

City of Philadelphia

Since 1682

Annual Financial Report



**Fiscal Year Ended
June 30, 2015**

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CITY OF PHILADELPHIA

OFFICE OF THE DIRECTOR OF FINANCE

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Suite 1340, Municipal Services Building
Philadelphia, Pennsylvania 19102-1693

ROB DUBOW

Director of Finance

October 28, 2015

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

The Annual Financial Report of the Director of Finance for the fiscal year ended June 30, 2015 is hereby submitted.

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

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

GENERAL GOVERNMENT FUNCTIONS

GENERAL FUND

At June 30, 2015 an unreserved fund balance surplus of \$151.5 million was reported on the budgetary basis and a total fund balance of \$152.9 million was reported on the modified accrual basis. The difference of \$1.4 million is the result of three (3) reconciling items, as noted below.

Budget Basis Fund Balance	\$151.5
1. Less: BIRT six (6) months pre-pays	(\$178.5)
2. Add: Encumbrances	\$108.9
3. Add: Reserves	<u>\$71.0</u>
Modified Accrual Basis Fund Balance	<u>\$152.9</u>

Please note the “BIRT six (6) months pre-pays” represent Business Income & Receipts Tax payments received in advance of being earned on the modified accrual basis. Encumbrances reduce the Budget Basis Fund Balance, but are not recognized as expenditures on the modified accrual basis. In addition, Reserves are not included in the Budget Basis Fund Balance, but are recognized in modified accrual.

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

Amounts in Millions in USD					
<u>Revenues</u>	<u>FY2015</u>	<u>Percent of Total</u>	<u>FY2014</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	2,777.9	81.9%	2,783.4	(5.5)	-0.2%
Locally Generated Non-Tax Revenue	294.6	8.7%	303.7	(9.1)	-3.0%
Revenue from Other Governments	303.1	8.9%	347.1	(44.0)	-12.7%
Other Revenue	14.5	0.4%	17.0	(2.5)	-14.7%
<u>Total</u>	<u>3,390.1</u>	<u>100.0%</u>	<u>3,451.2</u>	<u>(61.1)</u>	<u>-1.8%</u>

Amounts in Millions of USD					
<u>Expenditures</u>	<u>FY2015</u>	<u>Percent of Total</u>	<u>FY2014</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	29.5	0.8%	25.1	4.4	17.5%
Streets & Highways	62.9	1.6%	64.7	(1.8)	-2.8%
Mass Transit	71.6	1.9%	67.4	4.2	6.2%
Police	1,095.4	28.4%	1,156.5	(61.1)	-5.3%
Prisons	331.5	8.6%	343.9	(12.4)	-3.6%
Courts	280.6	7.3%	271.3	9.3	3.4%
EMS	56.7	1.5%	58.1	(1.4)	-2.4%
Health Services	156.3	4.1%	150.0	6.3	4.2%
Housing	2.8	0.1%	3.3	(0.5)	-15.2%
Recreation and Parks	91.5	2.4%	89.9	1.6	1.8%
Libraries and Museums	72.2	1.9%	67.3	4.9	7.3%
Social Services	146.2	3.8%	147.0	(0.8)	-0.5%
Education	96.0	2.5%	140.5	(44.5)	-31.7%
Inspections and Demolitions	41.1	1.1%	38.3	2.8	7.3%
Sanitation	145.2	3.8%	142.9	2.3	1.6%
Fire	344.7	8.9%	341.1	3.6	1.1%
General Management	599.3	15.6%	579.9	19.4	3.3%
Principal	208.0	5.4%	-	208.0	-
Interest	13.4	0.3%	11.5	1.9	16.5%
Bond Issuance Cost	7.2	0.2%	0.3	6.9	2300.0%
	<u>3,852.1</u>	<u>100.0%</u>	<u>3,699.0</u>	<u>153.1</u>	<u>4.1%</u>

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

Amounts in Millions in USD

<u>Revenues</u>	<u>FY2015</u>	<u>Percent of Total</u>	<u>FY2014</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	2,777.0	73.9%	2,795.9	(18.9)	-0.7%
Locally Generated Non-Tax Revenue	294.4	7.8%	301.8	(7.4)	-2.5%
Revenue from Other Governments	649.3	17.3%	666.0	(16.7)	-2.5%
Revenue from Other Funds	39.0	1.0%	42.0	(3.0)	-7.1%
<u>Total</u>	<u>3,759.7</u>	<u>100.0%</u>	<u>3,805.7</u>	<u>(46.0)</u>	<u>-1.2%</u>

Amounts in Millions in USD

<u>Obligations</u>	<u>FY2015</u>	<u>Percent of Total</u>	<u>FY2014</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Personal Services	1,508.7	39.4%	1,450.6	58.1	4.0%
Pension Contributions	558.3	14.6%	646.4	(88.1)	-13.6%
Other Employee Benefits	541.3	14.1%	547.7	(6.4)	-1.2%
Purchase of Services	810.6	21.2%	787.6	23.0	2.9%
Materials and Supplies	68.0	1.8%	70.7	(2.7)	-3.8%
Equipment	22.5	0.6%	18.0	4.5	25.0%
Contributions, Indemnities and Taxes	150.7	3.9%	208.6	(57.9)	-27.8%
Debt Service	132.0	3.4%	122.5	9.5	7.8%
Payments to Other Funds	39.4	1.0%	34.4	5.0	14.5%
Advances, Subsidies, Miscellaneous	-	0.0%	-	-	0.0%
<u>Total</u>	<u>3,831.5</u>	<u>100.0%</u>	<u>3,886.5</u>	<u>(55.0)</u>	<u>-1.4%</u>

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

SPECIAL REVENUE FUNDS

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

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

Amounts in Millions of USD

<u>Revenues</u>	<u>FY2015</u>	<u>Percent of Total</u>	<u>FY2014</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Tax Revenue	619.2	23.6%	587.4	31.8	5.4%
Locally Generated Non-Tax Revenue	80.0	3.1%	78.0	2.0	2.6%
Revenue from Other Governments	1,918.1	73.2%	1,799.5	118.6	6.6%
Other Revenue	2.4	0.1%	-	2.4	0.0%
<u>Total</u>	<u>2,619.7</u>	<u>100.0%</u>	<u>2,464.9</u>	<u>154.8</u>	<u>6.3%</u>

Amounts in Millions in USD

<u>Expenditures</u>	<u>FY2015</u>	<u>Percent of Total</u>	<u>FY2014</u>	<u>Increase (Decrease)</u>	<u>Percent of Increase (Decrease)</u>
Economic Development	55.5	2.6%	58.6	(3.1)	-5.3%
Streets & Highways	33.3	1.6%	33.3	-	0.0%
Mass Transit	0.2	0.0%	0.1	0.1	-
Police	9.1	0.4%	8.3	0.8	9.6%
Prisons	2.3	0.1%	2.4	(0.1)	-4.2%
Courts	40.8	1.9%	46.6	(5.8)	-12.4%
EMS	9.4	0.4%	7.7	1.7	22.1%
Health Services	1,275.0	59.5%	1,353.0	(78.0)	-5.8%
Housing	78.1	3.6%	77.0	1.1	1.4%
Recreation and Parks	14.2	0.7%	9.8	4.4	44.9%
Libraries and Museums	6.9	0.3%	7.6	(0.7)	-9.2%
Social Services	541.6	25.3%	508.3	33.3	6.6%
Inspections and Demolitions	0.4	0.0%	2.5	(2.1)	0.0%
Sanitation	1.7	0.1%	1.9	(0.2)	-10.5%
Fire	1.7	0.1%	3.1	(1.4)	0.0%
General Management	74.1	3.5%	65.6	8.5	13.0%
	<u>2,144.3</u>	<u>100.0%</u>	<u>2,185.8</u>	<u>(41.5)</u>	<u>-1.9%</u>

ENTERPRISE OPERATIONS

The City's Enterprise Operations are comprised of three separate and distinct activities and are accounted for in the following funds: Water Fund, Aviation Fund and Industrial and Commercial Development Fund. The Water Fund provides water, sewer and storm water services on a user charge basis. The Aviation Fund covers airport operations under a long-term lease agreement with the individual user airlines that became effective July 1, 2015. The Industrial and Commercial Development Fund accounts for acquisition and disposition of land for industrial and commercial purposes. The following summary reflects actual revenues, expenses and results of operations for the individual Enterprise Funds:

Amounts in Millions of USD

	Water Fund	Aviation Fund	Industrial & Commercial Development Fund	Totals
Operating Revenues	675.2	324.1	0.5	999.8
Operating Expenses	473.0	325.1	0.0	798.1
Operating Income (Loss)	202.2	(1.0)	0.5	201.7
Non-Operating Revenues(Expenses)	(66.2)	52.4	0.0	(13.8)
Transfers (To) From Other Funds	(30.3)	0.0	0.0	(30.3)
Capital Contributions	1.3	25.5	33.3	60.1
Change in Net Position	107.1	76.9	33.8	217.8
Net Position-July 1, 2014	970.5	895.0	28.1	1,893.6
Adjustment	0.0	0.0	0.0	0.0
Net Position Adjusted - July 1, 2014	970.5	895.0	28.1	1,893.6
Net Position-June 30, 2015	1,077.6	971.9	62.0	2,111.4

CASH MANAGEMENT

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

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

RISK MANAGEMENT

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

PENSION AND OTHER POST-EMPLOYMENT BENEFITS

The Charter mandates that the City maintain an actuarially sound pension and retirement system. To satisfy that mandate, the City's Board of Pensions and Retirement maintains a multiple-employer Municipal Pension Plan (the Plan). The Plan covers all officers and employees of the City and officers and employees of three other governmental and quasi-governmental organizations. By authority of Ordinances and related amendments passed by City Council, the Plan provides retirement benefits as well as death and disability benefits. Benefits vary by the class of employee. The plan has two major classes of members - those covered under the 1967 Plan and those covered under the 1987 Plan. Both of these plans have multiple divisions and are defined benefit plans. A third plan was recently enacted that features a defined benefit component and a defined contribution component.

DEBT ADMINISTRATION

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

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

Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation. At June 30, 2015 the City's (excluding component units) net general obligation authorized debt of \$1,751.0 million was \$2,537.7 million below the legal limit of \$4,288.7 million.

ACKNOWLEDGEMENTS

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

Sincerely,



ROB DUBOW
Director of Finance



Amounts in thousands of USD													
Special Revenue													
	County Liquid Fuels Tax	Special Gasoline Tax	Health Choices Behavioral Health	Hotel Room Rental Tax	Grants Revenue	Community Development	Car Rental Tax	Housing Trust	Acute Care Hospital Assessment	Riverview Residents	Philadelphia Prisons	Arbitration Appeals	Departmental
Assets													
Cash on Deposit and on Hand	11,585	-	-	-	86	-	-	-	-	-	-	-	264
Equity in Treasurer's Account	368,283	2,267	32,831	117,646	7,731	-	6,121	18,982	11,273	30	3,933	-	2,613
Investments	-	-	-	-	-	-	-	-	-	-	-	-	1,490
Due from Other Funds	60,935	-	-	-	-	-	-	-	-	-	-	-	4
Due from Component Units	48,240	-	-	-	-	-	-	-	-	-	-	-	-
Amounts Held by Fiscal Agent	71,009	-	-	-	20,604	-	-	-	-	-	-	-	-
Taxes Receivable	648,947	-	-	7,917	-	-	579	-	-	-	-	-	-
Accounts Receivable	145,626	-	-	-	3,051	2,398	-	-	1,719	-	-	-	-
Due from Other Governmental Units	41,107	-	-	143,255	373,398	8,639	(28)	-	(1,547)	-	-	-	4,506
Allowance for Doubtful Accounts	(406,103)	-	-	170	-	-	2	-	-	-	-	-	-
Interest and Dividends Receivable	147	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	340
Total Assets	989,776	2,267	32,831	261,071	14,529	11,037	6,674	18,982	11,445	30	3,933	-	11,772
													4,870
Liabilities and Fund Balances													
Liabilities:													
Vouchers Payable	47,855	-	933	264	-	520	-	84	37	-	257	-	192
Accounts Payable	66,325	-	2,287	20,099	30,666	3,876	-	358	91	-	-	-	252
Salaries and Wages Payable	67,519	-	-	-	64,160	125	-	-	112	-	-	-	-
Payroll Taxes Payable	-	-	-	-	4,243	-	-	-	-	-	-	-	-
Due to Other Funds	699	-	-	-	53,386	5,406	-	-	-	-	-	-	4
Due to Primary Government	-	-	-	-	-	-	-	-	-	-	-	-	-
Due to Component Units	313	-	-	-	1,474	194	-	-	-	-	-	-	-
Funds Held in Escrow	8,139	-	-	54,227	-	-	-	-	-	-	447	-	765
Due to Other Governmental Units	166	-	-	-	-	-	-	-	-	-	-	-	-
Obligations Under Capital Leases	149,479	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	524,564	-	3,220	74,590	2,468	10,121	-	442	240	-	704	-	1,213
													4,623
Deferred Inflows of Resources													
	312,302	-	-	-	220	8,023	5	-	172	-	-	-	-
Fund Balances:													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	-
Restricted	71,009	2,267	29,611	186,481	64,730	-	6,669	18,540	11,033	-	-	-	200
Committed	-	-	-	-	-	-	-	-	-	30	3,229	-	9,689
Assigned	81,901	-	-	-	(216,021)	(7,107)	-	-	-	-	-	-	743
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-	(73)
Total Fund Balances	152,910	2,267	29,611	186,481	(151,291)	(7,107)	6,669	18,540	11,033	30	3,229	-	10,559
													247
Total Liabilities, Deferred Inflows of Resources, and Fund Balances													
	989,776	2,267	32,831	261,071	14,529	11,037	6,674	18,982	11,445	30	3,933	-	11,772
													4,870

City of Philadelphia
Balance Sheet
Governmental Funds(Continued)
June 30, 2015

Exhibit 1

	Amounts in thousands of USD									
	Debt Service					Capital Improvement			Permanent	
	PICA Administrative	Total Special Revenue	City	Municipal Authority	PICA	Total	City	Municipal Authority	Total	Total Governmental Funds
Assets										
Cash on Deposit and on Hand	18,050	25,725	-	-	21,102	21,102	-	-	-	58,739
Equity in Treasurer's Account	-	203,427	1,080	-	-	1,080	50,048	-	50,048	622,838
Investments	10,403	11,993	-	51	58,919	58,970	-	46,238	46,238	123,594
Due from Other Funds	-	4	-	-	-	-	-	-	-	60,939
Due from Component Units	-	-	-	-	-	-	-	-	-	48,240
Amounts Held by Fiscal Agent	-	-	-	-	-	-	-	-	-	91,613
Taxes Receivable	2,144	20,604	-	-	-	-	-	-	-	659,587
Accounts Receivable	2	10,640	-	-	-	-	-	-	-	152,796
Due from Other Governmental Units	-	529,798	-	-	-	-	65,566	-	65,566	636,471
Allowance for Doubtful Accounts	-	(2,694)	-	-	-	-	-	-	-	(408,797)
Interest and Dividends Receivable	1	173	-	-	2	2	-	-	-	322
Other Assets	20	360	-	-	-	-	-	-	-	362
Total Assets	30,620	807,200	1,080	51	80,023	81,154	115,614	46,238	161,852	2,046,704
Liabilities and Fund Balances										
Liabilities:										
Vouchers Payable	-	32,953	-	-	-	-	6,050	-	6,050	86,858
Accounts Payable	106	98,320	-	-	-	-	17,750	-	17,750	182,407
Salaries and Wages Payable	-	4,480	-	-	-	-	162	-	162	72,161
Payroll Taxes Payable	29	29	-	-	-	-	-	-	-	29
Due to Other Funds	2,144	60,940	-	-	-	-	-	-	-	61,639
Due to Primary Government	-	-	-	-	-	-	-	4,760	4,760	4,760
Due to Component Units	-	55,895	-	-	-	-	-	-	-	56,208
Funds Held in Escrow	-	1,212	-	-	-	-	2,711	-	2,711	12,062
Due to Other Governmental Units	-	-	-	-	-	-	-	-	-	166
Obligations Under Capital Leases	-	-	-	-	-	-	-	-	-	149,479
Total Liabilities	2,279	391,292	-	-	-	-	33,136	4,760	37,896	953,764
Deferred Inflows of Resources	-	265,458	-	-	-	-	54,515	-	54,515	632,275
Fund Balances:										
Nonspendable	-	200	-	-	-	-	-	-	-	3,464
Restricted	28,341	369,449	1,080	51	80,023	81,154	27,963	41,478	69,441	594,364
Committed	-	4,002	-	-	-	-	-	-	-	4,117
Assigned	-	-	-	-	-	-	-	-	-	81,901
Unassigned	-	(223,201)	-	-	-	-	-	-	-	(223,201)
Total Fund Balances	28,341	150,450	1,080	51	80,023	81,154	27,963	41,478	69,441	460,665
Total Liabilities and Fund Balances	30,620	807,200	1,080	51	80,023	81,154	115,614	46,238	161,852	2,046,704

City of Philadelphia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2015

Exhibit 2

Amounts in thousands of US\$

	Special Revenue													Municipal Authority Administrative
	County Liquid Fuels Tax	Special Gasoline Tax	Health Choices Behavioral Health	Hotel Room Rental Tax	Grants Revenue	Community Development	Car Rental Tax	Housing Trust	Acute Care Hospital Assessment	Riverview Residents	Philadelphia Prisons	Arbitration Appeals	Departmental	
Revenues														
Tax Revenue	-	-	-	57,414	-	-	5,411	-	147,122	-	-	-	-	-
Locally Generated Non-Tax Revenue	-	2	1,321	-	58,473	1,395	3	11,733	-	-	3,121	324	3,544	45
Revenue from Other Governments	4,596	28,724	821,402	-	1,022,511	40,766	-	-	-	-	-	-	70	-
Other Revenues	-	339	-	-	-	-	-	-	-	-	-	-	764	-
Total Revenues	4,596	29,065	822,723	57,414	1,080,984	42,161	5,414	11,733	147,122	-	3,121	324	4,378	45
Expenditures														
Current Operating:														
Economic Development	-	-	-	52,338	3,163	-	-	-	-	-	-	-	-	-
Transportation:														
Streets & Highways	4,846	23,115	-	-	5,348	-	-	-	-	-	-	-	-	-
Mass Transit	-	-	-	-	157	-	-	-	-	-	-	-	-	-
Judiciary and Law Enforcement:														
Police	-	-	-	-	9,110	-	-	-	-	-	-	-	-	-
Prisons	-	-	-	-	33	-	-	-	-	-	2,310	-	-	-
Courts	-	-	-	-	40,845	-	-	-	-	-	-	-	-	-
Conservation of Health:														
Emergency Medical Services	56,702	-	-	-	9,353	-	-	-	-	-	-	-	-	-
Health Services	156,243	-	-	-	306,130	-	-	-	144,156	-	-	-	-	-
Housing and Neighborhood Development	-	-	824,799	-	-	-	-	-	-	-	-	-	-	-
Cultural and Recreational:														
Recreation	-	-	-	-	26,976	41,383	-	9,749	-	-	-	-	-	-
Parks & Recreation	91,445	-	-	-	12,459	-	-	-	-	-	-	-	1,695	-
Libraries and Museums	-	-	-	-	-	-	-	-	-	-	-	-	156	-
Improvements to General Welfare:														
Social Services	146,197	-	-	-	541,649	-	-	-	-	-	-	-	-	-
Education	96,020	-	-	-	-	-	-	-	-	-	-	-	-	-
Inspections and Demolitions	41,106	-	-	-	414	-	-	-	-	-	-	-	-	-
Service to Property:														
Sanitation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire	145,197	-	-	-	1,747	-	-	-	-	-	-	-	-	-
General Management and Support	-	-	-	-	1,651	-	-	-	-	-	-	-	-	-
Capital Outlay	599,218	-	-	-	20,265	-	6,000	-	-	-	1,093	324	2,775	41,222
Debt Service:														
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Cost	7,199	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	4,846	23,115	824,799	52,338	986,045	41,383	6,000	9,749	144,156	-	3,403	324	4,626	41,222
Excess (Deficiency) of Revenues Over (Under) Expenditures	(250)	5,950	(2,076)	5,076	94,939	778	(586)	1,984	2,966	-	(282)	-	(248)	(41,177)
Other Financing Sources (Uses)														
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Issuance Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	30	-	-	-	-	-	-	-	954	41,138
Transfers Out	-	-	-	-	(31,066)	-	-	-	(2,000)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	(31,036)	-	-	-	(2,000)	-	-	-	954	41,138
Net Change in Fund Balances	(250)	5,950	(2,076)	5,076	63,903	778	(586)	1,984	966	-	(282)	-	706	(39)
Fund Balance - July 1, 2014	2,517	23,661	188,557	6,765	(215,194)	(7,885)	7,255	16,556	10,067	30	3,511	-	9,853	286
Fund Balance - June 30, 2015	2,267	29,611	186,481	11,841	(151,291)	(7,107)	6,669	18,540	11,033	30	3,229	-	10,559	247

City of Philadelphia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds(Continued)
For the Fiscal Year Ended June 30, 2015

Exhibit 2

	Amounts in thousands of USD									
	Debt Service					Capital Improvement			Permanent	
	PICA Administrative	Total Special Revenue	City	Municipal Authority	PICA	Total	City	Municipal Authority	Libraries & Parks	Total Governmental Funds
Revenues										
Tax Revenue	409,268	619,215	-	-	-	-	-	-	-	3,397,104
Locally Generated Non-Tax Revenue	22	79,983	-	-	1,699	1,699	-	51	209	376,587
Revenue from Other Governments	-	1,918,069	-	-	-	-	53,856	-	-	2,274,986
Other Revenues	1,274	2,377	-	-	-	-	47	-	-	16,924
Total Revenues	410,564	2,619,644	-	-	1,699	1,699	53,903	51	209	6,065,601
Expenditures										
Current Operating:										
Economic Development	-	55,501	-	-	-	-	-	-	-	85,033
Transportation:										
Streets & Highways	-	33,309	-	-	-	-	-	-	-	96,221
Mass Transit	-	157	-	-	-	-	-	-	-	71,749
Judiciary and Law Enforcement:										
Police	-	9,110	-	-	-	-	-	-	-	1,104,644
Prisons	-	2,343	-	-	-	-	-	-	-	333,887
Courts	-	40,845	-	-	-	-	-	-	-	321,478
Conservation of Health:										
Emergency Medical Services	-	9,353	-	-	-	-	-	-	-	66,055
Health Services	-	1,275,085	-	-	-	-	-	-	-	1,431,328
Housing and Neighborhood Development	-	78,108	-	-	-	-	-	-	-	80,878
Cultural and Recreational:										
Recreation	-	12,459	-	-	-	-	-	-	-	103,904
Parks & Recreation	-	1,695	-	-	-	-	-	-	109	1,804
Libraries and Museums	-	6,901	-	-	-	-	-	-	-	79,134
Improvements to General Welfare:										
Social Services	-	541,649	-	-	-	-	-	-	-	687,846
Education	-	-	-	-	-	-	-	-	-	96,020
Inspections and Demolitions	-	414	-	-	-	-	-	-	-	41,520
Service to Property:										
Sanitation	-	1,747	-	-	-	-	-	-	-	146,944
Fire	-	1,651	-	-	-	-	-	-	-	346,366
General Management and Support	2,396	74,075	-	-	-	-	163,261	26,515	23	673,316
Capital Outlay	-	-	-	-	-	-	-	-	-	189,776
Debt Service:										
Principal	-	-	59,850	24,273	47,686	131,809	-	-	-	339,824
Interest	-	-	70,691	19,206	18,136	108,033	-	-	-	121,387
Bond Issuance Cost	-	-	-	-	-	-	-	-	-	7,199
Total Expenditures	2,396	2,144,402	130,541	43,479	65,822	239,842	163,261	26,538	109	6,426,313
Excess (Deficiency) of Revenues Over (Under) Expenditures	408,168	475,242	(130,541)	(43,479)	(64,123)	(238,143)	(109,358)	(26,487)	100	(360,712)
Other Financing Sources (Uses)										
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	-	225,685
Bond Issuance Premium	-	42,122	130,496	43,519	62,461	236,476	13,767	(40)	-	21,330
Transfers In	(413,787)	(446,853)	-	-	-	-	-	-	197	663,117
Transfers Out	(413,787)	(404,731)	130,496	43,519	62,461	236,476	13,767	(40)	197	(661,205)
Total Other Financing Sources (Uses)	(5,619)	70,511	(45)	40	(1,662)	(1,667)	(95,591)	(26,527)	297	248,927
Net Change in Fund Balances	33,960	79,939	1,125	11	81,685	82,821	123,554	68,005	6,413	(11,785)
Fund Balance - July 1, 2014	28,341	150,450	1,080	51	80,023	81,154	27,963	41,478	6,710	572,450
Fund Balance - June 30, 2015										460,665

City of Philadelphia
Statement of Fund Net Position
Proprietary Funds
June 30, 2015

Exhibit 3

Amounts in thousands of USD

	Business Type Activities - Enterprise Funds			
	Water and Sewer	Aviation	Other Non-Major Industrial & Commercial Development	Total
<u>Assets</u>				
Current Assets:				
Cash on Deposit and on Hand	30	-	-	30
Equity in Treasurer's Account	79,976	63,729	4,540	148,245
Due from Other Governments	-	1,228	-	1,228
Due from Other Funds	-	-	1,972	1,972
Accounts Receivable	157,319	34,253	-	191,572
Allowance for Doubtful Accounts	(12,405)	(1,124)	-	(13,529)
Inventories	13,323	3,037	55,397	71,757
Total Current Assets	238,243	101,123	61,909	401,275
Non-Current Assets:				
Restricted Assets:				
Equity in Treasurer's Account	668,106	336,676	-	1,004,782
Amounts Held by Fiscal Agent	-	342	-	342
Sinking Funds and Reserves	221,198	50,839	-	272,037
Grants for Capital Purposes	-	12,210	-	12,210
Receivables	934	10,149	-	11,083
Total Restricted Assets	890,238	410,216	-	1,300,454
Capital Assets:				
Land	5,919	147,049	-	152,968
Infrastructure	2,422,441	928,883	-	3,351,324
Construction in Progress	302,364	613,258	-	915,622
Buildings and Equipment	1,668,255	1,884,845	-	3,553,100
Less: Accumulated Depreciation	(2,249,441)	(1,630,233)	-	(3,879,674)
Total Capital Assets, Net	2,149,538	1,943,802	-	4,093,340
Total Non-Current Assets	3,039,776	2,354,018	-	5,393,794
Total Assets	3,278,019	2,455,141	61,909	5,795,069
<u>Deferred Outflows of Resources</u>	59,133	22,804	-	81,937
<u>Liabilities</u>				
Current Liabilities:				
Vouchers Payable	10,798	15,760	-	26,558
Accounts Payable	12,339	-	-	12,339
Salaries and Wages Payable	5,582	2,304	-	7,886
Construction Contracts Payable	21,911	38,289	-	60,200
Due to Component Units	2,898	-	-	2,898
Accrued Expenses	23,554	3,571	-	27,125
Funds Held in Escrow	2,380	-	-	2,380
Unearned Revenue	8,905	-	-	8,905
Commercial Paper Notes	-	167,600	-	167,600
Bonds Payable-Current	136,724	60,215	-	196,939
Total Current Liabilities	225,091	287,739	-	512,830
Derivative Instrument Liability	3,289	16,225	-	19,514
Net Pension Liability	26,673	23,079	-	49,752
Non-Current Liabilities:				
Bonds Payable	1,974,073	1,165,115	-	3,139,188
Other Non-Current Liabilities	30,477	13,917	-	44,394
Total Non-Current Liabilities	2,004,550	1,179,032	-	3,183,582
Total Liabilities	2,259,603	1,506,075	-	3,765,678
<u>Net Position</u>				
Net Investment in Capital Assets	386,948	711,034	-	1,097,982
Restricted For:				
Capital Projects	132,157	124,757	-	256,914
Debt Service	221,198	81,078	-	302,276
Rate Stabilization	206,447	-	-	206,447
Unrestricted	130,799	55,001	61,909	247,709
Total Net Position	1,077,549	971,870	61,909	2,111,328

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

City of Philadelphia
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2015

Exhibit 4

Amounts in thousands of USD

	Business-Type Activities - Enterprise Funds			
	Water and Sewer	Aviation	Other Non-Major Industrial & Commercial Development	Totals
Operating Revenues:				
Charges for Goods and Services	666,037	104,788	-	770,825
Rentals and Concessions	-	213,761	-	213,761
Operating Grants	907	-	-	907
Miscellaneous Operating Revenues	8,261	5,555	459	14,275
Total Operating Revenues	675,205	324,104	459	999,768
Operating Expenses:				
Personal Services	121,770	71,330	-	193,100
Purchase of Services	104,444	95,494	-	199,938
Materials and Supplies	37,382	9,396	-	46,778
Employee Benefits	101,823	51,456	-	153,279
Indemnities and Taxes	3,842	1,437	-	5,279
Depreciation	103,763	96,000	-	199,763
Total Operating Expenses	473,024	325,113	-	798,137
Operating Income (Loss)	202,181	(1,009)	459	201,631
Non-Operating Revenues (Expenses):				
Federal, State and Local Grants	-	1,645	-	1,645
Passenger and Customer Facility Charges	-	91,114	-	91,114
Interest Income	3,732	1,001	2	4,735
Debt Service - Interest	(65,933)	(41,329)	-	(107,262)
Other Revenue (Expenses)	(3,993)	-	-	(3,993)
Total Non-Operating Revenues (Expenses)	(66,194)	52,431	2	(13,761)
Income (Loss) Before Contributions & Transfers	135,987	51,422	461	187,870
Transfers In/(Out)	(30,258)	-	-	(30,258)
Capital Contributions	1,337	25,479	33,299	60,115
Change in Net Position	107,066	76,901	33,760	217,727
Net Position - July 1, 2014	970,483	894,969	28,149	1,893,601
Net Position - June 30, 2015	1,077,549	971,870	61,909	2,111,328

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

City of Philadelphia
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2015

Exhibit 5

Amounts in thousands of USD

	Gas Works Retirement Reserve Fund	Municipal Pension Fund	Total
<u>Assets</u>			
Equity in Treasurer's Account	516,033	10,755	526,788
Investments	-	4,657,860	4,657,860
Accounts Receivable	-	1,694	1,694
Due from Brokers for Securities Sold	6,712	130,503	137,215
Interest and Dividends Receivable	1,400	-	1,400
Due from Other Governmental Units	-	4,282	4,282
	<hr/>	<hr/>	<hr/>
Total Assets	524,145	4,805,094	5,329,239
	<hr/>	<hr/>	<hr/>
<u>Liabilities</u>			
Vouchers Payable	-	402	402
Accounts Payable	362	636	998
Salaries and Wages Payable	-	84	84
Due to Brokers for Securities Purchased	22,000	120,502	142,502
Accrued Expenses	3,111	3,709	6,820
	<hr/>	<hr/>	<hr/>
Total Liabilities	25,473	125,333	150,806
	<hr/>	<hr/>	<hr/>
Net Position Held in Trust for Pension Benefits	<u>498,672</u>	<u>4,679,761</u>	<u>5,178,433</u>

City of Philadelphia
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2015

Exhibit 6

Amounts in thousands of USD

	Gas Works Retirement Reserve <u>Fund</u>	Municipal Pension <u>Fund</u>	<u>Total</u>
<u>Additions</u>			
Contributions:			
Employer's Contributions	20,288	577,195	597,483
Employees' Contributions	<u>392</u>	<u>58,658</u>	<u>59,050</u>
Total Contributions	<u>20,680</u>	<u>635,853</u>	<u>656,533</u>
Investment Income:			
Interest and Dividends	12,146	100,325	112,471
Net Gain in Fair Value of Investments	2,362	196,222	198,584
(Less) Investments Expenses	(1,503)	(8,922)	(10,425)
Unrealized Gain/Loss	<u>-</u>	<u>(268,900)</u>	<u>(268,900)</u>
Net Investment Gain	<u>13,005</u>	<u>18,725</u>	<u>31,730</u>
Miscellaneous Operating Revenues	-	120	120
Total Additions	<u>33,685</u>	<u>654,698</u>	<u>688,383</u>
<u>Deductions</u>			
Personal Services	-	3,271	3,271
Purchase of Services	-	4,077	4,077
Materials and Supplies	-	68	68
Employee Benefits	-	2,761	2,761
Pension Benefits	48,023	876,186	924,209
Refunds of Members' Contributions	-	5,279	5,279
Administrative Expenses Paid	<u>135</u>	<u>-</u>	<u>135</u>
Total Deductions	<u>48,158</u>	<u>891,642</u>	<u>939,800</u>
Change in Net Position	(14,473)	(236,944)	(251,417)
Net Position - July 1, 2014	<u>513,145</u>	<u>4,916,705</u>	<u>5,429,850</u>
Net Position - June 30, 2015	<u><u>498,672</u></u>	<u><u>4,679,761</u></u>	<u><u>5,178,433</u></u>

City of Philadelphia
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2015

Exhibit 7

Amounts in thousands of USD

	<u>Escrow Fund</u>	<u>Employee Health & Welfare Fund</u>	<u>Departmental Custodial Accounts</u>	<u>Total</u>
<u>Assets</u>				
Cash on Deposit and on Hand	-	-	107,665	107,665
Equity in Treasurer's Account	28,228	15,109	-	43,337
Investments	-	-	4,652	4,652
Due from Other Funds	-	-	699	699
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	28,228	15,109	113,016	156,353
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Liabilities</u>				
Vouchers Payable	6	22	-	28
Payroll Taxes Payable	-	1,552	-	1,552
Funds Held in Escrow	28,222	13,535	113,016	154,773
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	28,228	15,109	113,016	156,353
	<hr/>	<hr/>	<hr/>	<hr/>
Net Position	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

City of Philadelphia
Statement of Changes in Fiduciary Net Position
Agency Funds
For the Fiscal Year Ended June 30, 2015

Exhibit 8

Amounts in thousands of USD

	Balance 7-1-2014	Additions	Deductions	Balance 6-30-2015
<u>Escrow Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	29,018	427,763	428,553	28,228
<u>Liabilities</u>				
Funds Held in Escrow	29,010	420,739	421,527	28,222
Vouchers Payable	8	12,264	12,266	6
Total Liabilities	29,018	433,003	433,793	28,228
<u>Employee Health and Welfare Fund</u>				
<u>Assets</u>				
Equity in Treasurer's Account	15,296	972,337	972,524	15,109
<u>Liabilities</u>				
Vouchers Payable	396	8,404	8,778	22
Payroll Taxes Payable	3,889	874,359	876,696	1,552
Funds Held in Escrow	11,011	97,895	95,371	13,535
Total Liabilities	15,296	980,658	980,845	15,109
<u>Departmental Custodial Accounts</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	120,223	166,384	178,942	107,665
Investments	5,713	-	1,061	4,652
Due from Other Funds	699	-	-	699
Total Assets	126,635	166,384	180,003	113,016
<u>Liabilities</u>				
Funds Held in Escrow	126,635	166,384	180,003	113,016
<u>Totals - Agency Funds</u>				
<u>Assets</u>				
Cash on Deposit and on Hand	120,223	166,384	178,942	107,665
Equity in Treasurer's Account	44,314	1,400,100	1,401,077	43,337
Investments	5,713	-	1,061	4,652
Due from Other Funds	699	-	-	699
Total Assets	170,949	1,566,484	1,581,080	156,353
<u>Liabilities</u>				
Vouchers Payable	404	20,668	21,044	28
Payroll Taxes Payable	3,889	874,359	876,696	1,552
Funds Held in Escrow	166,656	685,018	696,901	154,773
Total Liabilities	170,949	1,580,045	1,594,641	156,353

City of Philadelphia
Statement of Long-Term Debt
June 30, 2015

Exhibit 9

Amounts in millions of USD

Amount Available and to be Provided for Retirement
of Long-Term Debt - Principal

Bond Principal:

Amount Available in Sinking Funds and Sinking Fund Reserve for Revenue

Bonds 267.8

Amount of Principal to be Provided in Future Years 4,297.0

Total Bond Principal Available and to be Provided 4,564.8

Other Long-Term Obligations:

Amount of Principal to be Provided in Future Years 3,868.6

Total Available and to be Provided in Future Years 8,433.4

Bonds Payable in Future Years:

General Obligation Serial Bonds Payable 382.5

General Obligation Term Bonds Payable 128.9

General Obligation Refunding Bonds Payable 868.3

Total General Obligation Bonds Payable 1,379.7

Revenue Term Bonds Payable 1,659.9

Revenue Compound Interest Bonds Payable 1,525.2

Total Revenue Bonds Payable 3,185.1

Total Bonds Payable 4,564.8

Other Long-Term Obligations Payable 3,868.6

Total Long-Term Debt 8,433.4

City of Philadelphia
Analysis of Changes In Bonded Debt Outstanding
For the Fiscal Year Ended June 30, 2015

Exhibit 10

Amounts in millions of USD

	Governmental Fund Types				Enterprise Funds			All Funds Total
	General Fund	Municipal Authority Fund	PICA	Total	Water Fund	Aviation Fund	Total	All Funds Total
Bonded Debt Outstanding, July 1, 2014	1,439.6	262.8	363.6	2,066.0	1,851.4	1,256.3	3,107.7	5,173.7
<u>Increases:</u>								
Par Value of Bonds Issued:								
General Obligation Revenue	-	-	-	-	-	-	-	-
	-	-	-	-	418.3	-	418.3	418.3
<u>Total Bonds Sold</u>	-	-	-	-	418.3	-	418.3	418.3
<u>Decreases:</u>								
Matured Bonds:								
General Obligation	59.9	26.0	47.7	133.6	-	-	-	133.6
General Obligation Refunded	-	-	-	-	-	-	-	-
Revenue	-	-	-	-	125.3	62.4	187.7	187.7
Revenue Refunded	-	-	-	-	153.2	-	153.2	153.2
	-	-	-	-	-	-	-	-
<u>Total Decrease</u>	59.9	26.0	47.7	133.6	278.5	62.4	340.9	474.5
<u>Net Change:</u>								
General Obligation Revenue	(59.9)	(26.0)	(47.7)	(133.6)	-	-	-	(133.6)
	-	-	-	-	139.8	(62.4)	77.4	77.4
<u>Total Change</u>	(59.9)	(26.0)	(47.7)	(133.6)	139.8	(62.4)	77.4	(56.2)
Bonded Debt Outstanding, June 30, 2015	1,379.7	236.8	315.9	1,932.4	1,991.2	1,193.9	3,185.1	5,117.5

City of Philadelphia
Analysis of Changes in Other Long-Term Debt
For the Fiscal Year Ended June 30, 2015

Exhibit 11

Amounts in thousands of USD

	<u>General Fund</u>	<u>Water Fund</u>	<u>Aviation Fund</u>	<u>Other Funds</u>	<u>Total All Funds</u>
<u>Balance Outstanding, July 1, 2014</u>					
Worker's Compensation	257,819	16,814	5,605	-	280,238
Termination Compensation	224,572	10,171	7,727	220	242,690
Medical and Indemnity Claims	66,006	3,529	1,200	-	70,735
Arbitrage Payable	-	-	299	-	299
Net Pension Liability	404,714	26,673	23,079	-	454,466
OPEB	228,533	-	-	-	228,533
PMA Equipment Leases	16,863	-	-	-	16,863
Pension Service Agreement Series 1999	1,121,448	-	-	-	1,121,448
Pension Refunding Service Agreement	299,805	-	-	-	299,805
Neighborhood Transformation	212,465	-	-	-	212,465
Sports Stadium	302,105	-	-	-	302,105
Central Library Project	7,185	-	-	-	7,185
Cultural Corridor Bonds	112,050	-	-	-	112,050
One Parkway	39,260	-	-	-	39,260
Philadelphia Municipal Authority	262,855	-	-	-	262,855
PAID School District	27,275	-	-	-	27,275
PICA	363,640	-	-	-	363,640
	<u>3,946,595</u>	<u>57,187</u>	<u>37,910</u>	<u>220</u>	<u>4,041,912</u>
<u>Increases:</u>					
Worker's Compensation	-	-	-	-	-
Termination Compensation	-	-	-	11	11
Indemnity Claims	-	-	-	-	-
Pension Service Agreement Series 1999	43,015	-	-	-	43,015
Philadelphia Municipal Authority	-	-	-	-	-
Neighborhood Transformation	111,515	-	-	-	111,515
Sports Stadiums	56,655	-	-	-	56,655
PAID PSD	57,515	-	-	-	57,515
<u>Total Increases</u>	<u>268,700</u>	<u>-</u>	<u>-</u>	<u>11</u>	<u>268,711</u>
<u>Decreases:</u>					
Worker's Compensation	-	-	-	-	-
Termination Compensation	12,370	37	182	-	12,589
Indemnity Claims	-	-	-	-	-
Leases	4,027	-	-	-	4,027
Pension Service Agreement Series 1999	101,230	-	-	-	101,230
Neighborhood Transformation	133,270	-	-	-	133,270
Sports Stadiums	68,860	-	-	-	68,860
Central Library Project	530	-	-	-	530
Cultural Corridor Bonds	3,965	-	-	-	3,965
One Parkway	2,250	-	-	-	2,250
Philadelphia Municipal Authority	26,060	-	-	-	26,060
PAID PSD	41,510	-	-	-	41,510
PICA	47,685	-	-	-	47,685
<u>Total Decreases</u>	<u>441,757</u>	<u>37</u>	<u>182</u>	<u>-</u>	<u>441,976</u>
<u>Balance Outstanding, June 30, 2015</u>					
Worker's Compensation	257,819	16,814	5,605	-	280,238
Termination Compensation	212,202	10,134	7,545	231	230,112
Indemnity Claims	66,006	3,529	1,200	-	70,735
Arbitrage Payable	-	-	299	-	299
Net Pension Liability	404,714	26,673	23,079	-	454,466
OPEB	228,533	-	-	-	228,533
Leases	12,836	-	-	-	12,836
Pension Service Agreement Series 1999	1,063,233	-	-	-	1,063,233
Pension Refunding Service Agreement	299,805	-	-	-	299,805
Neighborhood Transformation	190,710	-	-	-	190,710
Sports Stadiums	289,900	-	-	-	289,900
Central Library Project	6,655	-	-	-	6,655
Cultural Corridor Bonds	108,085	-	-	-	108,085
One Parkway	37,010	-	-	-	37,010
Philadelphia Municipal Authority	236,795	-	-	-	236,795
PICA	315,955	-	-	-	315,955
PAID PSD	43,280	-	-	-	43,280
	<u>3,773,538</u>	<u>57,150</u>	<u>37,728</u>	<u>231</u>	<u>3,868,647</u>

City of Philadelphia
City Related Schedule of Debt Incurring Capacity
June 30, 2015

Exhibit 12

Amounts in millions of USD

		Authorized		
		Issued and <u>Outstanding</u>	<u>Unissued</u>	<u>Total</u>
General Obligation Bonded Debt:				
Tax Supported		1,378.7	372.3	1,751.0
Self-Sustaining		<u>1.0</u>	<u>352.6</u>	<u>353.6</u>
<u>Total General Obligation Bonded Debt</u>		<u>1,379.7</u>	<u>724.9</u>	<u>2,104.6</u>
		Applicable to Self- <u>Sustaining</u>	Net <u>Deductions</u>	
	<u>Total</u>			
Deductions Authorized by Law:				
Appropriation for Maturing Serials (Fiscal 2015)	<u>-</u>	<u>-</u>	<u>-</u>	
Total Self-Sustaining Debt			<u>353.6</u>	
Total Net Deductions Authorized by Law				<u>353.6</u>
Total Amount of Debt Applicable to Debt Limit				<u>1,751.0</u>
Legal Debt Limit (Notes 1, 2, 3, 4, 5, and 6)				<u>4,288.7</u>
Legal Debt Margin				<u>2,537.7</u>

NOTES:

- (1) Refer to Purdon's Statutes 53 P.S. Sections 15721 - 727 - 728 - 761 - 763 and 781.
- (2) This statement does not reflect \$4,193.9 million of Revenue Bonds, which are secured by a pledge of Water and Sewer Revenues of \$1,991.2 million, Airport revenues of \$1,193.9 million, and Gas Works revenues of \$1,008.8 million.
- (3) The legal limit is based on the Pennsylvania Constitution, Article IX, Section 12.
- (4) Calendar Years 2005 - 2012 assessed values were provided by OPA via the Department of Revenue.
- (5) Calendar Year 2013/Tax Year 2014 assessed values were provided by OPA. The higher amount was due to the implementation of the AVI (Actual Value Initiative) in 2013.
- (6) Beginning in 2014, the Finance Department began using Calendar Year assessed values to calculate the preceding 10-year average; prior to this change, the Tax Year assessed values were used.

<u>Calendar Year of Assessment</u>	<u>Tax Year of Assessment</u>	<u>R.E. Assessments</u>
2005	2006	11,949,243,041
2006	2007	12,268,019,348
2007	2008	12,901,810,390
2008	2009	13,307,070,680
2009	2010	13,102,186,291
2010	2011	13,522,847,116
2011	2012	13,602,484,741
2012	2013	13,755,670,566
2013	2014	107,209,023,547
2014	2015	<u>106,062,882,977</u>
Ten-Year Average:		<u>31,768,123,870</u>
Limit per Article IX:		13.50%
Legal Debt Limit:		4,288,696,722

City of Philadelphia
Statement of Net Position
Component Units
June 30, 2015

Amounts in thousands of USD

	Philadelphia Gas Works*	Philadelphia Redevelopment Authority	Philadelphia Parking Authority*	School District of Philadelphia	Community College of Philadelphia	Community Behavioral Health*	Delaware River Waterfront Corporation	Philadelphia Authority for Industrial Development*	Total
Assets									
Cash on Deposit and on Hand	-	-	49,564	-	10,515	31,826	-	36,109	128,014
Investments	-	-	22,842	-	38,737	-	-	-	61,579
Due from Primary Government	-	-	-	-	-	43,586	-	-	43,586
Accounts Receivable-Net	-	-	728	-	7,431	46	-	1,698	9,903
Interest and Dividends Receivable	-	-	202	-	47	-	-	-	249
Due from Other Governments	-	-	-	-	2,848	-	-	30,995	33,843
Other Assets	-	-	144	-	-	1,305	-	19,620	21,069
Restricted Assets:									
Cash and Cash Equivalents	-	-	113,253	-	-	-	-	29,441	142,694
Other Assets	-	-	-	-	650	-	-	-	650
Capital Assets:									
Land and Other Non-Depreciated Assets	-	-	15,255	-	30,105	-	-	10,574	55,934
Other Capital Assets (Net of Depreciation)	-	-	156,936	-	141,188	8,771	-	62,278	369,173
Total Capital Assets	-	-	172,191	-	171,293	8,771	-	72,852	425,107
Total Assets	-	-	358,924	-	231,521	85,534	-	190,715	866,694
Deferred Outflows of Resources	-	-	4,807	-	544	-	-	-	5,351
Liabilities									
Notes Payable	-	-	6,000	-	71,193	-	-	-	77,193
Vouchers Payable	-	-	-	-	14,350	-	-	-	14,350
Accounts Payable	-	-	19,200	-	-	3,635	-	12,365	35,200
Salaries and Wages Payable	-	-	-	-	2,675	7,169	-	-	9,844
Accrued Expenses	-	-	636	-	1,084	66,436	-	-	68,156
Funds Held in Escrow	-	-	-	-	561	-	-	2,012	2,573
Due to Other Governments	-	-	13,367	-	491	-	-	12,160	26,018
Due to Primary Government	-	-	30,124	-	-	-	-	(7,864)	22,260
Unearned Revenue	-	-	-	-	3,958	-	-	78,710	82,668
Other Current Liabilities	-	-	-	-	-	8,294	-	-	8,294
Derivative Instrument Liability	-	-	-	-	-	-	-	-	-
Non-Current Liabilities:									
Due within one year	-	-	12,570	-	1,127	-	-	-	13,697
Due in more than one year	-	-	163,454	-	59,809	-	-	27,046	250,309
Total Liabilities	-	-	245,351	-	155,248	85,534	-	124,429	610,562
Deferred Inflows of Resources	-	-	308	-	97	-	-	-	405
Net Position									
Net Investment in Capital Assets	-	-	72,228	-	96,979	-	-	36,926	206,133
Restricted For:									
Debt Service	-	-	2,674	-	-	-	-	-	2,674
Educational Programs	-	-	-	-	5,213	-	-	-	5,213
Grant Programs	-	-	-	-	-	-	-	29,198	29,198
Unrestricted	-	-	43,170	-	(25,472)	-	-	162	17,860
Total Net Position	-	-	118,072	-	76,720	-	-	66,286	261,078

* The Philadelphia Gas Works is presented as of the close of their fiscal year, August 31, 2015. Community Behavioral Health and the Philadelphia Authority for Industrial Development are presented as of the close of their fiscal year, December 31, 2014. The Philadelphia Parking Authority is presented as of the close of their fiscal year, March 31, 2015.

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

**City of Philadelphia
Statement of Activities
Component Units
For the Fiscal Year Ended June 30, 2015**

Amounts in thousands of USD

Functions	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Philadelphia Gas Works*	Philadelphia Redevelopment Authority	Philadelphia Parking Authority	School District of Philadelphia	Community College of Philadelphia	Delaware River Waterfront Corporation
Gas Operations	-	-	-	-	-	-	-	-	-	-
Gas Works	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Redevelopment Authority	-	-	-	-	-	-	-	-	-	-
Parking	-	-	-	-	-	-	-	-	-	-
Parking Authority	236,070	234,462	-	-	-	(1,608)	-	-	-	(1,608)
Education	-	-	-	-	-	-	-	-	-	-
School District	-	-	-	-	-	-	-	-	-	-
Community College	169,850	33,758	68,451	-	-	-	-	(67,641)	-	(67,641)
Total	169,850	33,758	68,451	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Community Behavioral Health	795,152	-	795,152	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-	-	-
Delaware River Waterfront Corp.	-	-	-	-	-	-	-	-	-	-
Authority for Ind. Development	158,292	2,625	118,677	38,241	-	-	-	-	1,251	1,251
Total	158,292	2,625	118,677	38,241	-	-	-	-	-	-
Total Component Units	1,359,364	270,845	982,280	38,241	-	-	-	-	-	(67,998)
General Revenues:										
Grants & Contributions Not Restricted to Specific Programs	-	-	-	-	-	-	-	-	60,762	60,762
Unrestricted Interest & Investment Earnings	-	-	-	-	-	-	2,361	-	635	2,996
Miscellaneous	-	-	-	-	-	-	-	-	2,064	2,005
Special Item-Gain (Loss) on Sale of Capital Assets	-	-	-	-	-	-	-	-	(1,995)	833
Total General Revenue, Special Items and Transfers	-	-	-	-	-	-	2,361	-	61,466	66,596
Change in Net Position	-	-	-	-	-	-	753	-	(6,175)	(1,402)
Net Position - July 1, 2014	-	-	-	-	-	-	117,319	-	82,895	262,480
Net Position - June 30, 2015	-	-	-	-	-	-	118,072	-	76,720	261,078

* The Philadelphia Gas Works is presented as of the close of their fiscal year, August 31, 2014. Community Behavioral Health and the Philadelphia Authority for Industrial Development are presented as of the close of their fiscal year, December 31, 2014. The Philadelphia Parking Authority is presented as of the close of their fiscal year, March 31, 2015.

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

City of Philadelphia
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2015

Exhibit 15

Amounts in thousands of USD

	Budgeted Amounts			Final Budget to Actual Positive (Negative)
	Original	Final	Actual*	
<u>Revenues</u>				
Tax Revenue	2,748,205	2,781,895	2,777,020	(4,875)
Locally Generated Non-Tax Revenue	970,712	301,302	294,395	(6,907)
Revenue from Other Governments	638,912	639,291	649,321	10,030
Revenue from Other Funds	67,903	64,249	39,031	(25,218)
Total Revenues	4,425,732	3,786,737	3,759,767	(26,970)
<u>Expenditures and Encumbrances</u>				
Personal Services	1,433,919	1,525,442	1,508,678	16,764
Pension Contributions	1,278,375	1,261,264	558,269	702,995
Other Employee Benefits	538,940	556,341	541,273	15,068
Sub-Total Employee Compensation	3,251,234	3,343,047	2,608,220	734,827
Purchase of Services	814,897	828,421	810,574	17,847
Materials and Supplies	68,213	69,772	67,951	1,821
Equipment	24,399	24,560	22,607	1,953
Contributions, Indemnities and Taxes	145,192	151,160	150,747	413
Debt Service	136,578	131,968	131,968	-
Payments to Other Funds	31,215	39,448	39,448	-
Advances, Subsidies, Miscellaneous	52,837	3,411	-	3,411
Total Expenditures and Encumbrances	4,524,565	4,591,787	3,831,515	760,272
Operating Surplus (Deficit) for the Year	(98,833)	(805,050)	(71,748)	733,302
Fund Balance Available for Appropriation, July 1, 2014	146,813	202,135	202,135	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	24,500	24,500	21,144	(3,356)
Other Adjustments	(4,112)	(8,415)	-	8,415
Adjusted Fund Balance, July 1, 2014	167,201	218,220	223,279	5,059
Fund Balance Available for Appropriation, June 30, 2015	68,368	(586,830)	151,531	738,361

* Refer to the notes to required supplementary information.

City of Philadelphia
Schedule of Budgetary Actual and Estimated Revenues and Obligations
General Fund
For the Fiscal Year Ended June 30, 2015 (with comparative actual amounts for the Fiscal Year Ended June 30, 2014)

Exhibit 16

Amounts in thousands of USD

	Budgeted Amounts			Final Budget to Actual		
	Original	Final	FY 2015 Actual	Positive (Negative)	FY 2014 Actual	Increase (Decrease)
<u>Revenue</u>						
<u>Taxes</u>						
Real Property Tax:						
Current	503,170	483,715	493,099	9,384	483,955	9,144
Prior Years	44,234	44,234	43,350	(884)	42,469	881
Total Real Property Tax	547,404	527,949	536,449	8,500	526,424	10,025
Wage and Earnings Taxes:						
Current	1,290,414	1,314,584	1,318,753	4,169	1,255,871	62,882
Prior Years	4,250	8,500	7,094	(1,406)	5,717	1,377
Total Wage and Earnings Taxes	1,294,664	1,323,084	1,325,847	2,763	1,261,588	64,259
Business Taxes:						
Business Income & Receipts Taxes:						
Current	410,693	423,832	402,121	(21,711)	421,066	(18,945)
Prior Years	42,500	42,500	36,114	(6,386)	40,589	(4,475)
Total Business Income & Receipts Taxes	453,193	466,332	438,235	(28,097)	461,655	(23,420)
Net Profits Tax:						
Current	17,991	14,807	14,692	(115)	13,179	1,513
Prior Years	2,500	5,000	6,464	1,464	3,083	3,381
Total Net Profits Tax	20,491	19,807	21,156	1,349	16,262	4,894
Total Business Taxes	473,684	486,139	459,391	(26,748)	477,917	(18,526)
Other Taxes:						
Sales Tax	154,643	143,831	149,458	5,627	263,050	(113,592)
Amusement Tax	20,874	18,874	19,005	131	19,974	(969)
Real Property Transfer Tax	176,600	201,682	203,370	1,688	168,068	35,302
Parking Lot Tax	76,866	76,866	79,706	2,840	75,152	4,554
Smokeless Tobacco	637	637	749	112	698	51
Miscellaneous Taxes	2,833	2,833	3,045	212	3,013	32
Total Other Taxes	432,453	444,723	455,333	10,610	529,955	(74,622)
Total Taxes	2,748,205	2,781,895	2,777,020	(4,875)	2,795,884	(18,864)
<u>Locally Generated Non-Tax Revenue</u>						
Rentals from Leased City Properties	5,890	6,171	5,894	(277)	5,590	304
Licenses and Permits	50,690	53,640	55,356	1,716	52,996	2,360
Fines, Forfeits, Penalties, Confiscated						
Money and Property	18,038	20,036	19,532	(504)	17,943	1,589
Interest Income	1,869	1,869	1,751	(118)	1,697	54
Service Charges and Fees	142,668	134,618	129,566	(5,052)	136,819	(7,253)
Other	751,557	84,968	82,296	(2,672)	86,710	(4,414)
Total Locally Generated Non-Tax Revenue	970,712	301,302	294,395	(6,907)	301,755	(7,360)
<u>Revenue from Other Governments</u>						
United States Government:						
Grants and Reimbursements	32,238	29,467	30,109	642	31,001	(892)
Commonwealth of Pennsylvania:						
Grants and Other Payments	211,642	215,611	212,727	(2,884)	255,326	(42,599)
Other Governmental Units	395,032	394,213	406,485	12,272	379,682	26,803
Total Revenue from Other Governments	638,912	639,291	649,321	10,030	666,009	(16,688)
<u>Revenue from Other Funds</u>	67,903	64,249	39,031	(25,218)	42,001	(2,970)
Total Revenues	4,425,732	3,786,737	3,759,767	(26,970)	3,805,649	(45,882)

City of Philadelphia
Schedule of Budgetary Actual and Estimated Revenues and Obligations
General Fund
For the Fiscal Year Ended June 30, 2015 (with comparative actual amounts for the Fiscal Year Ended June 30, 2014)

Exhibit 16

Amounts in thousands of USD

	Budgeted Amounts			Final Budget to Actual		
	Original	Final	FY 2015 Actual	Positive (Negative)	FY 2014 Actual	Increase (Decrease)
Obligations						
General Government						
City Council	16,315	16,657	14,635	(2,022)	14,474	161
Mayor's Office:						
Mayor's Office	5,242	5,363	5,001	(362)	5,057	(56)
Scholarships	200	200	200	-	200	-
Mural Arts Program	1,451	1,464	1,458	(6)	1,586	(128)
Labor Relations	627	667	667	-	479	188
MDO Office of Technology	82,193	82,637	63,874	(18,763)	64,078	(204)
Office of Property Assessment	14,286	14,433	12,569	(1,864)	10,875	1,694
Mayor's Office of Community Services	-	605	500	(105)	-	500
Transportation	789	821	799	(22)	709	90
Law	13,423	16,467	15,743	(724)	13,950	1,793
Board of Ethics	1,005	1,029	898	(131)	768	130
Youth Commission	140	142	72	(70)	83	(11)
Inspector General	1,525	1,561	1,487	(74)	1,401	86
City Planning Commission	2,373	2,380	2,278	(102)	2,302	(24)
Commission on Human Relations	2,100	2,117	1,823	(294)	1,784	39
Zoning Code Commisssion	-	-	-	-	-	-
Arts & Culture	3,971	3,973	3,969	(4)	2,562	1,407
Board of Revision of Taxes	833	1,036	1,036	-	1,053	(17)
Total General Government	146,473	151,552	127,009	(24,543)	121,361	5,648
Operation of Service Departments						
Housing	3,020	2,600	2,600	-	4,060	(1,460)
Managing Director	76,560	78,260	78,029	(231)	74,990	3,039
Police	592,510	632,540	632,695	155	607,074	25,621
Streets	117,613	144,309	144,592	283	137,957	6,635
Fire	206,760	232,527	232,528	1	247,993	(15,465)
Public Health	115,447	117,364	113,480	(3,884)	109,947	3,533
Office-Behavioral Health/Mental Retardation	13,945	13,967	13,967	-	13,668	299
Parks and Recreation	52,592	56,533	56,719	186	54,367	2,352
Fairmount Park Commission	-	-	-	-	-	-
Atwater Kent Museum	285	292	231	(61)	277	(46)
Camp William Penn	-	-	-	-	-	-
Public Property	179,629	188,608	189,235	627	190,956	(1,721)
Department of Human Services	99,480	103,764	96,545	(7,219)	100,242	(3,697)
Philadelphia Prisons	240,802	246,159	246,158	(1)	245,814	344
Office of Supportive Housing	43,974	45,236	45,178	(58)	45,156	22
Office of Fleet Management	59,773	60,873	60,665	(208)	62,611	(1,946)
Licenses and Inspections	27,903	30,267	29,812	(455)	25,698	4,114
Board of L & I Review	164	168	138	(30)	134	4
Board of Building Standards	73	73	63	(10)	62	1
Zoning Board of Adjustment	357	378	374	(4)	357	17
Records	4,682	4,868	4,496	(372)	4,340	156
Philadelphia Historical Commission	412	420	384	(36)	350	34
Art Museum	2,550	2,585	2,585	-	2,550	35
Philadelphia Free Library	38,674	40,581	40,669	88	35,736	4,933
Total Operations of Service Departments	1,877,205	2,002,372	1,991,143	(11,229)	1,964,339	26,804
Financial Management						
Office of Director of Finance	11,454	15,813	15,748	(65)	16,077	(329)
Department of Revenue	22,437	23,596	23,023	(573)	20,211	2,812
Sinking Fund Commission	247,796	238,471	238,388	(83)	215,932	22,456
Procurement	4,695	4,822	4,859	37	4,809	50
City Treasurer	921	943	925	(18)	894	31
Audit of City Operations	8,072	8,345	8,272	(73)	7,461	811
Total Financial Management	295,375	291,990	291,215	(775)	265,384	25,831

City of Philadelphia
Schedule of Budgetary Actual and Estimated Revenues and Obligations
General Fund
For the Fiscal Year Ended June 30, 2015 (with comparative actual amounts for the Fiscal Year Ended June 30, 2014)

Exhibit 16

Amounts in thousands of USD

	Budgeted Amounts			Final Budget to Actual		
	Original	Final	FY 2015 Actual	Positive (Negative)	FY 2014 Actual	Increase (Decrease)
<u>Obligations (Continued)</u>						
<u>City-Wide Appropriations Under the Director of Finance</u>						
Fringe Benefits	1,817,314	1,817,606	1,100,142	(717,464)	1,194,091	(93,949)
PGW Rental Reimbursement	-	-	-	-	-	-
Community College of Philadelphia	26,909	26,909	26,909	-	26,409	500
Legal Services	-	-	-	-	-	-
Hero Award	25	25	18	(7)	18	-
Refunds	250	250	-	(250)	100	(100)
Indemnities	33,660	-	-	-	118	(118)
Office of Risk Management	7,398	7,733	5,970	(1,763)	3,131	2,839
Witness Fees	172	172	121	(51)	101	20
Contribution to School District	69,110	69,110	69,110	-	114,050	(44,940)
Total City-Wide Under Director of Finance	1,954,838	1,921,805	1,202,270	(719,535)	1,338,018	(135,748)
<u>Promotion and Public Relations</u>						
City Representative	1,019	1,029	1,024	(5)	970	54
Commerce	19,045	24,181	24,180	(1)	18,992	5,188
Total Promotion and Public Relations	20,064	25,210	25,204	(6)	19,962	5,242
<u>Personnel</u>						
Civic Service Commission	53,011	3,595	184	(3,411)	176	8
Personnel Director	6,017	6,169	5,938	(231)	5,496	442
Total Personnel	59,028	9,764	6,122	(3,642)	5,672	450
<u>Administration of Justice</u>						
Clerk of Quarter Sessions	-	-	-	-	-	-
Register of Wills	3,333	3,608	3,608	-	3,290	318
District Attorney	34,082	35,584	35,561	(23)	32,808	2,753
Sheriff	18,495	22,188	22,188	-	18,323	3,865
First Judicial District	104,709	116,667	116,667	-	107,195	9,472
Total Administration of Justice	160,619	178,047	178,024	(23)	161,616	16,408
<u>City-Wide Appropriations Under the First Judicial District</u>						
Juror Fees	1,542	1,310	1,310	-	1,521	(211)
<u>Conduct of Elections</u>						
City Commissioners	9,420	9,736	9,219	(517)	8,691	528
Total Obligations	4,524,564	4,591,786	3,831,516	(760,270)	3,886,564	(55,048)
Operating Surplus (Deficit) for the Year	(98,832)	(805,049)	(71,749)	(733,300)	(80,915)	9,166

City of Philadelphia
 Budgetary Comparison Schedule
 Water Operating Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 17

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	631,671	636,122	640,222	4,100
Revenue from Other Governments	850	1,275	1,083	(192)
Revenue from Other Funds	81,693	59,683	35,541	(24,142)
Total Revenues	714,214	697,080	676,846	(20,234)
<u>Expenditures and Encumbrances</u>				
Personal Services	116,685	122,065	118,718	3,347
Pension Contributions	53,700	53,700	52,277	1,423
Other Employee Benefits	45,990	53,120	48,293	4,827
Sub-Total Employee Compensation	216,375	228,885	219,288	9,597
Purchase of Services	168,030	166,030	149,986	16,044
Materials and Supplies	50,072	49,752	43,967	5,785
Equipment	4,468	4,787	3,440	1,347
Contributions, Indemnities and Taxes	6,605	6,605	3,842	2,763
Debt Service	213,190	213,190	200,799	12,391
Payments to Other Funds	66,965	66,965	74,913	(7,948)
Advances, Subsidies, Miscellaneous	10,509	-	-	-
Total Expenditures and Encumbrances	736,214	736,214	696,235	39,979
Operating Surplus (Deficit) for the Year	(22,000)	(39,134)	(19,389)	19,745
Fund Balance Available for Appropriation, July 1, 2014	-	-	-	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	22,000	22,000	19,389	(2,611)
Adjusted Fund Balance, July 1, 2014	22,000	22,000	19,389	(2,611)
Fund Balance Available for Appropriation, June 30, 2015	-	(17,134)	-	17,134

City of Philadelphia
Schedule of Budgetary Actual and Estimated Revenues and Obligations
Water Operating Fund
For the Fiscal Year Ended June 30, 2015 (with comparative actual amounts for the Fiscal Year Ended June 30, 2014)

Exhibit 18

Amounts in thousands of USD

	Budgeted Amounts			Final Budget to Actual		
	Original	Final	FY 2015 Actual	Positive (Negative)	FY 2014 Actual	Increase (Decrease)
<u>Revenue</u>						
<u>Locally Generated Non-Tax Revenue</u>						
Sales and Charges - Current	528,595	533,395	546,084	12,689	523,674	22,410
Sales and Charges - Prior Years	47,324	47,324	39,827	(7,497)	34,756	5,071
Fire Service Connections	2,284	2,364	2,374	10	2,236	138
Surcharges	6,020	3,924	3,407	(517)	4,252	(845)
Fines and Penalties	1,186	1,186	999	(187)	873	126
Miscellaneous Charges	2,464	1,464	1,536	72	1,609	(73)
Charges to Other Municipalities	34,200	34,000	33,221	(779)	31,642	1,579
Licenses and Permits	2,890	2,890	3,842	952	3,347	495
Interest Income	1,000	450	270	(180)	422	(152)
Fleet Management - Sale of Vehicles & Equipment	175	150	83	(67)	109	(26)
Contributions from Sinking Fund Reserve	-	-	424	424	-	424
Reimbursement of Expenditures	331	331	217	(114)	458	(241)
Repair Loan Program	4,352	3,832	3,218	(614)	2,807	411
Other	850	4,812	4,720	(92)	922	3,798
Total Locally Generated Non-Tax Revenue	631,671	636,122	640,222	4,100	607,107	33,115
<u>Revenue from Other Governments</u>						
State	350	975	839	(136)	1,310	(471)
Federal	500	300	244	(56)	636	(392)
Total Revenue from Other Governments	850	1,275	1,083	(192)	1,946	(863)
<u>Revenue from Other Funds</u>	81,693	59,683	35,541	(24,142)	33,966	1,575
Total Revenues	714,214	697,080	676,846	(20,234)	643,019	33,827
<u>Obligations</u>						
Mayor's Office of Information Services	19,111	19,186	17,069	2,117	15,133	1,936
Public Property	3,960	3,960	3,960	-	3,786	174
Office of Fleet Management	8,514	8,733	8,323	410	8,186	137
Water Department	355,800	357,981	344,041	13,940	329,230	14,811
City-Wide Appropriation Under the Director of Finance:						
Pension Contributions	53,700	53,700	52,277	1,423	60,755	(8,478)
Other Employee Benefits	45,990	53,120	48,293	4,827	41,044	7,249
Contributions, Indemnities and Taxes	6,500	6,500	3,841	2,659	-	3,841
Advances, Subsidies, Miscellaneous	10,509	-	-	-	-	-
Department of Revenue	15,473	16,295	14,888	1,407	14,524	364
Sinking Fund Commission	213,190	213,190	200,799	12,391	204,646	(3,847)
Procurement Department	69	77	61	16	63	(2)
Law	3,167	3,241	2,455	786	2,880	(425)
Mayor's Office of Transportation	231	231	228	3	208	20
Total Obligations	736,214	736,214	696,235	39,979	680,455	15,780
Operating Surplus (Deficit) for the Year	(22,000)	(39,134)	(19,389)	19,745	(37,436)	18,047

City of Philadelphia
 Budgetary Comparison Schedule
 Water Residual Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 19

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	1,194	1,184	28	(1,156)
Revenue from Other Funds	<u>28,363</u>	<u>26,855</u>	<u>27,253</u>	<u>398</u>
Total Revenues	29,557	28,039	27,281	(758)
<u>Expenditures and Encumbrances</u>				
Payments to Other Funds	<u>29,194</u>	<u>47,784</u>	<u>37,557</u>	<u>10,227</u>
Total Expenditures and Encumbrances	<u>29,194</u>	<u>47,784</u>	<u>37,557</u>	<u>10,227</u>
Operating Surplus (Deficit) for the Year	<u>363</u>	<u>(19,745)</u>	<u>(10,276)</u>	<u>9,469</u>
Fund Balance Available for Appropriation, July 1, 2014	14,775	25,212	25,212	-
Fund Balance Available for Appropriation, June 30, 2015	<u>15,138</u>	<u>5,467</u>	<u>14,936</u>	<u>9,469</u>

City of Philadelphia
 Budgetary Comparison Schedule
 County Liquid Fuels Tax Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 20

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Revenue from Other Governments	<u>4,950</u>	<u>4,950</u>	<u>4,596</u>	<u>(354)</u>
Total Revenues	<u>4,950</u>	<u>4,950</u>	<u>4,596</u>	<u>(354)</u>
<u>Expenditures and Encumbrances</u>				
Personal Services	3,734	3,734	3,734	-
Purchase of Services	861	861	856	5
Materials and Supplies	336	336	215	121
Equipment	-	-	106	(106)
Payments to Other Funds	<u>19</u>	<u>19</u>	<u>-</u>	<u>19</u>
Total Expenditures and Encumbrances	<u>4,950</u>	<u>4,950</u>	<u>4,911</u>	<u>39</u>
Operating Surplus (Deficit) for the Year	<u>-</u>	<u>-</u>	<u>(315)</u>	<u>(315)</u>
Fund Balance Available for Appropriation, July 1, 2014	2,413	2,411	2,411	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>25</u>	<u>25</u>	<u>5</u>	<u>(20)</u>
Adjusted Fund Balance, July 1, 2014	<u>2,438</u>	<u>2,436</u>	<u>2,416</u>	<u>(20)</u>
Fund Balance Available for Appropriation, June 30, 2015	<u><u>2,438</u></u>	<u><u>2,436</u></u>	<u><u>2,101</u></u>	<u><u>(335)</u></u>

City of Philadelphia
 Budgetary Comparison Schedule
 Special Gasoline Tax Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 21

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	1	1	2	1
Revenue from Other Governments	30,000	28,400	28,724	324
Revenue from Other Funds	-	-	339	339
Total Revenues	30,001	28,401	29,065	664
<u>Expenditures and Encumbrances</u>				
Personal Services	3,000	3,340	3,000	340
Pension Contributions	500	500	500	-
Other Employee Benefits	500	500	500	-
Sub-Total Employee Compensation	4,000	4,340	4,000	340
Purchase of Services	15,459	15,459	14,448	1,011
Materials and Supplies	7,926	7,926	7,916	10
Payments to Other Funds	15	15	-	15
Total Expenditures and Encumbrances	27,400	27,740	26,364	1,376
Operating Surplus (Deficit) for the Year	2,601	661	2,701	2,040
Fund Balance Available for Appropriation, July 1, 2014	19,839	22,186	22,186	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	500	500	768	268
Adjusted Fund Balance, July 1, 2014	20,339	22,686	22,954	268
Fund Balance Available for Appropriation, June 30, 2015	22,940	23,347	25,655	2,308

City of Philadelphia
Required Supplementary Information
Budgetary Comparison Schedule
HealthChoices Behavioral Health Fund
For the Fiscal Year Ended June 30, 2015

Exhibit 22

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual*</u>	<u>Final Budget to Actual Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	1,500	250	1,321	1,071
Revenue from Other Governments	<u>885,052</u>	<u>885,052</u>	<u>821,402</u>	<u>(63,650)</u>
Total Revenues	886,552	885,302	822,723	(62,579)
<u>Other Sources</u>				
Increase in Unreimbursed Commitments	-	-	58,640	58,640
Increase in Financed Reserves	<u>-</u>	<u>-</u>	<u>(28,281)</u>	<u>(28,281)</u>
Total Revenues and Other Sources	<u>886,552</u>	<u>885,302</u>	<u>853,082</u>	<u>(32,220)</u>
<u>Expenditures and Encumbrances</u>				
Purchase of Services	930,952	858,954	930,060	(71,106)
Equipment	100	100	-	100
Payments to Other Funds	<u>1,500</u>	<u>1,500</u>	<u>1,459</u>	<u>41</u>
Total Expenditures and Encumbrances	<u>932,552</u>	<u>860,554</u>	<u>931,519</u>	<u>(70,965)</u>
Operating Surplus (Deficit) for the Year	<u>(46,000)</u>	<u>24,748</u>	<u>(78,437)</u>	<u>(103,185)</u>
Fund Balance Available for Appropriation, July 1, 2014	-	27,004	27,004	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	48,079	48,079
Other Adjustments	<u>46,000</u>	<u>(51,752)</u>	<u>-</u>	<u>51,752</u>
Adjusted Fund Balance, July 1, 2014	<u>46,000</u>	<u>(24,748)</u>	<u>75,083</u>	<u>99,831</u>
Fund Balance Available for Appropriation, June 30, 2015	<u>-</u>	<u>-</u>	<u>(3,354)</u>	<u>(3,354)</u>

* Refer to the notes to required supplementary information.

City of Philadelphia
Budgetary Comparison Schedule
Hotel Room Rental Tax Fund
For the Fiscal Year Ended June 30, 2015

Exhibit 23

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
<u>Revenues</u>	<u>Original</u>	<u>Final</u>		
Taxes	<u>59,136</u>	<u>59,136</u>	<u>57,414</u>	<u>(1,722)</u>
Total Revenues	59,136	59,136	57,414	(1,722)
<u>Expenditures and Encumbrances</u>				
Contributions, Indemnities and Taxes	<u>59,137</u>	<u>59,137</u>	<u>59,137</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>59,137</u>	<u>59,137</u>	<u>59,137</u>	<u>-</u>
Operating Surplus (Deficit) for the Year	<u>(1)</u>	<u>(1)</u>	<u>(1,723)</u>	<u>(1,722)</u>
Fund Balance Available for Appropriation, July 1, 2014	6,850	3,585	3,585	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>-</u>	<u>-</u>	<u>3,175</u>	<u>3,175</u>
Adjusted Fund Balance, July 1, 2014	<u>6,850</u>	<u>3,585</u>	<u>6,760</u>	<u>3,175</u>
Fund Balance Available for Appropriation, June 30, 2015	<u>6,849</u>	<u>3,584</u>	<u>5,037</u>	<u>1,453</u>

City of Philadelphia
Required Supplementary Information
Budgetary Comparison Schedule
Grants Revenue Fund
For the Fiscal Year Ended June 30, 2015

Exhibit 24

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual*</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	91,984	88,785	58,474	(30,311)
Revenue from Other Governments	1,410,498	1,184,660	954,573	(230,087)
Total Revenues	1,502,482	1,273,445	1,013,047	(260,398)
<u>Other Sources</u>				
Increase in Unreimbursed Commitments	-	-	27,511	27,511
Increase in Financed Reserves	-	-	(6,655)	(6,655)
Total Revenues and Other Sources	1,502,482	1,273,445	1,033,903	(239,542)
<u>Expenditures and Encumbrances</u>				
Personal Services	170,891	182,728	147,197	35,531
Pension Contributions	11,476	34,932	33,355	1,577
Other Employee Benefits	54,924	35,067	32,097	2,970
Sub-Total Employee Compensation	237,291	252,727	212,649	40,078
Purchase of Services	984,654	968,938	759,207	209,731
Materials and Supplies	35,238	21,989	13,420	8,569
Equipment	-	14,409	3,112	11,297
Contributions, Indemnities and Taxes	-	-	1	(1)
Payments to Other Funds	45,299	45,621	24,699	20,922
Advances, Subsidies, Miscellaneous	200,000	112,862	-	112,862
Total Expenditures and Encumbrances	1,502,482	1,416,546	1,013,088	403,458
Operating Surplus (Deficit) for the Year	-	(143,101)	20,815	163,916
Fund Balance Available for Appropriation, July 1, 2014	-	(273,269)	(273,269)	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	32,743	32,743
Revenue Adjustments - Net	-	-	3,690	3,690
Prior Period Adjustments	-	273,269	-	(273,269)
Adjusted Fund Balance, July 1, 2014	-	-	(236,836)	(236,836)
Fund Balance Available for Appropriation, June 30, 2015	-	(143,101)	(216,021)	(72,920)

* Refer to the notes to required supplementary information.

City of Philadelphia
 Budgetary Comparison Schedule
 Aviation Operating Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 25

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	415,912	414,412	360,907	(53,505)
Revenue from Other Governments	4,750	4,750	1,645	(3,105)
Revenue from Other Funds	2,500	2,500	6,199	3,699
Total Revenues	423,162	421,662	368,751	(52,911)
<u>Expenditures and Encumbrances</u>				
Personal Services	67,188	69,513	68,099	1,414
Pension Contributions	28,500	29,900	29,813	87
Other Employee Benefits	23,949	24,980	21,738	3,242
Sub-Total Employee Compensation	119,637	124,393	119,650	4,743
Purchase of Services	126,342	126,342	104,077	22,265
Materials and Supplies	9,679	9,934	7,366	2,568
Equipment	8,290	8,050	2,550	5,500
Contributions, Indemnities and Taxes	6,717	6,717	1,840	4,877
Debt Service	149,463	149,463	128,228	21,235
Payments to Other Funds	24,623	24,623	7,232	17,391
Advances, Subsidies, Miscellaneous	5,102	455	-	455
Total Expenditures and Encumbrances	449,853	449,977	370,943	79,034
Operating Surplus (Deficit) for the Year	(26,691)	(28,315)	(2,192)	26,123
Fund Balance Available for Appropriation, July 1, 2014	38,190	16,335	16,335	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	17,000	17,000	14,205	(2,795)
Adjusted Fund Balance, July 1, 2014	55,190	33,335	30,540	(2,795)
Fund Balance Available for Appropriation, June 30, 2015	28,499	5,020	28,348	23,328

City of Philadelphia
Schedule of Budgetary Actual and Estimated Revenues and Obligations
Aviation Operating Fund
For the Fiscal Year Ended June 30, 2015 (with comparative actual amounts for the Fiscal Year Ended June 30, 2014)

Exhibit 26

Amounts in thousands of USD

	Budgeted Amounts			Final Budget to Actual		
	Original	Final	FY 2015 Actual	Positive (Negative)	FY 2014 Actual	Increase (Decrease)
<u>Revenue</u>						
<u>Locally Generated Non-Tax Revenue</u>						
Concessions	38,000	38,000	38,806	806	36,487	2,319
Space Rentals	155,867	155,867	118,268	(37,599)	112,452	5,816
Landing Fees	75,000	75,000	79,577	4,577	64,956	14,621
Parking	27,000	27,000	29,098	2,098	24,999	4,099
Car Rentals	24,000	24,000	18,036	(5,964)	19,256	(1,220)
Interest Earnings	2,000	500	256	(244)	383	(127)
Sale of Utilities	4,000	4,000	3,849	(151)	4,954	(1,105)
Passenger Facility Charge	35,000	35,000	31,169	(3,831)	31,168	1
Overseas Terminal Facility Charges	-	-	5	5	4	1
International Terminal Charge	33,000	33,000	28,762	(4,238)	23,009	5,753
Other	22,045	22,045	13,081	(8,964)	2,955	10,126
Total Locally Generated Non-Tax Revenue	415,912	414,412	360,907	(53,505)	320,623	40,284
<u>Revenue from Other Governments</u>						
State	500	500	74	(426)	-	74
Federal	4,250	4,250	1,571	(2,679)	2,120	(549)
Total Revenue from Other Governments	4,750	4,750	1,645	(3,105)	2,120	(475)
<u>Revenue from Other Funds</u>						
	2,500	2,500	6,199	3,699	1,098	5,101
Total Revenue	423,162	421,662	368,751	(52,911)	323,841	44,910
<u>Obligations</u>						
Mayor's Office of Information Services	8,664	8,664	7,121	1,543	5,987	1,134
Police	14,834	15,314	15,208	106	14,723	485
Fire	6,726	6,850	6,808	42	6,863	(55)
Public Property	26,900	26,900	23,801	3,099	23,075	726
Office of Fleet Management	8,164	8,245	4,412	3,833	3,442	970
City-Wide Appropriation Under the Director of Finance:						
Pension Contributions	28,500	29,900	29,813	87	33,703	(3,890)
Other Employee Benefits	23,949	24,980	21,738	3,242	21,104	634
Purchase of Services	4,146	4,146	2,511	1,635	2,674	(163)
Contributions, Indemnities and Taxes	2,512	2,512	751	1,761	-	751
Advances, Subsidies, Miscellaneous	5,102	455	-	455	-	-
Sinking Fund Commission	149,463	149,463	128,048	21,415	125,407	2,641
Commerce	168,723	170,331	128,778	41,553	130,832	(2,054)
Law	1,974	2,021	1,758	263	1,825	(67)
Mayor's Office of Transportation	196	196	196	-	171	25
Total Obligations	449,853	449,977	370,943	79,034	369,806	1,137
Operating Surplus (Deficit) for the Year	(26,691)	(28,315)	(2,192)	26,123	(45,965)	43,773

City of Philadelphia
 Budgetary Comparison Schedule
 Community Development Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 27

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	250	250	1,395	1,145
Revenue from Other Governments	<u>84,197</u>	<u>64,197</u>	<u>33,844</u>	<u>(30,353)</u>
Total Revenues	84,447	64,447	35,239	(29,208)
<u>Other Sources</u>				
Increase in Financed Reserves	<u>-</u>	<u>-</u>	<u>(3,181)</u>	<u>(3,181)</u>
Total Revenues and Other Sources	<u>84,447</u>	<u>64,447</u>	<u>32,058</u>	<u>(32,389)</u>
<u>Expenditures and Encumbrances</u>				
Personal Services	6,319	6,319	4,008	2,311
Pension Contributions	2,530	2,433	1,582	851
Other Employee Benefits	<u>1,578</u>	<u>1,674</u>	<u>1,414</u>	<u>260</u>
Sub-Total Employee Compensation	10,427	10,426	7,004	3,422
Purchase of Services	53,654	53,628	36,871	16,757
Materials and Supplies	251	260	112	148
Equipment	85	103	12	91
Payments to Other Funds	20,000	20,000	-	20,000
Advances, Subsidies, Miscellaneous	<u>30</u>	<u>30</u>	<u>-</u>	<u>30</u>
Total Expenditures and Encumbrances	<u>84,447</u>	<u>84,447</u>	<u>43,999</u>	<u>40,448</u>
Operating Surplus (Deficit) for the Year	<u>-</u>	<u>(20,000)</u>	<u>(11,941)</u>	<u>8,059</u>
Fund Balance Available for Appropriation, July 1, 2014	-	(7,885)	(7,885)	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	12,719	12,719
Prior Period Adjustments	<u>-</u>	<u>7,885</u>	<u>-</u>	<u>(7,885)</u>
Adjusted Fund Balance, July 1, 2014	<u>-</u>	<u>-</u>	<u>4,834</u>	<u>4,834</u>
Fund Balance Available for Appropriation, June 30, 2015	<u>-</u>	<u>(20,000)</u>	<u>(7,107)</u>	<u>12,893</u>

City of Philadelphia
 Budgetary Comparison Schedule
 Car Rental Tax Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 28

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Taxes	5,614	5,614	5,411	(203)
Locally Generated Non-Tax Revenue	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>
Total Revenues	5,615	5,615	5,414	(201)
<u>Expenditures and Encumbrances</u>				
Purchase of Services	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total Expenditures and Encumbrances	6,000	6,000	6,000	-
Operating Surplus (Deficit) for the Year	<u>(385)</u>	<u>(385)</u>	<u>(586)</u>	<u>(201)</u>
Fund Balance Available for Appropriation, July 1, 2014	<u>7,273</u>	<u>7,255</u>	<u>7,255</u>	<u>-</u>
Fund Balance Available for Appropriation, June 30, 2015	<u><u>6,888</u></u>	<u><u>6,870</u></u>	<u><u>6,669</u></u>	<u><u>(201)</u></u>

City of Philadelphia
 Budgetary Comparison Schedule
 Housing Trust Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 29

Amounts in thousands of USD

	<u>Budgeted Amounts</u>			Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	<u>12,310</u>	<u>12,510</u>	<u>11,733</u>	<u>(777)</u>
Total Revenues	12,310	12,510	11,733	(777)
<u>Expenditures and Encumbrances</u>				
Personal Services	1,250	1,250	950	300
Purchase of Services	<u>19,250</u>	<u>19,250</u>	<u>8,424</u>	<u>10,826</u>
Total Expenditures and Encumbrances	20,500	20,500	9,374	11,126
Operating Surplus (Deficit) for the Year	<u>(8,190)</u>	<u>(7,990)</u>	<u>2,359</u>	<u>10,349</u>
Fund Balance Available for Appropriation, July 1, 2014	2,603	619	619	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>6,500</u>	<u>8,000</u>	<u>3,382</u>	<u>(4,618)</u>
Adjusted Fund Balance, July 1, 2014	<u>9,103</u>	<u>8,619</u>	<u>4,001</u>	<u>(4,618)</u>
Fund Balance Available for Appropriation, June 30, 2015	<u>913</u>	<u>629</u>	<u>6,360</u>	<u>5,731</u>

City of Philadelphia
 Budgetary Comparison Schedule
 General Capital Improvement Funds
 For the Fiscal Year Ended June 30, 2015

Exhibit 30

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Locally Generated Non-Tax Revenue	508,570	512,584	47	(512,537)
Revenue from Other Governments	342,025	342,025	58,899	(283,126)
Revenue from Other Funds	44,450	50,350	8,724	(41,626)
Total Revenues	895,045	904,959	67,670	(837,289)
<u>Other Sources (Uses)</u>				
Increase in Unreimbursed Commitments	-	-	2,261	2,261
Total Revenues and Other Sources	895,045	904,959	69,931	(835,028)
<u>Expenditures and Encumbrances</u>				
Capital Outlay	895,045	904,959	216,358	688,601
Operating Surplus (Deficit) for the Year	-	-	(146,427)	(146,427)
Fund Balance Available for Appropriation, July 1, 2014	-	-	25,717	25,717
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	-	-	1,769	1,769
Adjusted Fund Balance, July 1, 2014	-	-	27,486	27,486
Fund Balance Available for Appropriation, June 30, 2015	-	-	(118,941)	(118,941)

City of Philadelphia
 Budgetary Comparison Schedule
 Acute Care Hospital Assessment Fund
 For the Fiscal Year Ended June 30, 2015

Exhibit 31

Amounts in thousands of USD

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget to Actual Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Tax Revenue	<u>157,000</u>	<u>157,000</u>	<u>147,122</u>	<u>(9,878)</u>
Total Revenues	<u>157,000</u>	<u>157,000</u>	<u>147,122</u>	<u>(9,878)</u>
<u>Other Sources</u>				
Decrease in Unreimbursed Commitments	<u>-</u>	<u>-</u>	<u>(4,812)</u>	<u>(4,812)</u>
Total Revenues and Other Sources	<u>157,000</u>	<u>157,000</u>	<u>142,310</u>	<u>(14,690)</u>
<u>Expenditures and Encumbrances</u>				
Personal Services	4,934	4,934	3,025	1,909
Pension Contributions	42	1	1	-
Other Employee Benefits	<u>219</u>	<u>260</u>	<u>260</u>	<u>-</u>
Sub-Total Employee Compensation	<u>5,195</u>	<u>5,195</u>	<u>3,286</u>	<u>1,909</u>
Purchase of Services	155,352	155,352	144,469	10,883
Materials and Supplies	26	26	8	18
Equipment	-	-	14	(14)
Payments to Other Funds	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total Expenditures and Encumbrances	<u>162,573</u>	<u>162,573</u>	<u>149,777</u>	<u>12,796</u>
Operating Surplus (Deficit) for the Year	<u>(5,573)</u>	<u>(5,573)</u>	<u>(7,467)</u>	<u>(1,894)</u>
Fund Balance Available for Appropriation, July 1, 2014	13,762	10,067	10,067	-
<u>Operations in Respect to Prior Fiscal Years</u>				
Commitments Cancelled - Net	<u>-</u>	<u>-</u>	<u>8,434</u>	<u>8,434</u>
Adjusted Fund Balance, July 1, 2014	<u>13,762</u>	<u>10,067</u>	<u>18,501</u>	<u>8,434</u>
Fund Balance Available for Appropriation, June 30, 2015	<u>8,189</u>	<u>4,494</u>	<u>11,034</u>	<u>6,540</u>

1. REPORTING ENTITY

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

As required by GAAP, the financial statements of the City of Philadelphia include those of the primary government and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The financial statements of these component units have been included in the City's reporting entity either as blended component units or as discretely presented component units. Based on the criteria established by Governmental Accounting Standards Board Statement (GASBS) No.14 which has been amended by GASB Statements No. 39 and No. 61. GASB No. 61 was implemented in fiscal year 2013 to modify certain requirements for inclusion of component units. Certain other organizations also did meet the criteria for inclusion, however they are not included in the City's financial statements because they are not significant to a fair representation of the City's reporting entity. Individual financial statements can be obtained directly from their administrative offices by writing to the addresses provided.

As used both on the face of the financial statements and in the footnotes, the term "Primary Government" includes both City funds and Blended Component Units while the term "Component Units" includes only Discretely Presented Component Units. A Related Organization is an entity which the City appoints board members but for which the city has no significant financial responsibility.

A. BLENDED COMPONENT UNITS

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

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

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

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

B. DISCRETELY PRESENTED COMPONENT UNITS

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

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

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

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

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

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

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

Philadelphia Redevelopment Authority (PRA) – 1234 Market St., Philadelphia, PA 19107

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

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

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

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

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

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

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

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

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

C. RELATED ORGANIZATION

Philadelphia Housing Authority (PHA) – 12 South 23RD Street, Philadelphia, PA 19103

PHA was established to provide low cost housing and other social services to the residents of the City. It is governed by a nine member board with all members appointed by the City. PHA provides significant services to the City's residents.

Philadelphia Housing Development Corporation – 1234 Market Street, Philadelphia, PA 19107

PHDC was established to provide affordable housing and home repair to low income residents. The City appoints a voting majority of the PHDC's governing board. PHDC services the residents of Philadelphia through various home preservation programs.

2. BASIS OF ACCOUNTING, MEASUREMENT FOCUS AND FINANCIAL STATEMENTS

A. PRIMARY GOVERNMENT

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

Imposed non-exchange revenues such as real estate taxes are recognized when the enforceable legal claim arises and the resources are available. Derived tax revenues, such as wage, business privilege, net profits and earnings taxes, are recognized when the underlying exchange transaction has occurred and the re-

sources are available. Grant revenues are recognized when all the applicable eligibility requirements have been met and the resources are available. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental Funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in other funds.
- The Grants Revenue Fund accounts for the resources received from various federal, state, and private grantor agencies. The resources are restricted to accomplishing the various objectives of the grantor agencies.
- The Health Choices Behavioral Health Fund accounts for resources received from the Commonwealth of Pennsylvania. These resources are restricted to providing managed behavioral healthcare to Philadelphia residents.

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

The City reports on the following fiduciary funds:

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

The City reports the following major proprietary funds:

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

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

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

3. DEPOSITS AND INVESTMENTS

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

The City reports investments at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price. The fair

value of real estate investments is based on independent appraisals. Investments which do not have an established market are reported at estimated fair value.

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

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

4. INVENTORIES

A. PRIMARY GOVERNMENT

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

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

B. COMPONENT UNITS

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

- **PGW** inventory consists primarily of fuel stock and gases which are stated at average cost.
- The **SDP** Food Services Fund inventories include food donated by the Federal Government which was valued at government cost or estimated value. All other food and supply were valued at last unit cost and will be expensed when used.
- **PRA** inventory represents real estate held for resale and is recorded based on the estimated appraisal of values and cost basis of land inventories acquired.

5. BONDS AND RELATED PREMIUMS, DISCOUNTS & ISSUANCE COSTS

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

6. INSURANCE

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

7. RECEIVABLE AND PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds. The real estate tax receivable allowance is equal to 25.11% of outstanding real estate taxes at June 30. Property taxes are levied on a calendar year basis. The City's property taxes, levied on assessed valuation as of January 1, are due and payable on or before March 31. Taxes levied are intended to finance the fiscal year in which they become due. Current real estate rates are \$1.34 on each \$100 assessment; \$.7382 for the SDP and \$.6018 for the City. Delinquent charges are assessed at 1.5% per month on all unpaid balances as of April 1. Real estate tax delinquents are subject to lien as of the following January 1. The City has established real estate improvement programs that abate, for limited periods, tax increases that result from higher assessments for improved properties. Certain incremental tax assessments are

earmarked to repay loans from the City to developers who improve properties under Tax Increment Financing agreements.

8. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES AND NET POSITION

Beginning with the fiscal year ended June 30, 2013 the city implemented GASB Statement Number 63: "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." This new GASB Statement replaces the term Net Assets with Net Position. Net Position is the residual of (a) assets and deferred outflows, less (b) liabilities and deferred inflows. The new deferred classifications take into consideration the fact that governments enter into transactions that are applicable to future periods. Therefore, deferred outflows (the consumption of net position applicable to a future period (s)) will not be recognized as an outflow of resources (expense/expenditure) until then. Likewise, deferred inflows (an acquisition of net position applicable to a future period(s)) will not be recognized as an inflow of resources (revenue) until that time.

Also, beginning with the fiscal year ended June 30, 2013 the city chose to early implement GASB Statement Number 65: "Issues Previously Reported as Assets and Liabilities". The objective of Statement Number 65 is to either: (a) properly classify or (b) recognize, certain items that were previously reported as assets and liabilities as outflows of resources (expenses/expenditures) or inflows of resources (revenues).

A. PRIMARY GOVERNMENT

Unavailable revenues are resource inflows that do not qualify as revenue in a governmental fund because they are not yet considered to be available. The governmental funds report unavailable revenues from three sources: property taxes levies and self-assessed taxes receivable which are not available to pay liabilities of the current period and grants receivable for which the eligibility criteria has been met, but the resources are not available. In the General Fund the Business Income & Receipts Tax (BIRT) which were received in advance of being earned are reported as unearned revenue. The unearned revenue in the Special Revenue Fund is primarily related to grants receivable and funds received in advance of being earned. In the Water and Aviation Funds unearned revenues relate to overpayment from water/sewer customers and airlines, respectively.

B. COMPONENT UNITS

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

9. COMPENSATED ABSENCES

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

10. CLAIMS AND JUDGMENTS

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

11. BUDGETARY INFORMATION

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

The operating funds of the City, consisting of the General Fund, nine Special Revenue Funds (County Liquid Fuels Tax, Special Gasoline Tax, HealthChoices Behavioral Health, Hotel Room Rental Tax, Grants Revenue, Community Development, Car Rental Tax, Housing Trust, and Acute Care Hospital Assessment funds) and two Enterprise Funds (Water and Aviation Funds), are subject to annual operating budgets adopted by City Council.

Included with the Water Fund is the Water Residual Fund. These budgets appropriate funds for all City departments, boards and commissions by major class of expenditure within each department. Major classes are defined as: personal services; purchase of services; materials and supplies; equipment; contributions, indemnities and taxes; debt service; payments to other funds; and advances and other miscellaneous payments. The appropriation amounts for each fund are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. All transfers between major classes (except for materials and supplies and equipment, which are appropriated together) must have council approval. Appropriations that are not expended or encumbered at year end are lapsed. Comparisons of budget to actual activity at the legal level of compliance are located in the City's *Supplemental Report of Revenues and Obligations*, a separately published report.

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

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

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

12. SECURITIES LENDING

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

- **The Pension Fund** lends US Government and US Government Agency securities, domestic and international equity securities and international fixed income securities and receives cash and securities issued or guaranteed by the federal government as collateral for these loans. Securities received as collateral cannot 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 \$.3 million in unrealized gains from securities transactions during the year and had no credit risk exposure at June 30.
- The **PGWRR** lends US Treasury, federal agency, and DTC-eligible corporate debt and equity securities and receives cash, US Treasury and federal agency securities and letters of credit as collateral for these loans. Securities received as collateral cannot be pledged or sold except in the case of a borrower default. The market value of collateral must be 102% of the total of the market value of loaned securities plus any accrued interest. The **PGWRR** placed no restrictions on the amount of securities that could be lent. The **PGWRR's** custodian bank does not indemnify the **PGWRR** in the event of a borrower default except in cases involving gross negligence or willful misconduct on the custodian's part. Maturity of investments made with cash collateral is generally matched with maturity of loans. The **PGWRR** experienced no losses and had no credit risk exposure at June 30.

13. AMOUNTS HELD BY FISCAL AGENT

Two of the City's component units (**PAID** and **PRA**) have issued debt that, in accordance with GASB Interpretation #2, is considered conduit debt. Therefore, no asset related to the bond proceeds or liability related to the bonds is

shown on their respective financial statements. However, since the City, through various agreements is responsible for the debt, the proceeds of the issuance are shown as assets of the City.

A. GOVERNMENTAL FUNDS

General Fund - Consists of cash and investment balances related to the net proceeds of **PAID's** Sports Stadium Financing Lease Revenue Bonds Series A & B of 2007, and series 2014A, **PAID's** Central Library Project Financing Lease Revenue Bonds Series 2005 and **PAID's** Cultural, Commercial Corridor Lease Revenue Bonds Series 2006 and **PAID** City Service Agreement Refunding Revenue Series Bond 2012, and **PAID's** City Service Agreement Series 2014A for the Philadelphia School District.

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

B. PROPRIETARY FUNDS

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

14. INTERFUND RECEIVABLES AND PAYABLES

A. PRIMARY GOVERNMENT

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

B. COMPONENT UNITS

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

15. NOTES PAYABLE

PGW, pursuant to the provisions of certain ordinances and Resolutions, may sell short-term notes in a principal amount which, together with the interest thereon, will not exceed \$150 million outstanding at any one time. These notes are intended to provide additional working capital. They are supported by an irrevocable letter of credit and a subordinated security interest in the PGW's revenues. There were no notes outstanding at year-end (August 31, 2013).

The Aviation Fund established a commercial paper (CP) program, which closed on January 8, 2013, in the amount of \$350 million to provide funding for capital projects currently approved by the airlines. CP is a short-term financing tool with a maximum maturity of 270 days. PHL's CP Program will enable projects to be financed on an as-needed basis; lower the Airport's cost of borrowing, as amounts drawn can be closely matched to our capital cash flow requirements; and limit negative arbitrage during the construction period for projects. CP Notes will be "rolled over" until long-term bonds are issued to refund the outstanding commercial paper.

16. DEBT PAYABLE

A. PRIMARY GOVERNMENT LONG-TERM DEBT PAYABLE

(1) Governmental Debt Payable

The City is subject to a statutory limitation established by the Commonwealth of Pennsylvania for bonded indebtedness (General Obligation Bonds) payable principally from property taxes. As of June 30, 2015 the statutory limit for the City is \$4.3 billion, the General Obligation Debt net of deductions authorized by law is \$1.8 billion, leaving a legal debt borrowing capacity of \$2.5 billion. Termination Compensation costs and Worker's Compensation claims are paid by whichever governmental fund incurs them. Indemnity claims are typically paid by the General Fund. The following schedule reflects the changes in long-term liabilities for the fiscal year:

City of Philadelphia
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For the Fiscal Year Ended June 30, 2015

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activity					
Bonds Payable					
Term Bonds	757.2		(75.5)	681.7	76.4
Refunding Bonds	911.0		(42.7)	868.3	41.3
Serial Bonds	397.8		(15.3)	382.5	15.2
Add: Bond Premium	109.0	21.3	(18.5)	111.8	
Less: Deferred Amounts					
Unamortized Insurance Expenses	(17.7)		2.9	(14.8)	
Unamortized Discount	(1.9)		0.1	(1.8)	
Total Bonds Payable	2,155.4			2,027.7	132.9
Obligations Under Lease & Service Agreements					
Pension Service Agreement	1,121.5	43.0	(101.2)	1,063.3	104.9
Neighborhood Transformation	212.5	111.5	(133.3)	190.7	8.3
One Parkway	39.3		(2.3)	37.0	2.4
Sports Stadium	302.1	56.7	(68.8)	290.0	13.4
Library	7.2		(0.5)	6.7	0.5
Cultural Corridor Bonds	112.0		(4.0)	108.0	4.2
City Service Agreement	299.8			299.8	
PAID School District	27.3	57.5	(41.5)	43.3	14.2
Indemnity Claims	66.0			66.0	
Worker's Compensation Claims	257.8			257.8	
Termination Compensation Payable	224.6	9.4	(21.8)	212.2	12.4
Net Pension Obligation	404.7			404.7	
OPEB Obligation	228.5			228.5	
Leases	16.9		(4.0)	12.9	4.1
Governmental Activity Long-term Liabilities	5,475.6	278.1	(377.4)	5,248.6	297.3

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

(Amounts In Millions of USD)

	<u>Interest Rates</u>			<u>Principal</u>		<u>Due Dates</u>			
Governmental Funds:									
City	3.000 %	to	6.500 %	1,379.7	Fiscal	2016	to	2042	
PMA	2.000 %	to	6.500 %	236.8	Fiscal	2016	to	2044	
PICA	4.000 %	to	5.000 %	315.9	Fiscal	2016	to	2023	
				<u>1,932.4</u>					

- In April 2015, the **PRA** issued \$111.5 million of City Service Agreement Revenue Refunding Bonds. The proceeds of the sale were used to refund the Series 2005B and 2005C bonds outstanding. The total proceeds were \$128.0 million (including a premium of \$16.5 million). The Interest rates of the Bonds that were refunded ranged from 4.75% to 5.00%. The interest rates of newly issued bonds were 5.0%.
- In July 2014, **PAID** issued \$56.6 million of Lease Revenue Refunding Bonds. The proceeds of the sale were used to refund the Series 2007B-4 bonds outstanding and to terminate the related SWAP agreements. The total proceeds were \$61.5 million (including a premium of \$4.9 million). The interest rate of the Bond that was refunded was variable and on the SWAP it was fixed. The interest rates of the newly issued bond ranges from 2.0% to 5.0%.

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- In October of 2014, **PAID** issued \$57.5 of Lease Revenue Bonds. The proceeds of the sale were used to refund \$27.2 million the 2014A bonds outstanding and provide the School District with \$30.0 million of new funding. The interest rate of the Refunded Bonds was variable. The interest rate of the newly issued Bond is 1.78%. The purpose of the transaction was to provide the School District with additional capital funding.

The City has General Obligation Bonds authorized and un-issued at year-end of \$421.4 million for Governmental Funds. The debt service through maturity for the Governmental GO Debt is as follows:

(Amounts In Millions of USD)

Fiscal Year	City Fund		Blended Component Units			
	General Fund		PMA		PICA	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	59.2	68.4	19.7	11.9	49.9	15.7
2017	62.1	65.4	20.7	11.0	52.1	13.3
2018	65.1	62.1	28.0	9.8	45.4	10.7
2019	68.3	58.8	13.4	8.9	38.8	8.4
2020	70.3	55.3	4.4	8.4	40.5	6.4
2021-2025	351.9	225.8	26.0	38.3	89.2	8.3
2026-2030	360.7	133.1	31.5	30.4	-	-
2031-2035	243.3	51.7	37.1	21.3	-	-
2036-2040	80.0	16.8	41.3	9.5	-	-
2041-2045	18.8	1.2	14.7	1.6	-	-
Totals	1,379.7	738.6	236.8	151.1	315.9	62.8

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

(Amounts In Millions of USD)

Lease & Service Agreements

Fiscal Year	Pension Service Agreement		Neighborhood Transformation		One Parkway		Sports Stadium	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	99.7	35.0	8.3	9.5	2.4	1.7	13.4	11.7
2017	93.4	41.3	7.7	9.1	2.5	1.6	13.7	11.2
2018	87.5	47.2	8.1	8.7	2.6	1.5	14.1	10.7
2019	81.9	52.8	9.8	8.3	2.7	1.4	14.5	10.0
2020	76.7	58.0	10.3	7.8	2.8	1.2	15.3	9.3
2021-2025	152.1	242.0	57.0	31.0	16.4	4.1	87.2	36.4
2026-2030	471.9	98.3	72.5	15.6	7.6	0.6	107.4	16.5
2031-2035	-	-	17.0	0.9	-	-	24.3	0.5
Totals	1,063.2	574.6	190.7	90.9	37.0	12.1	289.9	106.3

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Fiscal Year	Central Library		Cultural Corridors		City Service Agreement		PAID School District	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	0.6	0.3	4.2	5.1	-	11.7	14.2	0.8
2017	0.6	0.3	4.4	4.9	-	11.7	14.4	0.5
2018	0.6	0.2	4.6	4.6	-	11.8	14.7	0.2
2019	0.6	0.2	4.8	4.4	-	11.8	-	-
2020	0.6	0.2	5.1	4.1	-	11.8	-	-
2021-2025	3.7	0.4	29.6	16.5	233.8	45.7	-	-
2026-2030	-	-	37.8	8.4	66.0	2.6	-	-
2031-2035	-	-	17.6	0.8	-	-	-	-
Totals	<u>6.7</u>	<u>1.6</u>	<u>108.1</u>	<u>48.8</u>	<u>299.8</u>	<u>107.1</u>	<u>43.3</u>	<u>1.5</u>

(2) Business Type Debt Payable

The following schedule reflects changes in long-term liabilities for Business-Type Activities for the fiscal year:
(Amounts in Millions of USD)

Business-Type Activity	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable					
Revenue Bonds	3,107.7	418.3	(340.9)	3,185.1	187.7
Add: Bond Premium	119.3	52.9	(21.2)	151.0	-
Total Bonds Payable	3,227.0	471.2	(362.1)	3,336.1	187.7
Indemnity Claims	4.7			4.7	-
Worker's Compensation Claims	22.4			22.4	-
Termination Compensation Payable	17.9	3.1	(3.4)	17.6	-
Net Pension Obligation	49.8		-	49.8	-
Arbitrage	0.3	-	-	0.3	-
Business-type Activity Long-term Liabilities	<u>3,322.1</u>	<u>474.3</u>	<u>(365.5)</u>	<u>3,430.9</u>	<u>187.7</u>

Also, the City has General Obligation Bonds authorized and un-issued at fiscal year-end of \$303.6 million. This includes \$211.6 million for the Enterprise Funds and \$92 million for **PGW**.

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

(Amounts in Millions of USD)

	Interest Rates			Principal		Due Dates			
Water Fund	0.060 %	to	5.750 %	1,991.2	Fiscal	2016	to	2046	
Aviation Fund	2.000 %	to	5.375 %	1,193.9	Fiscal	2016	to	2040	
Total Revenue Debt Payable				<u>3,185.1</u>					

- In April 2015, the City issued \$417.6 of Water Revenue Bonds Series 2015A and 2015B. The 2015A Bonds were issued in the amount of \$275.8 million to fund capital improvements for the Water Department and make a deposit into the Water Sinking Fund Reserve. The total proceeds of the 2015A Bonds were \$308.6 (which includes a premium of \$32.8 million). The interest rate for the newly issued Bonds is 5.0%.

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The 2015B Bonds were issued in the amount of \$141.7 million to partially to refund the Series 2005A and the 2007A Bonds. The total proceeds of the 2015B Bonds were \$161.8 million (which includes a premium of \$20.1 million). The interest rate of the refunded Bonds was 5.0%. The interest rates for the newly issued bonds range from 4.0% to 5.0%.

<u>Date</u>	<u>Series</u>	<u>Maximum Loan Amount</u>	<u>Estimated Project Costs</u>	<u>Amt Requested thru 6/30/2015</u>	<u>Amt Rec'd Yes/No</u>	<u>Purpose</u>
Oct. 2009	2009B	42,886,030	42,339,199	28,790,697	Yes	Water Plant Improvements
Oct. 2009	2009C	57,268,193	56,264,382	41,771,895	Yes	Water Main Replacements
Mar. 2010	2009D	84,759,263	84,404,754	71,703,769	Yes	Sewer Projects
Jul. 2010	2010B	30,000,000	31,376,846	28,500,000	Yes	Green Infrastructure Project
Totals:		214,913,486	214,385,181	170,766,361		

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

(Amounts In Millions of USD)

<u>Fiscal Year</u>	<u>Water Fund</u>		<u>Aviation Fund</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2016	136.7	82.3	60.2	58.6
2017	124.8	81.3	63.5	55.4
2018	131.6	76.5	66.0	52.1
2019	86.8	72.0	60.0	48.7
2020	79.7	68.3	63.1	45.6
2021-2025	360.6	290.8	364.9	179.7
2026-2030	291.4	225.5	265.2	95.9
2031-2035	257.4	160.3	148.3	48.1
2036-2040	234.0	104.5	102.7	14.2
2041-2045	254.0	37.9		
2046-2050	34.2	0.9	-	-
Totals	1,991.2	1,200.3	1,193.9	598.3

(3) Defeased Debt

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

(4) Short -Term Borrowings

The City has statutory authorizations to negotiate temporary loans for periods not to extend beyond the fiscal year. The City borrows funds to pay debt service and required pension contributions due before the receipt of the real

estate taxes. The City borrowed and repaid \$100.0 million in Tax Revenue Anticipation Notes by June 2014 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.

(6) Pension Service Agreement

In Fiscal 1999, the Philadelphia Authority for Industrial Development issued \$1.3 billion in Pension Funding Bonds. These bonds were issued pursuant to the provisions of the Pennsylvania Economic Development Financing Law and the Municipal Pension Plan Funding Standard and Recovery Act (Act 205). The bonds are special and limited obligations of **PAID**. The City entered into a Service Agreement with **PAID** agreeing to make yearly payments equal to the debt service on the bonds. **PAID** assigned its interest in the service agreement to the parties providing the financing and in accordance with GASB Interpretation #2, **PAID** treats this as conduit debt and does not include conduit debt transactions in its financial statements. The Pension Service Agreement of \$1.4 billion is reflected in the City's financial statements in Other Long Term Obligations. The net proceeds of the bond sale of \$1.3 Billion were deposited with the Municipal Pension Fund. The deposit of the proceeds reduced the Unfunded Actuarial Accrued Liability by that same amount. The deposit resulted in reductions to the City's actuarially determined pension plan payments. The fiscal year 2015 Pension Funding Bonds liability of \$1,063.3 million is reflected in the City's financial statements as another Long Term Obligation.

(7) Neighborhood Transformation Initiative Service Agreement

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

In March, 2005, **PRA** issued additional City of Philadelphia Neighborhood Transformation Initiative (NTI) bonds to finance a portion of the initiative previously undertaken by the Authority and the City. Taxable Revenue Bonds Series 2005A issued in the amount of \$25.5 million are term bonds with interest rates ranging from 4.150% to 4.680% maturing through 2016. Qualified Revenue Bonds Series 2005B were issued in the amount of \$ 44.0 million, with interest rates ranging from 4.75 through 5% and mature through 2027. Revenue Bonds Series 2005C with an interest rate of 5% were issued for \$81.3 million and mature through 2031. The fiscal year 2015 NTI Service Agreement liability of \$190.7 million is reflected in the City's financial statements as another Long Term Obligation.

(8) Sports Stadium financing Agreement

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

In October, 2007 **PAID** issued Lease Revenue Refunding Bonds Series A and B of 2007. The proceeds from the bonds were used to refund the Series 2001B Stadium Bonds. **PAID** assigned its interest in the lease agreements to the parties providing the financing and in accordance with GASB Interpretation #2, **PAID** treats this as conduit debt and therefore does not include these transactions on its financial statements. In fiscal 2015, the Sports Stadium Financing Agreement liability of \$290.0 million is reflected in the City's financial statements as Other Long Term Liabilities.

(9) Cultural and Commercial Corridors Program Financing Agreement

In December, 2006, **PAID** issued \$135.5 million in Revenue Bonds, Series A and B. The proceeds from the bonds will be used to finance a portion of the cost of various commercial and cultural infrastructure programs and administrative and bond issuance cost. The City and **PAID** signed a service agreement, whereby **PAID** manages

a portion of the funds and the City makes payments equal to the yearly debt service. **PAID** will distribute some of the proceeds and some will flow through the City's capital project fund. In accordance with GASB Interpretation #2, **PAID** treats this as conduit debt, and therefore, does not include these transactions in its statements. During fiscal year 2007, none of the proceeds were spent. In fiscal 2015 the liability of \$108.0 million is reflected in the City's financial statements as Other Long Term Liabilities.

(10) Forward Purchase Agreement

In June, 2000 the Pennsylvania Intergovernmental Cooperation Authority (PICA), entered into a debt service reserve forward delivery agreement which began June 15, 2010 and expires on June 15, 2023. **PICA** received a premium of \$1,970,000 on June 6, 2000 for the debt service reserve fund in exchange for future earnings from the debt service reserve fund investments. The premium amounts were deferred and are being recognized ratably as revenue over the term of respective agreements.

(11) Pension Obligation Bond Option Rights

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

17. DEFERRED COMPENSATION PLANS

A. PRIMARY GOVERNMENT

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code section 457. As required by the Code and Pennsylvania laws in effect at June 30, 2015, 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

PGW offers its employees a deferred compensation plan (the plan) created in accordance with Internal Revenue Service Code Section 457. The Plan, available to all **PGW** employees with at least 30 days of service, permits them to defer a portion of their salary until future years. **PGW** provides an annual 10.0% matching contribution of applicable wages that immediately vest to the employee.

18. INTERFUND TRANSACTIONS

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

19. PENSION PLANS

Effective with fiscal year 2014, the city implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. The new GASB required the city to re-evaluate its status as a single, or multi, employer defined benefit pension plan. The new statement defines a single employer as the primary government and its component units. However, the city's pension plan includes an entity, the Philadelphia Housing Development Corporation (**PHDC**), that is not a component unit. Therefore, beginning with fiscal year 2014, the city's pension plan was considered to have met the definition of a multi-employer defined benefit plan. Upon further review, for fiscal year 2015, the city considers its defined benefit plan to be a single-employer, PHDC is not a component unit.

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

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

Beginning with the year ended June 30, 2014 the City implemented GASB Statement No. 67, *Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25*. Required Supplementary information calculated by GASBS No. 67 is presented in audited financial statements of the respective pension plans. The City's reported Net Pension Obligation (Governmental and Business Type Activities combined) was \$454.5 million at June 30, 2014. The City's reported Net Pension Liability was \$5.5 billion as of June 30, 2014. Copies of these financial statements may be obtained by contacting the Director of Finance of the City of Philadelphia.

Effective with fiscal year 2015, the city implemented GASB 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*, an accounting standard related to the accounting and reporting of defined pension plan obligations. One of the objectives of this accounting standard is to require governmental agencies to recognize the difference between the actuarial total pension liability and the fair value of the legally restricted plan assets as the net pension liability of the statement of net position in the government-wide financial statements. This accounting standard, which is effective for the year ending June 30, 2015, will have a material impact on recorded pension liabilities compared to application of current standards.

20. 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. 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. SDP employees have an unlimited maximum accumulation and Gas Works' employees' sick leave is non-cumulative.

21. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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

A. PRIMARY GOVERNMENT

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

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

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

Costs were determined according to the individual entry age actuarial cost method with the attribution period ending at each decrement age. This is consistent with the cost method used for the City of Philadelphia Municipal Retirement System. Unfunded liabilities are funded over a 30 year period as a level percentage of payroll, which is assumed to increase at a compound annual rate of 3.5% per year. The actuarial assumption included a 4.5% compound annual interest rate on the City's general investments.

22. PENNSYLVANIA INTERGOVERNMENTAL COOPERATION AUTHORITY

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

The Act provides that, upon **PICA's** approval of a request of the City to **PICA** for financial assistance, **PICA** shall have certain financial and oversight functions. First, **PICA** shall have the power to issue bonds and grant or lend the proceeds thereof to the City. Second, **PICA** also shall have the power, in its oversight capacity, to exercise certain advisory and review powers with respect to the City's financial affairs, including the power to review and approve five-year financial plans prepared at least annually by the City and to certify noncompliance by the City with its current five-year financial plan (which certification would require the Secretary of the Budget of the Commonwealth of Pennsylvania to cause certain Commonwealth payments due to the City to be withheld).

PICA bonds are payable from the proceeds of a **PICA** tax on the wages and income earned by City residents. The City has reduced the amount of wage and earnings tax that it levies on City residents by an amount equal to the **PICA** tax so that the total tax remains the same. PICA returns to the City any portion of the tax not required to meet their debt service and operating expenses. In Fiscal 2014 this transfer amounted to \$319 million.

23. 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 \$70.4 million to SEPTA

B. OTHER ORGANIZATIONS

The City provides varying levels of subsidy and other support payments (which totaled \$108.9 million during the year) to the following organizations:

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

24. RISK MANAGEMENT

A. PRIMARY GOVERNMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City (except for Aviation Fund operations, the Municipal Authority and PICA) is self-insured for fire damage, casualty losses, public liability, Worker's Compensation and Unemployment Compensation. The Aviation Fund is self-insured for Workers' Compensation and Unemployment Compensation and insured through insurance carriers for other coverage.

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

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

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

25. CONTINGENCIES

A. PRIMARY GOVERNMENT

1) Claims and Litigation

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

