



# C I T Y   O F   P H I L A D E L P H I A

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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, 1999, 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 generally accepted auditing standards 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, and the Philadelphia Parking Authority 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.

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, 1999, 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 generally accepted accounting principles.

The year 2000 supplementary information on page 73 is not a required part of the general-purpose financial statements, but is supplementary information required by the Governmental Accounting Standards Board, and we did not audit and do not express an opinion on such information. Further, we were unable to apply to the information certain procedures prescribed by professional standards because of the unprecedented nature of the year 2000 issue and its effects, and the fact that the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. In addition, we do not provide assurance that the City of Philadelphia is or will become year 2000 compliant, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 1999 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.

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 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.

December 29, 1999

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

JONATHAN A. SAIDEL, CPA(Signed)  
City Controller