:

Gross Revenues - General, Special Revenue and Debt Service Funds for Years Ended June 30, 1998, 1999 and 2000	\$ 4,932,610,015
Less: Statutory Exclusions	<u>603,039,149</u>
Net Revenues for Years Ended June 30, 1998, 1999 and 2000	<u>\$ 4,329,570,866</u>
Borrowing Base (Average of Net Revenue for Three Fiscal Years)	<u>\$ 1,443,190,289</u>

Debt Limit:

Electoral Debt Limit	\$ No Limit
Electoral Debt Outstanding (1)	<u>21,537,445</u>
Electoral Borrowing Capacity	<u>\$ No Limit</u>
Non-Electoral Debt Limit - 100% Borrowing Base	\$ 1,443,190,289
Less: Non-Electoral Debt Outstanding (2)	<u>855,846,399</u>
Non-Electoral Borrowing Capacity	<u>\$ 587,343,890</u>
Non-Electoral and Lease Rental Debt Limit - 200% of Borrowing Base	\$ 2,886,380,578
Less: Non-Electoral Debt Outstanding (2)	<u>855,846,399</u>
Non-Electoral and Lease Rental Borrowing Capacity	<u>\$ 2,030,534,179</u>

NOTES:

(1) Does not include Capital Appreciation Bonds Accreted - \$1,592,590.

(2) Does not include Capital Appreciation Bonds Accreted - \$12,412,953.

Borrowing base and debt limits have been computed in accordance with the Pennsylvania Local Government Unit Debt Act of April 28, 1978 (Act No. 52). The Act provides no limitation on debt approved by voters.

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED SCHEDULE OF REVENUE BOND RATE COVENANT COMPLIANCE
AS REQUIRED BY AUTHORIZING ORDINANCES
FOR THE FISCAL YEARS 1999 THROUGH 2000
(Amounts in Millions of Dollars)

TABLE 12

No.		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Water and Sewer Revenue Bonds - Series 1993											
1	Total Revenue and Beginning Fund Balance				\$ 379.2	\$ 376.8	\$ 387.4	\$ 394.4	\$ 411.1	\$ 393.9	\$ 391.8
2	Net Operating Expenses				209.3	197.9	216.8	228.7	228.6	233.9	237.8
3	Transfer To (From) Rate Stabilization Fund				42.6	25.9	24.3	20.9	30.7	(15.4)	(22.4)
4	Net Revenues				127.3	153.0	146.3	144.8	151.8	175.4	176.4
	Debt Service:										
5	Revenue Bonds Outstanding				102.7	127.1	121.2	120.8	126.5	146.2	147.0
6	General Obligation Bonds Outstanding				7.4	6.1	5.2	3.9	3.1	2.3	1.5
7	Pennvest Loan				0.3	1.1	1.1	1.3	1.1	1.2	1.2
8	Total Debt Service				110.4	134.3	127.5	126.0	130.7	149.7	149.7
9	Net Revenue after Debt Service				16.9	18.7	18.8	18.8	21.1	25.7	26.7
10	Transfer to General Fund				2.4	4.1	4.1	4.1	4.1	4.1	4.1
11	Transfer to Capital Fund				14.5	14.6	14.8	14.8	15.0	15.6	15.9
12	Transfer to Residual Fund				-	-	-	-	1.9	6.0	6.6
	Debt Service Coverage:										
	Coverage A (Line 4/Line 5)	-	-	-	1.24	1.20	1.21	1.20	1.20	1.20	1.20
	Coverage B (Line 4/Line 8 + Line 11)	-	-	-	1.02	1.03	1.03	1.03	1.04	1.06	1.07
	Prior Rate Covenant Compliance										
	Debt Service Coverage:										
	Revenue Bonds Only - Test "A"	1.28	1.94	1.68	-	-	-	-	-	-	-
	Total Debt Service - Test "B"	0.87	1.39	1.28	-	-	-	-	-	-	-
Airport Revenue Bonds - First Through Fourth Series:											
1	Project Revenues	\$ 76.0	\$ 96.0	\$ 97.7	\$ 102.4	\$ 96.6	\$ 103.9	\$ 109.4	\$ 108.2	\$ 124.5	\$ 130.4
2	Net Operating Expenses	28.9	37.5	36.6	38.3	33.4	38.8	41.2	41.2	47.0	51.8
3	Interdepartmental Charges	23.7	26.8	26.3	28.6	30.2	28.8	31.6	32.3	41.5	35.3
4	Total Expenses	52.6	64.3	62.9	66.9	63.6	67.6	72.8	73.5	88.5	87.1
	Available for Debt Service:										
5	Revenue Bonds (Line 1-Line 2)	47.1	58.5	61.1	64.1	63.2	65.1	68.2	67.0	77.5	78.6
6	All Bonds (Line 1-Line 4)	23.4	31.7	34.8	35.5	33.0	36.3	36.6	34.7	36.0	43.3
	Debt Service:										
7	Revenue Bonds	16.0	22.7	27.5	28.1	26.8	27.4	27.6	25.3	29.7	36.5
8	General Obligation Bonds	7.4	7.4	7.3	7.3	5.6	7.2	6.2	7.2	5.2	5.7
9	Total Debt Service	23.4	30.1	34.8	35.4	32.4	34.6	33.8	32.5	34.9	42.2
	Debt Service Coverage:										
	Revenue Bonds Only - Test "A" (Line 5/Line 7)	2.94	2.58	2.22	2.28	2.36	2.38	2.47	2.65	2.61	2.15
	Total Debt Service - Test "B" (Line 6/Line 9)	1.00	1.05	1.00	1.00	1.02	1.05	1.08	1.07	1.03	1.03
Gas Works Revenue Bonds - First Through Sixteenth Series:											
1	Funds Provided by Operations and Other Income	\$ 486.6	\$ 475.7	\$ 501.4	\$ 539.5	\$ 580.0	\$ 509.6	\$ 583.1	\$ 557.5	\$ 503.8	\$ 495.2
2	Funds Applied to Operations	393.8	373.6	385.9	425.4	479.3	397.7	458.3	445.6	409.9	407.0
3	Internally Generated Funds Available to Cover Debt Service	92.8	102.1	115.5	114.1	100.7	111.9	124.8	111.9	93.9	88.2
4	Revenue Bond Debt Service	61.7	67.8	74.5	71.4	68.9	77.2	80.9	74.5	61.9	57.7
5	General Obligation Debt Service	-	-	-	-	-	-	-	-	-	-
6	Total Bonded Debt Service	61.7	67.8	74.5	71.4	68.9	77.2	80.9	74.5	61.9	57.7
	Debt Service Coverage:										
	Revenue Bonds Only - Test "A" (Line 3/Line 4)	1.50	1.51	1.55	1.60	1.46	1.45	1.54	1.50	1.52	1.53
	Total Debt Service - Test "B" (Line 3/Line 6)	1.50	1.51	1.55	1.60	1.46	1.45	1.54	1.50	1.52	1.53

(1) In Fiscal 1994, the City issued \$1,158 million in Water Revenue Bonds. Part of this sale was used to defease debt secured under a 1974 Ordinance. The new bonds are governed by a 1989 Ordinance that changed the rate covenant requirements for the Water Revenue Bonds. The rate covenant for the Water issue permits inclusion of Unencumbered Fund Balance along with Total Revenues. The rate covenant of the Aviation issues permit inclusion of Unencumbered Project Fund Balances at the beginning of the period with Project Revenues for the period to determine adequacy of coverage; Gas Works rate covenants do not permit this item.

(2) Coverage "A" requires that Net Revenues equal 120% of the Debt Service Requirements while Coverage "B" requires that Net Revenues equal at least 100% of the Debt Service Requirements plus Required Capital Account Transfers. Test "A" requires that Project Resources be equal to Net Operating Expenses plus 150% of Revenue Bond Debt Service for the year. Test "B" requires Project Resources be equal to Operating Expenses for the year plus all debt service requirements for the year except any General Obligation Debt Service not applicable to the project.

Amounts in the above statement have been extracted from reports submitted to the respective Fiscal Agents in accordance with the reporting requirements of the General Ordinance and Supplemental Ordinance relative to rate covenants. Water and Sewer Coverage is calculated on the modified accrual basis; Aviation Fund and Gas Works Fund on the accrual basis. Airport Revenues and Expenses have been reduced by amounts applicable to the Outside Terminal Area and the Overseas Terminal as prescribed by the indenture.

CITY OF PHILADELPHIA
 CITY RELATED TAX SUPPORTED BONDED DEBT
 FOR THE FISCAL YEARS 1991 THROUGH 2000
 (Amounts in Millions of Dollars)

TABLE 13

Line No.		1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
1	General Obligation Bonds	\$ 1,291.1	\$ 1,128.0	\$ 1,010.1	\$ 643.5	\$ 589.3	\$ 639.5	\$ 586.7	\$ 535.1	\$ 740.5	\$ 687.2
2	Bond Anticipation Notes	96.2	-	-	-	-	-	-	-	-	-
3	Revenue Bonds	<u>2,372.7</u>	<u>2,389.8</u>	<u>2,405.6</u>	<u>2,736.7</u>	<u>2,689.6</u>	<u>2,819.7</u>	<u>2,739.4</u>	<u>3,227.1</u>	<u>3,698.8</u>	<u>3,594.6</u>
4	Gross Bonded Debt	<u>3,760.0</u>	<u>3,517.8</u>	<u>3,415.7</u>	<u>3,380.2</u>	<u>3,278.9</u>	<u>3,459.2</u>	<u>3,326.1</u>	<u>3,762.2</u>	<u>4,439.3</u>	<u>4,281.8</u>
	Less Self-Supporting Debt and Available Assets:										
5	Self-Supporting General Obligation Bonds	193.3	166.3	148.6	151.4	135.9	116.9	100.6	81.4	65.8	47.0
6	Self-Supporting Bond Anticipation Notes	96.2	-	-	-	-	-	-	-	-	-
7	Revenue Bonds	<u>2,372.7</u>	<u>2,389.8</u>	<u>2,405.6</u>	<u>2,736.7</u>	<u>2,689.6</u>	<u>2,819.7</u>	<u>2,739.4</u>	<u>3,227.1</u>	<u>3,698.8</u>	<u>3,594.6</u>
8	Gross Self-Supporting Debt	<u>2,662.2</u>	<u>2,556.1</u>	<u>2,554.2</u>	<u>2,888.1</u>	<u>2,825.5</u>	<u>2,936.6</u>	<u>2,840.0</u>	<u>3,308.5</u>	<u>3,764.6</u>	<u>3,641.6</u>
9	Gross Tax Supported Bonded Debt (Line 4 less Line 8)	1,097.8	961.7	861.5	492.1	453.4	522.6	486.1	453.7	674.7	640.2
10	Less Sinking Funds of Tax Supported Bonds	1.5	1.7	1.9	1.9	2.0	-	-	-	-	-
11	Less Sinking Fund Assets Held by Fiscal Agent	<u>240.9</u>	<u>136.1</u>	<u>67.0</u>	<u>-</u>						
12	Net Tax Supported Bonded Debt (Line 9 less Line 10 less Line 11)	<u>\$ 855.4</u>	<u>\$ 823.9</u>	<u>\$ 792.6</u>	<u>\$ 490.2</u>	<u>\$ 451.4</u>	<u>\$ 522.6</u>	<u>\$ 486.1</u>	<u>\$ 453.7</u>	<u>\$ 674.7</u>	<u>\$ 640.2</u>

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED ANNUAL DEBT SERVICE ON LONG-TERM DEBT
AS OF JUNE 30, 2000
(Amounts in Millions of Dollars)

TABLE 14

Fiscal Year	General Obligation Bonds								
	Tax Supported			Self-Supporting			Total		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 39.8	\$ 32.1	\$ 71.9	\$ 16.8	\$ 1.6	\$ 18.4	\$ 56.6	\$ 33.7	\$ 90.3
2002	40.1	30.3	70.4	7.4	0.9	8.3	47.5	31.2	78.7
2003	39.7	28.3	68.0	3.9	0.7	4.6	43.6	29.0	72.6
2004	38.2	26.3	64.5	4.0	0.5	4.5	42.2	26.8	69.0
2005	22.6	24.2	46.8	3.7	0.3	4.0	26.3	24.5	50.8
2006	11.6	23.1	34.7	1.4	0.2	1.6	13.0	23.3	36.3
2007	13.6	22.5	36.1	1.2	0.2	1.4	14.8	22.7	37.5
2008	17.6	21.8	39.4	1.3	0.2	1.5	18.9	22.0	40.9
2009	18.5	20.9	39.4	1.4	0.2	1.6	19.9	21.1	41.0
2010	19.3	20.0	39.3	1.4	0.1	1.5	20.7	20.1	40.8
2011	20.4	19.0	39.4	1.5	0.1	1.6	21.9	19.1	41.0
2012	21.4	17.9	39.3	1.3	0.1	1.4	22.7	18.0	40.7
2013	22.5	16.8	39.3	0.3	0.1	0.4	22.8	16.9	39.7
2014	23.8	15.6	39.4	0.2	0.1	0.3	24.0	15.7	39.7
2015	25.0	14.4	39.4	0.2	0.1	0.3	25.2	14.5	39.7
2016	22.4	13.1	35.5	0.2	0.1	0.3	22.6	13.2	35.8
2017	23.5	12.0	35.5	0.2	0.1	0.3	23.7	12.1	35.8
2018	24.6	10.9	35.5	0.2	-	0.2	24.8	10.9	35.7
2019	25.8	9.7	35.5	0.2	-	0.2	26.0	9.7	35.7
2020	27.0	8.5	35.5	0.2	-	0.2	27.2	8.5	35.7
2021	17.4	7.1	24.5	-	-	-	17.4	7.1	24.5
2022	18.2	6.3	24.5	-	-	-	18.2	6.3	24.5
2023	19.1	5.4	24.5	-	-	-	19.1	5.4	24.5
2024	20.1	4.4	24.5	-	-	-	20.1	4.4	24.5
2025	21.1	3.4	24.5	-	-	-	21.1	3.4	24.5
2026	14.9	2.3	17.2	-	-	-	14.9	2.3	17.2
2027	15.6	1.6	17.2	-	-	-	15.6	1.6	17.2
2028	16.4	0.8	17.2	-	-	-	16.4	0.8	17.2
2029	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-
Total	640.2	(a) 418.7	1,058.9	47.0	(b) 5.6	52.6	687.2	424.3	1,111.5
Sinking Fund Assets Held by Fiscal Agent	-	-	-	-	-	-	-	-	-
Available City Sinking Fund Assets	-	-	-	-	-	-	-	-	-
Net Debt	\$ 640.2	\$ 418.7	\$ 1,058.9	\$ 47.0	\$ 5.6	\$ 52.6	\$ 687.2	\$ 424.3	\$ 1,111.5

NOTES:

- (a) Included in this amount is \$7.2 million issued for Port purposes which has been reclassified as Tax-Supported due to the sale of the Port Corporation.
- (b) Of this amount, Bonds have been issued for the following major purposes: Water and Sewer, \$15.5 million; Airport, \$23.1 million; Veterans Stadium, \$4 million and Subways, \$7.1 million. Issues for five other purposes account for the balance of \$1.0 million.

CITY OF PHILADELPHIA
CITY AND GAS WORKS RELATED ANNUAL DEBT SERVICE ON LONG-TERM DEBT (Continued)
AS OF JUNE 30, 2000
(Amounts in Millions of Dollars)

Revenue Bonds

Fiscal Year	Water and Sewer			Gas Works			Aviation Fund		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 59.1	\$ 88.1	\$ 147.2	\$ 38.6	\$ 43.5	\$ 82.1	\$ 19.2	\$ 31.1	\$ 50.3
2002	61.4	85.8	147.2	38.8	42.0	80.8	26.6	41.2	67.8
2003	63.9	83.4	147.3	43.2	40.4	83.6	28.4	49.8	78.2
2004	66.7	80.7	147.4	39.9	38.7	78.6	29.9	48.3	78.2
2005	69.5	77.9	147.4	31.8	37.3	69.1	31.5	46.6	78.1
2006	75.2	72.8	148.0	38.1	35.7	73.8	33.3	44.9	78.2
2007	79.0	69.0	148.0	30.7	34.0	64.7	27.2	43.0	70.2
2008	82.5	65.6	148.1	34.7	32.2	66.9	28.7	41.5	70.2
2009	85.8	62.3	148.1	34.5	30.3	64.8	30.3	39.9	70.2
2010	89.3	58.7	148.0	33.6	28.4	62.0	31.9	38.3	70.2
2011	95.3	52.7	148.0	43.6	26.6	70.2	33.7	36.6	70.3
2012	99.9	45.6	145.5	35.6	25.2	60.8	35.5	34.7	70.2
2013	108.6	40.0	148.6	17.4	24.1	41.5	37.4	32.8	70.2
2014	114.6	33.9	148.5	30.1	22.7	52.8	39.5	30.7	70.2
2015	120.9	27.7	148.6	30.2	21.0	51.2	41.7	28.6	70.3
2016	126.4	22.2	148.6	30.2	19.3	49.5	37.8	26.4	64.2
2017	41.0	15.8	56.8	27.2	17.7	44.9	39.9	24.3	64.2
2018	43.1	13.7	56.8	27.2	16.2	43.4	41.2	22.1	63.3
2019	36.2	11.7	47.9	27.2	14.6	41.8	33.2	19.8	53.0
2020	27.9	10.1	38.0	27.2	13.1	40.3	35.0	18.0	53.0
2021	29.3	8.8	38.1	27.2	11.6	38.8	36.9	16.1	53.0
2022	30.8	7.3	38.1	27.2	10.1	37.3	38.9	14.1	53.0
2023	32.4	5.8	38.2	27.7	8.6	36.3	41.0	12.0	53.0
2024	18.1	4.2	22.3	27.7	7.2	34.9	43.2	9.8	53.0
2025	18.9	3.3	22.2	27.8	5.7	33.5	45.6	7.4	53.0
2026	20.0	2.4	22.4	22.4	4.4	26.8	32.0	4.9	36.9
2027	20.9	1.4	22.3	23.3	3.2	26.5	33.6	3.2	36.8
2028	22.0	0.4	22.4	20.8	2.0	22.8	29.1	1.5	30.6
2029	-	-	-	22.0	0.9	22.9	-	-	-
2030	-	-	-	7.8	0.2	8.0	-	-	-
Total	1,738.7	1,051.3 (c)	2,790.0	893.7	616.9	1,510.6	962.2	767.6	1,729.8
Sinking Fund Assets Held by Fiscal Agent	-	-	-	-	-	-	-	-	-
Available City Sinking Fund Assets	148.6	-	148.6 (d)	93.6	-	93.6	48.5	7.2	55.7 (e)
Net Debt	\$ 1,590.1	\$ 1,051.3	\$ 2,641.4	\$ 800.1	\$ 616.9	\$ 1,417.0	\$ 913.7	\$ 760.4	\$ 1,674.1

NOTES: (Continued)

- (c) Interest on \$98.3 million Water and Sewer Variable Rate Bonds is based on the estimated short-term interest rate of 3.4458%.
- (d) In addition to the \$148.6 million available in Sinking Fund Assets, \$183.9 million has been reserved in the Water and Sewer Rate Stabilization Fund in accordance with the Seventh Supplemental Amendment to the General, Water and Sewer Revenue Bond Ordinance of 1974 as amended by Bill No. 544 dated June 24, 1993.
- (e) In addition to the \$55.7 million available in Sinking Fund Assets, \$2.5 million has been reserved in a Renewal, Replacement and Contingency Fund, which has been funded by the proceeds of the Series 1978 Aviation Revenue Bonds.

TABLE 14

<u>Total</u>			<u>Total General Obligation and Revenue Bonds</u>			<u>Fiscal Year</u>
<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
\$ 116.9	\$ 162.7	\$ 279.6	\$ 173.5	\$ 196.4	\$ 369.9	2001
126.8	169.0	295.8	174.3	200.2	374.5	2002
135.5	173.6	309.1	179.1	202.6	381.7	2003
136.5	167.7	304.2	178.7	194.5	373.2	2004
132.8	161.8	294.6	159.1	186.3	345.4	2005
146.6	153.4	300.0	159.6	176.7	336.3	2006
136.9	146.0	282.9	151.7	168.7	320.4	2007
145.9	139.3	285.2	164.8	161.3	326.1	2008
150.6	132.5	283.1	170.5	153.6	324.1	2009
154.8	125.4	280.2	175.5	145.5	321.0	2010
172.6	115.9	288.5	194.5	135.0	329.5	2011
171.0	105.5	276.5	193.7	123.5	317.2	2012
163.4	96.9	260.3	186.2	113.8	300.0	2013
184.2	87.3	271.5	208.2	103.0	311.2	2014
192.8	77.3	270.1	218.0	91.8	309.8	2015
194.4	67.9	262.3	217.0	81.1	298.1	2016
108.1	57.8	165.9	131.8	69.9	201.7	2017
111.5	52.0	163.5	136.3	62.9	199.2	2018
96.6	46.1	142.7	122.6	55.8	178.4	2019
90.1	41.2	131.3	117.3	49.7	167.0	2020
93.4	36.5	129.9	110.8	43.6	154.4	2021
96.9	31.5	128.4	115.1	37.8	152.9	2022
101.1	26.4	127.5	120.2	31.8	152.0	2023
89.0	21.2	110.2	109.1	25.6	134.7	2024
92.3	16.4	108.7	113.4	19.8	133.2	2025
74.4	11.7	86.1	89.3	14.0	103.3	2026
77.8	7.8	85.6	93.4	9.4	102.8	2027
71.9	3.9	75.8	88.3	4.7	93.0	2028
22.0	0.9	22.9	22.0	0.9	22.9	2029
7.8	0.2	8.0	7.8	0.2	8.0	2030
3,594.6	2,435.8	6,030.4	4,281.8	2,860.1	7,141.9	
-	-	-	-	-	-	
290.7	7.2	297.9	290.7	7.2	297.9	
<u>\$ 3,303.9</u>	<u>\$ 2,428.6</u>	<u>\$ 5,732.5</u>	<u>\$ 3,991.1</u>	<u>\$ 2,852.9</u>	<u>\$ 6,844.0</u>	

TABLE 14

CITY AND GAS WORKS RELATED ANNUAL DEBT SERVICE ON LONG-TERM DEBT (Continued)
AS OF JUNE 30, 2000
(Amounts in Millions of Dollars)

Fiscal Year	Other Long-Term Obligations			Total Long-Term Debt		
	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 60.9	\$ 73.0	\$ 133.9	\$ 234.4	\$ 269.4	\$ 503.8
2002	52.3	71.5	123.8	226.6	271.7	498.3
2003	60.8	70.4	131.2	239.9	273.0	512.9
2004	60.8	68.5	129.3	239.5	263.0	502.5
2005	78.8	66.7	145.5	237.9	253.0	490.9
2006	71.3	64.1	135.4	230.9	240.8	471.7
2007	78.9	61.0	139.9	230.6	229.7	460.3
2008	78.3	57.6	135.9	243.1	218.9	462.0
2009	86.2	54.1	140.3	256.7	207.7	464.4
2010	103.2	50.1	153.3	278.7	195.6	474.3
2011	113.2	45.2	158.4	307.7	180.2	487.9
2012	123.6	39.6	163.2	317.3	163.1	480.4
2013	185.6	38.6	224.2	371.8	152.4	524.2
2014	123.5	37.6	161.1	331.7	140.6	472.3
2015	128.1	36.5	164.6	346.1	128.3	474.4
2016	125.0	35.3	160.3	342.0	116.4	458.4
2017	126.2	34.1	160.3	258.0	104.0	362.0
2018	132.1	33.0	165.1	268.4	95.9	364.3
2019	117.9	31.6	149.5	240.5	87.4	327.9
2020	107.7	31.2	138.9	225.0	80.9	305.9
2021	107.8	31.1	138.9	218.6	74.7	293.3
2022	108.0	30.9	138.9	223.1	68.7	291.8
2023	108.2	30.8	139.0	228.4	62.6	291.0
2024	108.3	30.5	138.8	217.4	56.1	273.5
2025	108.5	30.3	138.8	221.9	50.1	272.0
2026	108.7	30.1	138.8	198.0	44.1	242.1
2027	111.0	29.0	140.0	204.4	38.4	242.8
2028	113.9	22.0	135.9	202.2	26.7	228.9
2029	225.0	7.4	232.4	247.0	8.3	255.3
2030	-	-	-	7.8	0.2	8.0
Total	3,113.8	1,241.8	4,355.6	7,395.6	4,101.9	*****
Sinking Fund Assets Held by Fiscal Agent	-	-	-	-	-	-
Available City Sinking Fund Assets	-	-	-	290.7	7.2	297.9
<u>Net Debt</u>	<u>\$ 3,113.8</u>	<u>\$ 1,241.8</u>	<u>\$ 4,355.6</u>	<u>\$ 7,104.9</u>	<u>\$ 4,094.7</u>	<u>\$*****</u>

CITY OF PHILADELPHIA
 SCHOOL DISTRICT RELATED RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED DEBT
 TO TOTAL GENERAL EXPENDITURES EXCLUDING CATEGORICAL FUNDS
 FOR THE FISCAL YEARS 1991 THROUGH 2000
 (Amounts in Thousands of Dollars)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
General Bonded Debt Principal	\$ 28,790	\$ 31,000	\$ 29,160	\$ 29,180	\$ 34,706	\$ 34,135	\$ 33,675	\$ 8,595	\$ 34,600	\$ 36,405
General Bonded Debt Interest	24,858	22,770	22,965	17,032	23,924	22,282	36,233	34,890	36,290	40,490
Loans	365	369	369	369	369	369	369	369	369	369
State Public School Building Authority (1)	<u>2,581</u>	<u>2,516</u>	<u>2,321</u>	<u>78</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Bonded Debt Service Expenditures (2)	<u>\$ 56,594</u>	<u>\$ 56,655</u>	<u>\$ 54,815</u>	<u>\$ 46,659</u>	<u>\$ 58,999</u>	<u>\$ 56,786</u>	<u>\$ 70,277</u>	<u>\$ 43,854</u>	<u>\$ 71,259</u>	<u>\$ 77,264</u>
Total General Expenditures Excluding Categorical Funds	<u>\$ 1,173,694</u>	<u>\$ 1,220,989</u>	<u>\$ 1,303,334</u>	<u>\$ 1,263,533</u>	<u>\$ 1,296,652</u>	<u>\$ 1,442,113</u>	<u>\$ 1,556,317</u>	<u>\$ 1,501,306</u>	<u>\$ 1,594,972</u>	<u>\$ 1,650,712</u>
Ratio of Debt Service to Net General Expenditures Excluding Categorical Funds	<u>4.82%</u>	<u>4.64%</u>	<u>4.21%</u>	<u>3.69%</u>	<u>4.55%</u>	<u>3.94%</u>	<u>4.52%</u>	<u>2.92%</u>	<u>4.47%</u>	<u>4.68%</u>
Total General Expenditures (3)	<u>\$ 1,331,299</u>	<u>\$ 1,397,418</u>	<u>\$ 1,504,368</u>	<u>\$ 1,441,507</u>	<u>\$ 1,468,642</u>	<u>\$ 1,624,769</u>	<u>\$ 1,749,064</u>	<u>\$ 1,701,879</u>	<u>\$ 1,790,427</u>	<u>\$ 1,884,530</u>
Ratio of Debt Service to Total General Expenditures	<u>4.25%</u>	<u>4.05%</u>	<u>3.64%</u>	<u>3.24%</u>	<u>4.02%</u>	<u>3.50%</u>	<u>4.02%</u>	<u>2.58%</u>	<u>3.98%</u>	<u>4.10%</u>

NOTES:

- (1) Includes both principal and interest payments.
- (2) Does not include bond issuance or defeasement costs.
- (3) Includes General, Intermediate Unit, Categorical, Debt Service and Capital Projects Fund expenditures.

CITY OF PHILADELPHIA
CITY MUNICIPAL PENSION FUND
COMPARATIVE SCHEDULE OF OPERATIONS
FOR THE FISCAL YEARS 1991 THROUGH 2000
(Amounts in Millions of Dollars)

	1991		1992		1993		1994	
	<u>Amount</u>	%	<u>Amount</u>	%	<u>Amount</u>	%	<u>Amount</u>	%
Revenue:								
Contributions:								
Employees':								
Members' Contributions	\$ 44.8	14.1	\$ 44.8	9.5	\$ 45.0	10.7	\$ 44.3	9.6
Less: Refunds to Members	<u>7.2</u>	<u>2.3</u>	<u>5.7</u>	<u>1.2</u>	<u>4.9</u>	<u>1.2</u>	<u>4.3</u>	<u>0.9</u>
Net Members' Contributions	<u>37.6</u>	<u>11.9</u>	<u>39.1</u>	<u>8.3</u>	<u>40.1</u>	<u>9.5</u>	<u>40.0</u>	<u>8.6</u>
Employer's:								
City of Philadelphia	169.8	53.6	176.6	37.3	174.3	41.3	233.7 (2)	50.5
Commonwealth of Pennsylvania Through City of Philadelphia	-	-	34.8	7.4	35.1	8.3	-	-
Quasi Governmental Agencies	<u>2.9</u>	<u>0.9</u>	<u>4.8</u>	<u>1.0</u>	<u>3.6</u>	<u>0.9</u>	<u>2.8</u>	<u>0.6</u>
Total Employer's Contributions Commonwealth of Pennsylvania	<u>172.7</u>	<u>54.5</u>	<u>216.2</u>	<u>45.7</u>	<u>213.0</u>	<u>50.5</u>	<u>236.5</u>	<u>51.1</u>
Commonwealth of Pennsylvania	<u>46.6</u>	<u>14.7</u>	<u>13.9</u>	<u>2.9</u>	<u>6.5</u>	<u>1.5</u>	<u>2.7</u>	<u>0.6</u>
Total Contributions	256.9	81.1	269.2	56.9	259.6	61.6	279.2	60.4
Investment Earnings	59.3	18.7	203.5	43.0	161.6	38.3	182.9	39.5
Other	<u>0.7</u>	<u>0.2</u>	<u>0.6</u>	<u>0.1</u>	<u>0.5</u>	<u>0.1</u>	<u>0.5</u>	<u>0.1</u>
<u>Total Revenues</u>	<u>316.9</u>	<u>100.0</u>	<u>473.3</u>	<u>100.0</u>	<u>421.7</u>	<u>100.0</u>	<u>462.6</u>	<u>100.0</u>
Disbursements:								
For Pension Benefits	272.7		287.8		312.5		326.2	
For Other Purposes, Excluding Refunds	<u>9.4</u>		<u>10.4</u>		<u>43.2 (1)</u>		<u>26.8 (1)</u>	
<u>Total Disbursements</u>	<u>282.1</u>		<u>298.2</u>		<u>355.7</u>		<u>353.0</u>	
Excess of Revenue Over Disbursements	<u>\$ 34.8</u>		<u>\$ 175.1</u>		<u>\$ 66.0</u>		<u>\$ 109.6</u>	
Net Assets: Opening	\$ 1,637.2		\$ 1,672.0		\$ 1,847.1		\$ 1,913.1	
Closing	<u>1,672.0</u>		<u>1,847.1</u>		<u>1,913.1</u>		<u>2,022.7</u>	
Increase During the Year	<u>\$ 34.8</u>		<u>\$ 175.1</u>		<u>\$ 66.0</u>		<u>\$ 109.6</u>	

EXHIBIT:

1. Pension Benefits Paid as a Percent of					
A. Net Contributions of Members	725.3		736.1		779.3
B. Revenue	86.1		60.8		74.1
C. Closing Net Assets	16.3		15.6		16.3
2. The Closing Assets as a Percent of					
Total Disbursements	592.7		619.4		537.8
3. Coverage of Revenues Over Disbursements	112.3		158.7		118.6
4. Investment Earnings as a Percent of					
Pension Benefits	21.7		70.7		51.7

(1) Disbursements for Other Purposes include losses due to the permanent decline in market value of some investments. These losses amounted to \$34.2 million in Fiscal 1993, \$14.4 million in Fiscal 1994, \$15.2 million in Fiscal 1995 and \$9.3 million in Fiscal 1996.

(2) Includes additional payments toward the Unfunded Actuarial Accrued Liability of \$10.0 million in Fiscal 1994 and \$15.0 million in Fiscal 2000

(3) Included in this figure is \$354.2 million attributable to the recognition of the fair value of the investments at June 30, 1997 according to generally accepted accounting principles.

(4) Disbursements for Other Purposes includes a reduction of \$1 million due to the reversal of charges made in previous fiscal years

(5) Includes \$1,250 million from the sale of Pension Funding obligations.

TABLE 16

1995 Amount	%	1996 Amount	%	1997 Amount	%	1998 Amount	%	1999 Amount	%	2000 Amount	%
\$ 44.2 3.7	10.1 0.8	\$ 45.6 3.8	7.2 0.6	\$ 47.0 3.8	4.9 0.4	\$ 48.0 3.2	6.7 0.4	\$ 49.2 4.2	2.5 0.2	\$ 50.2 4.2	7.4 0.6
<u>40.5</u>	<u>9.2</u>	<u>41.8</u>	<u>6.6</u>	<u>43.2</u>	<u>4.5</u>	<u>44.8</u>	<u>6.3</u>	<u>45.0</u>	<u>2.3</u>	<u>46.0</u>	<u>6.8</u>
212.8	48.5	222.5	35.3	237.0	24.8	252.0	35.3	1,506.8 (5)	77.7	179.5 (2)	26.6
- 4.6	- 1.0	- 4.8	- 0.8	- 5.2	- 0.5	- 5.0	- 0.7	- 4.9	- 0.3	- 4.5	- 0.7
217.4 1.3	49.5 0.3	227.3 4.5	36.0 0.7	242.2 -	25.3 -	257.0 -	36.0 -	1,511.7 -	78.0 -	184.0 -	27.3 -
259.2 178.9 0.9	59.0 40.8 0.2	273.6 356.4 0.8	43.4 56.5 0.1	285.4 669.9 (3) 0.3	29.8 70.1 0.1	301.8 411.8 0.4	42.3 57.6 0.1	1,556.6 383.0 0.3	80.3 19.7 -	230.0 445.0 0.2	34.1 65.9 -
<u>439.0</u>	<u>100.0</u>	<u>630.8</u>	<u>100.0</u>	<u>955.6</u>	<u>100.0</u>	<u>714.0</u>	<u>100.0</u>	<u>1,939.9</u>	<u>100.0</u>	<u>675.2</u>	<u>100.0</u>
338.6 28.1 (1)		353.4 21.4 (1)		372.0 13.6		383.3 2.9 (4)		434.0 4.4		444.3 4.8	
<u>366.7</u>		<u>374.8</u>		<u>385.6</u>		<u>386.2</u>		<u>438.4</u>		<u>449.1</u>	
\$ <u>72.3</u>		\$ <u>256.0</u>		<u>570.0</u>		<u>327.8</u>		<u>1,501.5</u>		<u>226.1</u>	
\$ 2,022.7 2,095.0		\$ 2,095.0 2,351.0		2,351.0 2,921.0		2,921.0 3,248.8		3,248.8 4,750.3		4,750.3 4,976.4	
\$ <u>72.3</u>		\$ <u>256.0</u>		<u>570.0</u>		<u>327.8</u>		<u>1,501.5</u>		<u>226.1</u>	
	836.0 77.1 16.2		845.5 56.0 15.0		861.1 38.9 12.7		855.6 53.7 11.8		964.4 22.4 9.1		965.9 65.8 8.9
	571.3 119.7		627.3 168.3		757.5 247.8		841.2 184.9		1,083.6 442.5		1,108.1 150.3
	52.8		100.8		180.1		107.4		88.2		100.2

CITY OF PHILADELPHIA
PROPERTY VALUES, AUTHORIZED CONSTRUCTION AND BANK DEPOSITS
FOR THE CALENDAR YEARS 1990 THROUGH 1999
(Amounts in Millions of Dollars)

TABLE 17

Calendar Year	Property Values		Authorized Construction (1)				Bank Deposits (2)		
	Original assessed (3)	Estimated market (4)	Residential	Commercial & Industrial	Other (5)	Total	New Housing Units	Commercial	Mutual Savings
1990	9,261	35,376	84.9	499.0	127.9	711.8	1,213	19,856	6,236
1991	9,604	35,806	55.1	391.0	41.7	487.8	614	19,255	5,543
1992	9,681	35,459	47.7	373.1	95.9	516.7	364	19,398	5,234
1993	9,676	35,295	81.8	319.5	54.3	455.6	307	19,879	2,277
1994	9,516	33,061	89.7	304.9	54.3	448.9	N/A	20,195	1,979
1995	9,410	32,915	82.5	298.6	53.7	434.8	N/A	19,077	3,627
1996	9,266	32,874	N/A	N/A	N/A	N/A	N/A	20,587	3,703
1997	9,275	33,937	N/A	N/A	N/A	N/A	N/A	26,351	3,848
1998	9,220	37,089	N/A	N/A	N/A	N/A	N/A	25,906	3,326
1999	9,273	40,052	N/A	N/A	N/A	N/A	N/A	22,922	4,405

NOTES:

- (1) Source: City of Philadelphia Department of Licenses and Inspections
- (2) Source: Federal Deposit Insurance Corporation
- (3) See Table 7
- (4) See Table 5
- (5) Includes Governmental, Medical and Educational Units

CITY OF PHILADELPHIA
POPULATION TREND
1940 TO 1999

TABLE 18

<u>Year</u>	<u>Population</u>
1940	1,931,334
1950	2,071,605
1960	2,002,512
1970	1,850,000
1980	1,688,210
1990	1,585,577
1995	1,498,971
1999	1,417,601

SOURCE: U.S. Department of Commerce, Bureau of the Census

CITY OF PHILADELPHIA
 DEMOGRAPHIC STATISTICS
 FOR THE CALENDAR YEARS 1990 THROUGH 1999

TABLE 19

<u>Year</u>	<u>Population</u> (1)	<u>Per Capita Personal Income</u> (2)	<u>Unemployment Rate</u> (3)	<u>School Enrollment</u> (4)
1990	1,585,577	18,335	6.0%	190,978
1991	1,572,631	19,252	8.3%	189,850
1992	1,552,572	20,183	8.8%	201,328
1993	1,539,148	20,495	8.9%	207,662
1994	1,524,249	20,589	7.5%	208,973
1995	1,498,971	21,333	7.7%	211,053
1996	1,478,002	22,354	6.9%	213,465
1997	1,451,372	23,346	6.8%	213,053
1998	1,436,287	24,769	6.2%	208,060
1999	1,417,601	N/A	4.9%	213,850

Sources:

(1) U.S. Department of Commerce, Bureau of the Census and Wharton Econometric Forecasting Associates

(2) U.S. Dept. of Commerce, Bureau of Economic Analysis

(3) Pennsylvania Department of Labor and Industry, Office of Employment Security

(4) School District of Philadelphia - Budget Document

TABLE 20

CITY OF PHILADELPHIA
TEN LARGEST REAL ESTATE ASSESSMENTS
JANUARY 1, 2000

<u>Location</u>	<u>Owner</u>	<u>Assessment</u>	<u>Percentage of Total Assessments</u>
1650 Market Street	Phila. Liberty Place	\$ 65,600,000	0.69%
1500-42 Market Street	Center Square Partners	56,640,000	0.60%
1735 Market Street	Nine Penn Center Associates	51,968,000	0.55%
4301 Byberry Road	Franklin Mills Associates	48,096,480	0.51%
50 S. 16th Street	Two Liberty Place	44,800,000	0.47%
1717 Arch Street	Bell Atlantic	43,712,000	0.46%
1201 Market Street	Philadelphia Market Street	32,071,040	0.34%
1901-19 Market Street	PRU 1901 Market LLC	31,624,512	0.33%
2001 Market Street	Maguire/Thomas	31,576,768	0.33%
2005 Market Street	Commerce Square Partners	31,040,000	0.33%
		\$ 437,128,800	4.62%
Total Taxable Assessments		\$ 9,451,570,665	100.00%

CITY OF PHILADELPHIA
LARGEST NON-GOVERNMENTAL EMPLOYERS IN PHILADELPHIA
DECEMBER 31, 1999

TABLE 21

<u>Employer</u>	1999 Wage Tax Collected (1)	Percentage of Total Collections
University of Pennsylvania	\$ 31,116,234	2.63%
Tenet Health Systems, Inc.	14,412,590	1.22%
Temple University	13,497,421	1.14%
First Union Services, Inc.	12,898,046	1.09%
University of Pennsylvania Hospital	12,600,653	1.06%
Thomas Jefferson University Hospital	9,986,146	0.84%
Albert Einstein Medical Center	8,731,526	0.74%
Smith Kline Beecham Corporation	7,239,222	0.61%
Childrens Hospital of Philadelphia	7,231,429	0.61%
Bell Atlantic - PA	7,071,116	0.60%
Independence Blue Cross	6,807,518	0.57%
Philadelphia Health & Education	6,330,951	0.53%
Sunoco Inc., R&M	6,082,105	0.51%
Thomas Jefferson University	5,922,397	0.50%
PECO Energy	5,902,064	0.50%
Bell Atlantic Network Services	5,599,953	0.47%
Temple University Hospital, Inc.	5,207,375	0.44%
Philadelphia Newspapers, Inc.	5,164,549	0.44%
M Cardone Industries, Inc.	4,992,106	0.42%
Ace American Insurance Company	4,774,617	0.40%
Rohm & Haas Company	4,664,233	0.39%
Towers, Perrin, Forster & Crosby, Inc.	4,593,035	0.39%
Cigna Corporation	4,082,679	0.34%
Consolidated Rail Corporation	4,071,684	0.34%
Aramark Food & Support Services	4,021,488	0.34%
	<u>\$ 203,001,137</u>	<u>17.13%</u>
 Total Wage Tax Collected for Calendar Year	 <u>\$ 1,184,988,974</u>	 <u>100.00%</u>

SOURCES:

(1) Philadelphia Department of Revenue

CITY OF PHILADELPHIA
MISCELLANEOUS STATISTICS
JUNE 30, 2000

TABLE 22

Date Founded	-	1682
Form of Government	-	Council-Mayor
Area of City - Square Miles	-	129
Fire Protection:		
Number of Stations	-	63
Number of Firefighters	-	2,076
Emergency Medical Service:		
Number of Rescue Units	-	37
Number of Medical Personnel	-	290
Police Protection:		
Number of Districts	-	25
Number of Police Officers	-	7,030
Water System:		
Number of Accounts	-	479,593
Average Daily Consumption - Gallons	-	184,600,000
Average Daily Production - Gallons	-	281,700,000
Miles of Water Mains	-	3,300
Area Serviced - Square Miles (1)	-	130
Wastewater System:		
Number of Accounts	-	474,656
Miles of Sewer	-	2,955
Area Serviced - Square Miles (1)	-	279
Philadelphia International Airport:		
Passengers Handled	-	24,030,868
Air Cargo Tons	-	543,753
Aircraft Movements	-	480,583
Air Mail Tons	-	75,775
Northeast Philadelphia Airport:		
Aircraft Movements	-	177,741
Recreation and Culture:		
Recreation Centers	-	46
Swimming Pools	-	81
Playgrounds	-	140
Other Recreational Facilities	-	353
Special Facilities (2)	-	18
School Gyms throughout Fall and Spring	-	120

(1) Service Area extends into the suburbs.

(2) Includes Stadia, Museums, Open Air Theatres, etc.

CITY OF PHILADELPHIA
SCHOOL DISTRICT RELATED MISCELLANEOUS STATISTICS
FOR THE FISCAL YEARS 1996 THROUGH 2000

The School District is a separate and independent home rule school district of the first class established in 1965 by the Philadelphia Home Rule Charter.

The School District is a political subdivision of the Commonwealth created to assist in the administration of the General Assembly's duties under the Constitution of the Commonwealth to "provide for the maintenance and support of a thorough and efficient system of public education to serve the needs of the Commonwealth".

The School District also serves as the agent for Intermediate Unit No. 26 (the "I.U."), an entity established by the Commonwealth to provide programs in special education, special education transportation, non-public school services and related management services. The Board of Education constitutes the Board of Directors of the I.U.; the boundaries of the I.U. are coterminous with those of the City and School District. All I.U. services are performed by the School District pursuant to contracts between the School District and the I.U.

The School District is governed by the Board of Education which consists of nine members appointed by the Mayor from a list of persons nominated by an Educational Nominating Panel established by the Charter. The Board is responsible for the administration, management and operation of the School District. Members of the Board are appointed for full terms of four years or to fill unexpired terms, and serve without compensation. They may serve only the balance of an unexpired term and three full terms.

The duties of the Board include formulation of educational policy, the adoption of the annual operating budget, capital budget and capital program, the annual request to the Mayor and City Council for authority to levy certain taxes, and the incurrence of indebtedness of the School District.

	<u>Fiscal 1996</u>	<u>Fiscal 1997</u>	<u>Fiscal 1998</u>	<u>Fiscal 1999</u>	<u>Fiscal 2000</u>
Number of Schools (1)					
Elementary	172	173	175	175	175
Junior/Middle	41	41	41	41	42
Special	9	8	8	10	10
Senior	31	31	31	31	32
Vocational/Technical	4	4	4	4	5
Total	<u>257</u>	<u>257</u>	<u>259</u>	<u>261</u>	<u>264</u>
School Enrollment (2)					
Elementary	107,060	108,473	108,237	107,034	105,044
Junior/Middle	34,474	34,030	33,663	33,616	33,632
Senior/Special/ Vocational/Technical	<u>69,519</u>	<u>70,962</u>	<u>71,153</u>	<u>67,411</u>	<u>66,444</u>
Total	<u>211,053</u>	<u>213,465</u>	<u>213,053</u>	<u>208,061</u>	<u>205,120</u>
Number of High School Graduates (1)	<u>8,664</u>	<u>9,225</u>	<u>8,835</u>	<u>10,644</u>	<u>9,949</u>

(1) School District of Philadelphia, Office of Accountability and Assessment

(2) School District of Philadelphia, Budget Document