

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, 1999

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	39,419,454	76,985,673	6,281,704	122,686,831
Due from Other Governmental Units	-	126,385	-	126,385
Accounts Receivable:				
Utility and Aviation Charges	173,905,491	1,670,173	-	175,575,664
Other	<u>5,804,979</u>	<u>6,424,436</u>	<u>412,829</u>	<u>12,642,244</u>
Total Accounts Receivable	179,710,470	8,094,609	412,829	188,217,908
Allowance for Doubtful Accounts	(101,764,965)	(573,873)	-	(102,338,838)
Inventories	12,842,236	1,690,606	20,496,661	35,029,503
Other Current Assets	<u>224,719</u>	<u>-</u>	<u>1,290,000</u>	<u>1,514,719</u>
Total Current Assets	<u>130,461,914</u>	<u>86,323,400</u>	<u>28,481,194</u>	<u>245,266,508</u>
Restricted Assets:				
Equity in Treasurer's Account	443,933,553	170,438,607	-	614,372,160 *
Sinking Funds and Reserves Applicable to Revenue Bonds	148,813,275	63,079,936	-	211,893,211
Grants from Other Governments for Capital Purposes	-	3,750,022	-	3,750,022
Amount Held by Fiscal Agent	-	433,176,494	-	433,176,494 *
Accounts Receivable	-	7,659,263	-	7,659,263
Interest Receivable	<u>2,690,531</u>	<u>8,263,051</u>	<u>-</u>	<u>10,953,582</u>
Total Restricted Assets	<u>595,437,359</u>	<u>686,367,373</u>	<u>-</u>	<u>1,281,804,732</u>
Property, Plant and Equipment:				
In Service	2,617,358,957	1,061,464,241	-	3,678,823,198
Less Accumulated Depreciation and Amortization	(1,155,094,408)	(418,953,955)	-	(1,574,048,363)
Under Construction	<u>130,037,980</u>	<u>68,555,083</u>	<u>-</u>	<u>198,593,063</u>
Total Property, Plant and Equipment	<u>1,592,302,529</u>	<u>711,065,369</u>	<u>-</u>	<u>2,303,367,898</u>
<u>Total Assets</u>	<u>\$ 2,318,201,802</u>	<u>\$ 1,483,756,142</u>	<u>\$ 28,481,194</u>	<u>\$ 3,830,439,138</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, 1999

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	\$ 7,971,220	\$ 3,928,354	\$ 944,600	\$ 12,844,174
Accounts Payable	4,492,470	6,449,310	-	10,941,780
Salaries and Wages Payable	3,126,946	1,742,784	-	4,869,730
Construction Contracts Payable	9,378,266	22,638,755	-	32,017,021
Accrued Expenses	24,879,917	9,949,276	-	34,829,193
Deferred Revenue	8,524,466	22,289,161	-	30,813,627
Current Maturities of Long-Term Bonded Debt	<u>58,999,141</u>	<u>24,180,061</u>	<u>-</u>	<u>83,179,202</u> **
Total Current Liabilities	<u>117,372,426</u>	<u>91,177,701</u>	<u>944,600</u>	<u>209,494,727</u>
Long-Term Liabilities:				
General Obligation Bonds	15,507,764	22,942,337	-	38,450,101
Revenue Bonds - Principal Amount	1,737,080,000	962,170,000	-	2,699,250,000 **
Unamortized Loss - Refunded Debt	(136,812,294)	(6,616,570)	-	(143,428,864) **
Unamortized Discount on Revenue Bonds	(45,909,126)	(23,707,013)	-	(69,616,139)
Other Long-Term Liabilities	<u>5,826,580</u>	<u>1,476,667</u>	<u>-</u>	<u>7,303,247</u>
Total Long-Term Liabilities	<u>1,575,692,924</u>	<u>956,265,421</u>	<u>-</u>	<u>2,531,958,345</u>
Total Liabilities	<u>1,693,065,350</u>	<u>1,047,443,122</u>	<u>944,600</u>	<u>2,741,453,072</u>
Fund Equity:				
Contributed Capital - Local Sources	28,675,755	44,041,977	20,099,676	92,817,408
Contributed Capital - Other Sources	435,838,253	189,803,469	-	625,641,722
Retained Earnings:				
Reserved for Capital Purposes	-	52,764,729	-	52,764,729
Reserved for Rate Stabilization	197,413,902	-	-	197,413,902
Unreserved	<u>(36,791,458)</u>	<u>149,702,845</u>	<u>7,436,918</u>	<u>120,348,305</u>
Total Fund Equity	<u>625,136,452</u>	<u>436,313,020</u>	<u>27,536,594</u>	<u>1,088,986,066</u>
<u>Total Liabilities and Fund Equity</u>	<u>\$ 2,318,201,802</u>	<u>\$ 1,483,756,142</u>	<u>\$ 28,481,194</u>	<u>\$ 3,830,439,138</u>

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

General Obligation Bonds	\$ 51,009,303
Revenue Bonds	2,769,870,000
Other Liabilities	7,303,247

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, 1999

	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Industrial & Commercial Development Fund</u>	<u>Totals</u>
Operating Revenues:				
Charges for Goods and Services	\$ 348,325,133	\$ 45,190,681	\$ -	\$ 393,515,814
Sales of Land and Improvements	-	-	929,063	929,063
Rentals and Concessions	-	74,784,563	-	74,784,563
Miscellaneous Operating Revenues	<u>3,761,461</u>	<u>2,371,095</u>	<u>130,333</u>	<u>6,262,889</u>
<u>Total Operating Revenues</u>	<u>352,086,594</u>	<u>122,346,339</u>	<u>1,059,396</u>	<u>475,492,329</u>
Operating Expenses:				
Personal Services	92,769,262	34,528,017	-	127,297,279
Purchase of Services	56,926,266	38,524,111	-	95,450,377
Materials and Supplies	23,235,199	3,011,677	-	26,246,876
Employee Benefits	39,551,577	15,859,137	-	55,410,714
Indemnities and Taxes	5,697,288	3,656,745	-	9,354,033
Depreciation and Amortization	77,281,211	41,974,184	-	119,255,395
Cost of Goods Sold	-	-	1,752,398	1,752,398
<u>Total Operating Expenses</u>	<u>295,460,803</u>	<u>137,553,871</u>	<u>1,752,398</u>	<u>434,767,072</u>
Operating Income (Loss)	<u>56,625,791</u>	<u>(15,207,532)</u>	<u>(693,002)</u>	<u>40,725,257</u>
Non-Operating Revenues (Expenses):				
Operating Grants	5,426,922	321,872	-	5,748,794
Passenger Facility Charges	-	31,185,137	-	31,185,137
Interest Income	36,320,598	17,800,968	221,322	54,342,888
Debt Service - Interest	(98,211,579)	(23,530,792)	-	(121,742,371)
Other Expenses	<u>(13,153,281)</u>	<u>(594,601)</u>	<u>(1,046,542)</u>	<u>(14,794,424)</u>
<u>Total Non-Operating Revenues (Expenses)</u>	<u>(69,617,340)</u>	<u>25,182,584</u>	<u>(825,220)</u>	<u>(45,259,976)</u>
Income (Loss) Before Operating Transfers	(12,991,549)	9,975,052	(1,518,222)	(4,534,719)
Operating Transfers In (Out)	(4,137,590)	-	-	(4,137,590)
Operating Transfers To Component Units	(2,838,097)	-	-	(2,838,097)
Operating Transfers From Component Units	<u>-</u>	<u>20,466,349</u>	<u>-</u>	<u>20,466,349</u>
<u>Net Income (Loss)</u>	<u>(19,967,236)</u>	<u>30,441,401</u>	<u>(1,518,222)</u>	<u>8,955,943</u>
Other Changes in Unreserved Retained Earnings:				
Credit Arising from Transfer of Depreciation to Contributed Capital - Other Sources	16,476,955	11,139,692	-	27,616,647
Increase in Reserve for Capital Purposes	-	(21,598,216)	-	(21,598,216)
Decrease in Reserve for Rate Stabilization	<u>6,142,261</u>	<u>-</u>	<u>-</u>	<u>6,142,261</u>
Net Change in Unreserved Retained Earnings for the Year	2,651,980	19,982,877	(1,518,222)	21,116,635
Retained Earnings - Unreserved, July 1, 1998	<u>(39,443,438)</u>	<u>129,719,968</u>	<u>8,955,140</u>	<u>99,231,670</u>
Retained Earnings - Unreserved, June 30, 1999	<u>\$ (36,791,458)</u>	<u>\$ 149,702,845</u>	<u>\$ 7,436,918</u>	<u>\$ 120,348,305</u>

CITY OF PHILADELPHIA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

EXHIBIT II-B-3

	Water Fund	Aviation Fund	Industrial Commercial Development Fund	Totals	
Cash Flows from Operating Activities:					
Operating Income (Loss)	\$ 56,625,791	\$ (15,207,532)	\$ (693,002)	\$ 40,725,257	
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation and Amortization	77,281,211	41,974,184	-	119,255,395	
Provision for Uncollectible Accounts	(34,509,596)	(150,782)	-	(34,660,378)	
Changes in Assets and Liabilities:					
(Increase) Decrease in Receivables	30,881,961	(659,874)	(36,378)	30,185,709	
(Increase) Decrease in Inventories	(663,883)	(78,404)	1,217,789	475,502	
Increase (Decrease) in Payables	(955,406)	14,908,463	850,275	14,803,332	
Increase (Decrease) in Accrued Expenses	(2,510,767)	(3,549,650)	-	(6,060,417)	
Increase (Decrease) in Deferred Revenue	298,702	(1,352,030)	-	(1,053,328)	
<u>Net Cash Provided (Used) by Operating Activities</u>	<u>126,448,013</u>	<u>35,884,375</u>	<u>1,338,684</u>	<u>163,671,072</u>	
Cash Flows from Non-Capital Financing Activities:					
Operating Grants Received	5,426,922	195,487	-	5,622,409	
Other Non-Capital Financing Expenses	(13,153,281)	-	(1,046,542)	(14,199,823)	
Operating Transfers (Out) To Other Funds	(4,137,590)	-	-	(4,137,590)	
Operating Transfers (Out) To Component Units	(2,838,097)	-	-	(2,838,097)	
Operating Transfers In From Component Units	-	20,466,349	-	20,466,349	
Changes in Assets and Liabilities:					
Increase (Decrease) in Other Liabilities	4,669,487	1,040,970	-	5,710,457	
<u>Net Cash Provided (Used) in Non-Capital Financing Activities</u>	<u>(10,032,559)</u>	<u>21,702,806</u>	<u>(1,046,542)</u>	<u>10,623,705</u>	
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Sale of Bonds	135,185,000	437,913,384	-	573,098,384	
Bond Issuance Expenses	(1,690,206)	(5,574,098)	-	(7,264,304)	
Principal Paid on Debt Instruments	(185,298,358)	(19,952,777)	-	(205,251,135)	
Interest Paid on Debt Instruments	(98,211,579)	(33,242,968)	-	(131,454,547)	
Acquisition and Construction of Capital Assets	(117,933,698)	(95,230,770)	-	(213,164,468)	
Capital Grants	-	30,913,022	-	30,913,022	
Contributions Received	9,934,069	-	215,795	10,149,864	
Passenger Facility Charge	-	28,826,833	-	28,826,833	
Changes in Assets and Liabilities:					
(Increase) Decrease in Restricted Assets	15,047,265	11,153,096	-	26,200,361	
Increase (Decrease) in Other Liabilities	6,080,966	-	-	6,080,966	
<u>Net Cash Provided (Used) in Capital and Related Financing Activities</u>	<u>(236,886,541)</u>	<u>354,805,722</u>	<u>215,795</u>	<u>118,134,976</u>	
Cash Flows from Investing Activities:					
Interest and Dividends on Investments	36,320,598	16,512,884	221,322	53,054,804	
<u>Net Cash Provided by Investing Activities</u>	<u>36,320,598</u>	<u>16,512,884</u>	<u>221,322</u>	<u>53,054,804</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	(84,150,489)	428,905,787	729,259	345,484,557	
Cash and Cash Equivalents, July 1, 1998	567,533,496	251,694,987	5,552,445	824,780,928	
<u>Cash and Cash Equivalents, June 30, 1999</u>	<u>\$ 483,383,007</u>	<u>\$ 680,600,774</u>	<u>\$ 6,281,704</u>	<u>\$ 1,170,265,485</u>	
Reconciliation to Combining Balance Sheet:					
Current Assets	Equity in Treasurer's Account	\$ 39,419,454	\$ 76,985,673	\$ 6,281,704	\$ 122,686,831
	Cash on Deposit	30,000	-	-	30,000
Restricted Assets	Equity in Treasurer's Account	443,933,553	170,438,607	-	614,372,160
	Amount Held by Fiscal Agent	-	433,176,494	-	433,176,494
Cash and Cash Equivalents, June 30, 1999		<u>\$ 483,383,007</u>	<u>\$ 680,600,774</u>	<u>\$ 6,281,704</u>	<u>\$ 1,170,265,485</u>

