

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
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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
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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
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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
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Total Property, Plant and Equipment	1,586,781,918	860,477,848	-	2,447,259,766
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<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
Total Liabilities and Fund Equity	\$ 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>

